



## Chief Financial Officer's Report Fiscal Year End 09/30/11

Dear Members and Friends:

Well I hope everyone has begun to see some shining light at the end of that dark, dark tunnel most of us have been looking down for much too long. From an overall standpoint FIRST held its own financially compared to prior years, with additional tightening of the belt on expenses while continuing to maintain our level of fundraising. After much effort and involvement by the Finance Committee and the Board, we have a sound investment policy in place and are hiring an asset manager to implement it.

Looking at the numbers, like you hear me say every year, our current year Statements of Financial Position illustrates Net Assets decreasing slightly by \$19,843 or 1.0% under last year. This is probably more attributable to decreased donations from corporations and this year's special event fundraiser rather than from the expense side. Also, even though our new investment policy won't kick into place until April, we were very fortunate that the value of our investment portfolio increased by \$7,235 or 2.0%.

On the Revenue side, we maintained the same overall revenue stream as last year not counting restricted donations, and actually increased member donations by \$19,000 or 20.0%. Restricted donations for research were down \$97,000 but that does not necessarily denote a trend. These kinds of donations are most always driven by specific donors with specific focus on types of research. Many areas of revenue more in our control actually increased.

On the operating expense side, expenses we were able to reduce the cost of operations by over \$30,000. Spending levels also continue to be very much in line with national standards for program, fund raising, and administrative categories. Jean Pickford has done an outstanding job of balancing needs verses value, especially the last couple of years. In addition, our investment in donor tracking software continues to pay off, with the information it provides giving better direction on how to focus our fundraising efforts.

In closing, I want to thank everyone for continuing to help our fundraising efforts and I hope that you are pleased with the services we provide our stakeholders and the affected. I look forward to seeing many of you at the National Family Conference in Denver this summer. Please feel comfortable in approaching me with any questions you may have regarding our finances.

Sincerely,  
John J. Schoendorf (EHK member)  
CFO, Board of Directors

Fiscal Year 2011 Expense Allocation

