



2010 Annual Report



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Front cover artwork by Mark Brodbeck. Stylized photograph of several dozen post hole diggers marked for inventory at the Atlanta Community ToolBank.

The ToolBank USA Mission Statement

“ToolBank USA strengthens local communities through the collaborative establishment of ToolBanks across the United States, and the provision of infrastructure support to promote consistency and excellence for all ToolBanks.”



Letter from the President

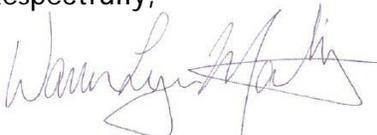
ToolBank USA completed its second year with numerous achievements, many of which are detailed in this 2010 Annual Report. Thank you for reading this recap of the year and for your help in advancing the mission of ToolBank USA. While these pages contain reflection, I would like to share our vision for the year to come.

The Atlanta ToolBank concept came into existence twenty years ago as a grassroots effort to engage neighbors and other volunteers with rebuilding their downtown community. Since that time, the ToolBank has become an inextricable component of Atlanta's active civic service scene, and a valued partner to the companies organizing volunteer projects and the nonprofits they engage with.

As we begin to expand the ToolBank model into communities across the nation, we have an opportunity to change how we as Americans engage in our neighborhoods, our schools, our parks and in all aspects of civic life. Our board and staff have set aggressive goals to internalize everything that we have learned about how to make a ToolBank an invaluable community asset, and to implement this excellence in new communities starting with Charlotte, NC and quickly growing into a true national network of ToolBanks.

I am fortunate to lead our organization during this exciting time, and want every person who has contributed time, talent and capital to know how much we value your vision to support this work. Our founding investors have helped us chart a path towards success, in the past year, and the many years to come.

Respectfully,

A handwritten signature in black ink, appearing to read "Warren 'Corky' Martin". The signature is fluid and cursive, with a large initial "W" and "M".

Warren "Corky" Martin

Letter from the CEO

The roots of a healthy tree extend far beyond the perimeter of its branches. We enjoy the wealth of benefits brought by a tree's majestic above-ground canopy, taking for granted the vast network of roots large and small working tirelessly under our feet. One could argue that the invisible is as important as the visible - possibly more so, as the subterranean complex enables every aspect of the trunk and branches. The roots feed the corpus, serve as a powerful anchor in cataclysmic times, and access remote sources of nutrients during famine.

ToolBank USA fortified its young root system in 2010, with a deliberate focus on depth. The stage was set by key corporate stakeholders, The Home Depot Foundation and The UPS Foundation, through their repeat financial support. A \$1 million gift from Stanley Black & Decker over the next five years afforded a tap root of sustainability rarely seen in our current economy. Additional support from new donors like Datapipe, REM Enterprise Solutions, and others deliver critical resources for daily operation.

These roots anchor ToolBank USA steadfastly to the American landscape, empowering this young organization to extend our branches to Charlotte and Baltimore and far beyond. Excellence in programming promotes the development of both root and branch, offering benefit both above ground and below. Thanks for reading on.



Mark Brodbeck



2010 Board of Directors

As of Dec 31, 2010

Adria L. Perez

President

Kilpatrick, Townsend & Stockton LLP
Attorney

Corky Martin

Vice President

The Home Depot
Product Development Merchant:
Global Sourcing

Nick Costides

Treasurer

UPS
Information Technology Executive

Steve Deputy

BlueLinx

Regional Vice President

Earl Fagan

KPMG

Forensic Accountant

Jennifer Higgins

Make it Mine Parties
Proprietor

Betsy Holland

Turner Broadcasting System
Director of Corporate Responsibility

Robert Mason

REM Enterprise Solutions
Chief Executive Officer

Timothy Perra

Stanley Black & Decker
Director, Global Communications

Regenia R. Sanders

Accenture
Senior Manager

Andrew Sohn

Bank of America
SVP, Technologies Strategy

John E. Walker

Syniverse
VP, Marketing Communications

Dan Webber

Prime Holdings BV
Chief Information Officer



Achievements

Tool tracking platform completed

Immediately following ToolBank USA's creation in 2008, the staff and board mobilized to articulate a scalable, web-based tool tracking platform that would be the backbone of a national ToolBank movement. The platform would leverage reduced costs, increased impact, and a consistently superior customer service experience by both tool borrowers and ToolBank staff across the national ToolBank network. A team led by Nick Costides, Information Technology Executive at UPS and Dan Webber, CIO of Avery Partners, fully articulated the solution in the beginning of 2009, and The UPS Foundation awarded ToolBank USA \$135,000 in September 2009 to fully cover the platform's initial development. REM Enterprise Solutions performed the lion's share of LFNT development, donating an additional \$80,000 toward the project.



In August of 2010, ToolBank USA's custom tool-tracking platform went live for the Atlanta Community ToolBank. Over the remainder of 2010, the organizations collaborated to elevate the product to national readiness. The platform was designed to ensure that every borrowed tool is accounted for; it was given the name LFNT (pronounced *Elephant*), borrowing from the adage that 'an elephant never forgets'.

ToolBank USA administers the LFNT platform, reducing cost and time expenses for each and every ToolBank USA affiliate. LFNT encompasses membership management, manages online tool orders, sends email alerts to borrowers in the event of overdue tools, and boasts a robust reporting capacity. (All of these functions were performed by hand or by independent applications at the Atlanta ToolBank prior to the advent of LFNT.) The platform also seeks input from each and every tool borrower on their most recent ToolBank experience in the form of a short survey, offering insight into the level of customer service experienced by tool borrowers. Each new affiliate is a valuable field test environment: standing dialogues with the Atlanta ToolBank, and now the Charlotte ToolBank, afford the likelihood that the LFNT platform will dramatically increase in value over time.

Operations Manual Nears Completion

Working closely with the Atlanta ToolBank, ToolBank USA approached rough completion of the ToolBank USA Affiliate Operations Manual at the end of 2010. The backbone of replication, the Operations Manual captures the essence of the ToolBank model, from its values and mission to the simple act of accepting a donation. The document is split into two parts. The first half captures the compulsory aspects of the ToolBank USA affiliate, including the basic architecture of a ToolBank, a detailed road map of the affiliate startup process, program procedures, reporting requirements, financial management, and a calendar of events. The second half is a robust and growing section of best practices to aid affiliates in their quest for organizational excellence. Examples include recruitment, board development, board meeting efficacy, customer service guides, and much more.

The Operations Manual is undergoing further refinement through additional field testing in the hands of the Charlotte Community ToolBank in 2010. Its board and staff has worked arduously to adhere to ToolBank USA's untested replication theory, and plays a pivotal role in strengthening the document through the provision of valuable feedback on points where theory is untenable in practice. Reaction from each successive affiliate will afford ToolBank USA the opportunity to improve the document over time.

Staff expansion

Early efforts toward replication in Charlotte revealed that the lack of organizational capacity in that city significantly protracted the implementation process. To that end, ToolBank USA welcomed Michelle Hawkins to the team in the third quarter of 2010. Hawkins assumed the role of expert in replicating and implementing the ToolBank model, and began working with teams in Atlanta, Charlotte and Baltimore to guide the development of their respective ToolBanks. As Director of Affiliates, Hawkins serves as the lead contact for local boards of directors in ToolBank expansion markets, and as interim staff while the local team raises the funds necessary to hire a full time Executive Director. Her background as the Executive Director for regional operations of national and global nonprofits, along with her experience in economic development facilitate the shepherding of new ToolBank affiliates through the process of identifying the resources and implementing the infrastructure to reach Opening Day. Hawkins also acts as primary liaison to ToolBanks once they begin tool lending operations, providing a seamless conduit between ToolBank USA and each Affiliate.

Fundraising

ToolBank USA raised \$1,373,000 in 2010, with \$473,000 in revenue realized during the current year. This represents 20% annual development revenue growth from 2009. 2010 revenues derived from corporate sponsorships comprised 96% of the total, a 2% decline from last year. ToolBank USA exceeded its goal of raising \$550,000 during the year, and also exceeded the goal of raising \$420,000 in operating revenue required for the year.

Major corporate partnerships, including those with The Home Depot, Stanley Black & Decker and UPS, again led the way with the largest donations to ToolBank USA. Stanley Black & Decker's commitment of \$1,000,000 over five years became the single largest gift in ToolBank USA history.

In-kind commitments

The securing of several critical in-kind resources fortified ToolBank USA's efforts in 2010. Each commitment is a multi-year engagement, further affording ToolBank USA to maintain the leanest possible expense structure. These donations represent an opportunity for community-minded companies to engage in mutually beneficial partnerships. The most significant in-kind commitments of 2010:

- ★ Software development by REM Enterprise Solutions (\$78,000 in 2010; ongoing)
- ★ PR/communication services by Edelman (\$48,000; ongoing)
- ★ Managed hosting services by Datapipe (\$25,000; ongoing)
- ★ Office and meeting space by Kilpatrick Townsend (\$25,000; ongoing)

Affiliate #001: Atlanta Community ToolBank

The Atlanta ToolBank underwent its most dramatic reorganization in its twenty-year history in 2010, in an effort to position itself as the prototypical ToolBank, offering an inspiration to all ToolBanks to follow. The reorganization involved shedding programs external to the core function of tool lending, adopting the mission, vision, and values co-drafted by Atlanta ToolBank Executive Director Patty Russart and ToolBank USA CEO Mark Brodbeck, and aligning program operations with those articulated in the Operations Manual. These actions were that of an organization taking its rightful place as first among many peers to come based on the replication strategy of ToolBank USA. While technically an affiliate of ToolBank USA, the Atlanta Community ToolBank has gracefully played the unique role of coauthor, consultant, and early adopter of the new national ToolBank movement.

Affiliate #002: Charlotte Community ToolBank

After becoming the first new affiliate of ToolBank USA in December 2009, Charlotte has been the pilot model and the test arena for ToolBank USA's road map to replication. The increasing momentum of their Procurement Phase saw the Charlotte ToolBank board raise \$100,000 to cover startup expenses and twelve months of program operation. This achievement unlocked a key step in the replication road map: Charlotte ToolBank Executive Director Angela Parks was hired in October. Ms. Parks was the first graduate of ToolBank University at the Atlanta Community ToolBank in the fourth quarter, and returned home to secure a facility shortly thereafter.

The Charlotte ToolBank has provided valuable feedback and assessment on replication processes identified within the ToolBank USA Operations Manual. Their feedback has prompted ToolBank USA to expand its training offerings on board development, facility selection and set-up, tool procurement and staff training, all of which will assist in the implementation of future ToolBanks. The field test of ToolBank USA's replication strategy in Charlotte afforded invaluable lessons that have been incorporated into the overall model, and are at work in Baltimore. The Charlotte ToolBank board and staff are working closely with ToolBank USA to achieve their Opening Day in the spring of 2011.

Affiliate #003: Baltimore Community ToolBank

The Baltimore Board of Directors completed the Formation Phase of the Replication Process during 2010. Their incorporation in November launched their Procurement Phase, in which that affiliate must raise the requisite cash and tools to open its doors for tool lending. ToolBank USA awarded its Baltimore affiliate \$40,000 in startup funds toward that goal, a generous start provided by donations from Stanley Black & Decker and The Home Depot Foundation.

ToolBank USA's Baltimore affiliate afforded the opportunity to attempt a variation to the replication process. The Baltimore ToolBank idea was cultivated in close collaboration with the Parks & People Foundation, which now serves as the fiscal host for the Baltimore ToolBank. With an established local nonprofit performing key administrative functions and providing entrée to the greater Baltimore community, ToolBank USA is projecting a faster implementation. With a projected grand opening in the fall of 2011, the Procurement Phase will be reduced from 15 months in Charlotte to 10 months in Baltimore.

Preparing for additional sites

The year closed with ToolBank USA's implementation strategy undergoing field testing in two cities, a well-fortified operating reserve, increased organizational bandwidth, and an I.T. backbone ready for large-scale rollout. Recognizing that more instances of field testing with an established feedback loop will lead to a more efficient replication strategy, ToolBank USA spent the final weeks of 2010 preparing for a significant increase in replication dialogues. Staff responded to inquiries from interested individuals in Houston, Cincinnati, and Winston-Salem, and the stage was set for an ambitious implementation effort in 2011.

2010 Donors



\$2500+ Neal & Lisa Newsome Fund

Adria Perez

\$1000+ Mark & Stacy Brodbeck
Corky Martin
Regenia Sanders

Andrew Sohn
John E. Walker

\$500+ Apostles Church of Sandy Springs
Tom & Kristin Clyde
Nick Costides
Jennifer & Scott Duncan

Jennifer & Chris Higgins
Staci & Kevin Lynch
Dan Webber

\$100+ Earl Fagan
Peggy Griffith
Adrienne Grubic
Betsy & Jason Holland

Jean Melvin
Michael Mills
Turner Broadcasting System

Financial Summaries

	<u>2010</u>	<u>2009</u>
Income		
Contributions-Restricted	146,040	
Contributions-Unrestricted	446,750	
Interest Income	<u>486</u>	
Total Income	593,277	423,381
Expense		
Advertising and Promotion	291	
Affiliate Expenses	1,111	
Amortization expense	26,268	
Bank Service Charges	82	
Board-related Expenses	100	
Depreciation Expense	381	
Direct Program Costs	161,613	
Dues and Subscriptions	339	
Insurances	2,090	
Leasing	6,600	
Office Supplies	721	
Organizing Expenses	3,060	
Payroll Expenses	170,275	
Postage and Delivery	201	
Printing and Copying	766	
Professional Services	21,237	
Travel Expenses	5,086	
Utility Services	4,580	
Website Donations Expenses	<u>938</u>	
Total Expense	<u>405,744</u>	<u>154,668</u>
Net Income	<u><u>187,533</u></u>	<u><u>268,713</u></u>

ASSETS	
Current Assets	
Checking/Savings	
Operating	15,385
Savings	<u>376,738</u>
Total Checking/Savings	<u>392,123</u>
Total Current Assets	392,123
Fixed Assets	
Accumulated amortization	-26,268
Accumulated Depreciation	-799
Furniture and Equipment	1,907
Software	<u>188,000</u>
Total Fixed Assets	<u>162,839</u>
TOTAL ASSETS	<u><u>554,962</u></u>
LIABILITIES & EQUITY	
Equity	
Unrestricted Net Assets	367,429
Net Income	<u>187,532</u>
Total Equity	<u>554,962</u>
TOTAL LIABILITIES & EQUITY	<u><u>554,962</u></u>

Accounting performed by

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