

Berkshire United Way Commentary to 2010 & 2011 Annual Report Financial Statements

	<u>2010</u>	<u>2011</u>
Statement of Activities		
Revenues, Gains & Other Supports		
Campaign Revenue	\$1,644,134	\$1,943,470
Designations	\$390,267	\$378,123
Total Campaign Revenue	<u>\$2,034,401</u>	<u>\$2,321,593</u>
Grants	\$156,302	\$119,909
Investments - In-kind & Other	\$106,657	\$530,238
Total Support and Revenue	\$2,297,360	\$2,971,740
Expenses		
Community Impact Grants	\$1,647,557	\$1,590,419
Other Community Investment	\$450,318	\$461,191
Total Community Investment	<u>\$2,097,875</u>	<u>\$2,051,610</u>
Fundraising	\$252,001	\$291,501
Support Services	\$233,264	\$212,378
Total Grants & Other Distributions	\$2,583,140	\$2,555,489
Change in Net Assets	(\$285,780)	\$416,251
Net Assets at Beginning of Year	\$1,555,365	\$1,269,585
Net Assets at End of Year	\$1,269,585	\$1,685,836

Commentary:

The increase in Total Support and Revenue in 2011 is a result of a) Campaign Revenue, which includes time-restricted revenue totaling \$239,000 and b) Investments - In-Kind & Other, which reflects significantly improved returns on Berkshire United Way's investment portfolio as of 6/30/11. These gains are point in time and subject to market fluctuation. Total Community Investment decreased by only a small amount -- 2.2% -- and reflects our continued discipline to invest only in programs that are aligned with our goals around education and employment. Also important to note, however, is that in 2010 Total Community Investment was partially funded from Net Assets due to reduced Campaign Revenue in 2010 vs. the prior year.

Change in Net Assets and Net Assets at End of Year improved significantly in 2011 vs. 2010. As referenced above, because Campaign Revenue was down in 2010 from the prior year, Berkshire United Way invested more in the community from Net Assets and maintained just 3.84 months of operating expense in reserve. In 2011, given little improvement in the economy and continuing uncertainty, Net Assets were maintained at 5.23 months of operating expense. United Way Worldwide's standard of excellence recommends between three and six months.

Fundraising expense increased 15.7% or \$39,500 in 2011, which reflects a staff vacancy from 2010 that was filled during 2011 and additional campaign material expense. During the same period Total Campaign Revenue grew by \$287,192 or 14.12%.