



Chief Financial Officer's Report Fiscal Year End 09/30/2007

Dear Members and Friends:

Our audited financial statements illustrate yet another banner year for the Foundation. Our auditors, McGladrey & Pullen, LLP, issued another unqualified opinion and graciously kept fees down to a reasonable amount for which we are most thankful. Increasing donations to our restricted funds challenged us to develop a more effective reporting system. The new system allows us to track each funding source, from when money comes in, to when, and how it is spent. This also allows us to allocate interest earned on monies not yet spent for each restricted amount. My other good news is our available cash and short term investments have grown to a point that I am now researching an asset management firm to improve our returns. Previously, our cash and short term securities were not sufficiently large enough to attract a credible asset manager.

Our current year Statements of Activities shows our Change in Net Assets increasing by an impressive \$706,085 or 304% over last year. Total equity increased by 105% and unrestricted equity increased by 165%. The real significance of this is that if the economy, which we are all worried about, causes lower contributions, we have unrestricted reserves to cover almost three years of operating expenses.

On the revenue side, we had an increase of 71% in contributions primarily due to a major non-member donor. We also increased our interest income by just over \$25,000 from the \$5,000 we had been averaging the past few years. In addition, the Board of Directors came through again with \$24,000 in direct solicitations. On the expense side, expenses were pretty much contained and in line with budget; we made reductions in some areas and spent more on others. The most notable increase was in the area of staffing, where I believe this was money well spent. Jean Pickford is now better able to focus on key areas requiring her attention and the results have been impressive, not only in improvements in providing our services, but in our fundraising efforts as well. Overall, not counting grants funded, expenses even decreased by \$10,000.

After last year I threw out my crystal ball so I will not try to forecast the financial future for the Foundation. However, it does seem that we have begun a new phase of our growth, helping more and more people than we could have ever imagined. As I said last year, the Board is not resting on its past success. During our retreat this past November, we made strategic plans for the future that have the potential of helping us sustain the tremendous growth path we have been on over the past few years. Oh and by the way, some of those fundraising ideas you never thought would bring in money, have really panned out very well, so keep them coming in to Jean.

Sincerely,

John J. Schoendorf
CFO, Board of Directors