



## Chief Financial Officer's Report Fiscal Year End 09/30/12

Dear Members and Friends:

As this is my last report, I want to give thanks to my finance committee for hanging in there with me for so many years and, most importantly, until we could put our new investment policy to bed. I am pleased to report that the investment committee has met four times now with our new investment manager at SunTrust Bank, and we are all pleased they are living up to our expectations, both from a communication standpoint and an investment standpoint. Although only a short time has passed from an investment standpoint, we believe the process will be rewarding for FIRST over the long term.

I want to wish our new CFO, Larry Silverman, the best in his efforts to watch over our finances. Larry is a certified public accountant and his firm also manages investments for others, so he begins his tenure at a most advantageous time. We are very fortunate to have him join our foundation, and I am certain he will do us well.

From an overall performance standpoint, FIRST had another good year. Our audited financial statements illustrate Net Assets increasing by almost \$36,000, and this was done while increasing research grant expenditures by \$75,000 to a total \$225,000. Very exciting when you look back not too far and there were no expenditures for research grants!

From a revenue standpoint, we also did exceptionally well. Not counting our national conference income, revenue increased by \$170,000. Most of this was from unrestricted contributions. I would like to believe this is a good indication that our member base, friends, family, and knowledgeable givers continue to increase, and not just the funding they provide. I am also inclined to believe, this is not just a result of Jean Pickford and her staff doing a great job but also a result of your efforts especially from grassroots efforts. Let's all keep up the good work moving on this track so we can help more people with more services and research.

On the operating expense side, Jean has continued to run a very tight ship. If we carve out our national conference and grant expenditures, our spending is virtually the same as last year. Just as important, we continue to be very much in line with national standards for program, fundraising, and administrative categories. I continue to mention this because from a fund raising perspective, corporate and institutional contributors watch these ratios in addition to what we spend our money on.

In closing, I want to thank everyone that helped our fund raising efforts and challenge others to look for a way you too can help. Come to our next family conference and talk to those that have walked the walk and see how much fun they had be it there was a lot of hard work too. And if that is not your cup of tea, I hear a prayer or two can work wonders! Finally, as always, please feel comfortable in approaching me with any questions you may have regarding our financial results for the past year. Oh, and you are not completely getting rid of me, I will serve on FIRST's Investment Committee so I can hopefully be around when we get our first big endowment. Gotta keep the dream alive!

Sincerely,

John J. Schoendorf (EI *[formerly called EHK]* member)  
CFO, Board of Directors