



***Funding the  
education of tomorrow's  
risk management and  
insurance leaders***



**SPENCER EDUCATIONAL FOUNDATION, INC.**



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# Message

from the Foundation's Leadership:

We are pleased to share Spencer Educational Foundation's 2012 annual report. The Foundation continues to accomplish its mission and impact students' and professionals' lives in a very meaningful way. Since 1999, we have awarded more than \$4.7 million in scholarships and \$2.2 million grants. In 2012, the Foundation provided more than \$680,000 to fund the education of tomorrow's risk management and insurance industry leaders.

Our 2012 numbers show that we awarded a record number of scholarships and internship grants and we celebrated the 15th year of our Risk Manager in Residence program. More important than breaking records or achieving milestones, this year we continued to help students and professionals achieve their dreams. Throughout these pages you will see the financial results, as well as read how Spencer and its contributors have made a difference for students, professionals and educators.

In achieving our 2012 results, we would like to sincerely thank our donors — representing all aspects of the industry—for giving the gift of education and helping more students and professionals achieve their dreams. We look forward to your continued support in 2013.

Sincerely,



Margaret S. Accordino  
Chairwoman



Brion Callori  
President



Peggy Accordino

*“...this year we continued to help students and professionals achieve their dreams.”*

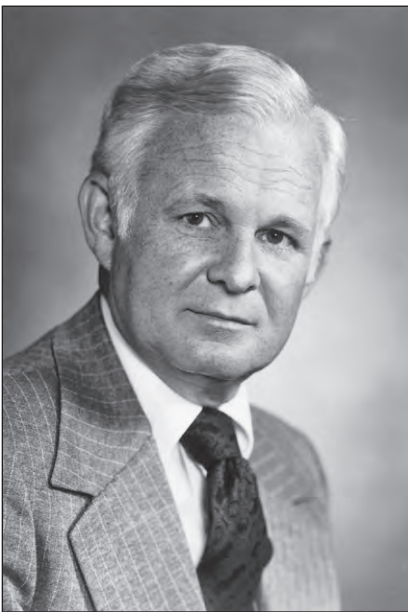


Brion Callori

*“Being a Spencer Scholar means that I have worked to a standard in my educational career where, as a result, I am now recognized among many of the top up-and-coming risk professionals.”*

*—Andrew Litchfield, 2012 Spencer Scholar and Ball State University student.*

## About the Foundation and Robert S. Spencer:



Spencer Educational Foundation, Inc. was established in 1979 to honor the late Robert S. Spencer, a former Risk and Insurance Management Society, Inc. (RIMS) president and vice president for Fuqua Industries, Inc.

**“Even though I never knew my grandfather, I learned a lot from him by hearing about his career at Fuqua Industries. Being a corporate risk manager (CRM) allowed him the opportunity to provide excellent employee benefits while maintaining low risk to the corporate assets. I have met several people who worked with or for my grandfather that credit him for their success. Also, his business partners emphasized his strong belief in helping educate students majoring in risk management through the Risk and Insurance Management Society.”**—Spencer Swinson, grandson of Robert S. Spencer, who is majoring in risk management and insurance at the University of Georgia.

Reflecting Spencer’s strong belief in risk management and insurance education, the Foundation’s mission is to fund the education of tomorrow’s risk management and insurance industry leaders.

### 2012 Results by the numbers

\$4.7 million	Scholarships awarded since 1979 to undergraduate, graduate and pre-dissertation students as well as professionals pursuing MBA degrees
\$2.2 million	Grants awarded since 1979
\$681,800	Scholarships and grants awarded in 2012
\$525,000	Largest one-time Foundation donation to date given by FM Global
\$80,000	Amount awarded in 2012 to RIMS-member companies for summer internship grants
\$15,000	Grant awarded in 2012 to Virginia Commonwealth University to support the inaugural RISC Challenge
\$5,000	Minimum contribution needed to receive the Spencer Scholar Resume Book
1979	Year the Foundation was established
632	Number of scholarships awarded since the Foundation was established
500	Number of people who attended the Foundation’s 2012 Gala Dinner
189	Number of Risk Manager in Residence programs conducted over the past 15 years
104	Number of different schools students have attended for undergraduate, graduate, pre-dissertation and part-time MBA studies
57	Number of scholarships given out in 2012
50	Percentage of U.S. RIMS chapters contributing to the Foundation in 2012
34	Number of named scholarships
23	Active board members
15	Number of years the Risk Manager in Residence Program has existed
4	Number of RIMS Chapters supporting the Foundation each year for the last 14 years: Atlanta, San Diego, Dallas/Fort Worth and St. Louis
2	FM Global course development grants awarded in 2012 to Old Dominion University and California State University Fullerton
1	Company has given more than \$1 million to Spencer since 1999: Arthur J. Gallagher & Co.

# Foundation Leadership

The Foundation's Board of Directors and volunteers deserve special recognition for their time, commitment and financial support to the Foundation's mission. These individuals are committed to furthering the risk management and insurance profession and share a common passion to attract and provide more students with the opportunity to learn about risk management and insurance.

## EXECUTIVE OFFICERS & BOARD OF DIRECTORS

### CHAIRWOMAN

**Margaret S. Accordino**, *Vice President, Director of Risk Management, National Financial Partners Corp.*

### PRESIDENT

**Brion E. Callori**, *Senior Vice President, Engineering & Research, FM Global*

### VICE PRESIDENT

**Daniel H. Kugler**, *Assistant Treasurer, Risk Management, Snap-On Incorporated*

### TREASURER

**David G. Adler**, *President, Strategic Risk Advisors, LLC*

### SECRETARY

**Peter A. Heard**, *Vice President, National Accounts –Northeast Region, Travelers Insurance*



## DIRECTORS

**Roger L. Andrews**, *Director of Risk Management, E.D. Bullard Company*

**Deborah A. Babcock**, *Associate Director, Katie School of Insurance & Financial Services, Illinois State University*

**Teresa Black\*\***, *Senior Vice President, ACE USA—Distribution Management*

**James Blinn**, *Principal, Advisen Ltd.*

**J. Ruffin Branham, Jr.**, *Managing Director, Sales and Marketing, Market Specialty*

**Mark A. Butler**, *President, National Insurance, Liberty Mutual Insurance*

**C. Zakia Campbell\*\***, *Executive Vice President—North East Region Director, Willis North America*

**Ron Davis**, *Executive Vice President, Head of Market Customers, Customer & Distribution Management, Zurich Insurance Company Ltd.*

**Jennifer J. Fahey\*\***, *Executive Vice President, Chief Broking Officer—U.S. and Americas, Aon Risk Solutions*

**Donna Galer**, *Zurich Insurance Company Ltd. (retired)*

**Dr. Robert Hoyt**, *Department Head, Moore Chair and Professor of Risk & Insurance Management, University of Georgia*

**W. Gordon Knight**, *President, Insurance & Operations, Allied World Assurance Co., (US), Inc.*

**Christopher A. Maleno\***, *Chief Operating Officer, ACE USA*

**Timothy Meacham**, *Executive Vice President, Executive Operations Group, Lockton Companies*

**Andrew L. Miller\***, *Senior Manager, Medco Health Solutions*

**Warren J. Mula\***, *Chairman, U.S. Retail and CEO, Aon Broking*

**John Phelps\*\*\***, *Director, Business Risk Solutions, Blue Cross and Blue Shield of Florida*

**B. Scott Rich**, *Flowers Food, Inc. (retired)*

**Pamela G. Rogers**, *Vice President, Enterprise Risk and Insurance Management, Weight Watchers International, Inc.*

**Craig M. Van der Voort**, *Vice President, Market Relations, Arthur J. Gallagher & Co.*

**Paul Winston**, *Associate Publisher & Online General Manager, Business Insurance*

\* Resigned from board in 2012

\*\* Joined board in 2012

\*\*\* Ex officio RIMS representative for 2012

## VOLUNTEERS:

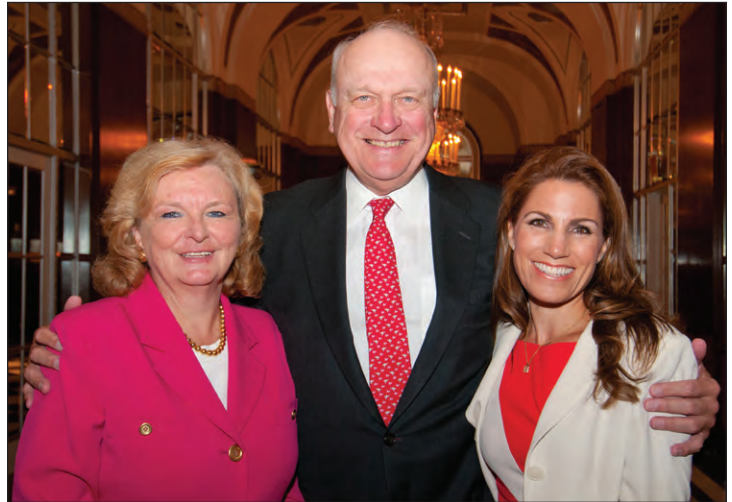
In addition to the Board of Directors, there are several volunteers who we would like to thank for serving on Foundation committees:

**Carol Fox**, *Risk and Insurance Management Society*

**Hanan Boukhabza**, *ACE Group, Inc.*

# 2012 Gala Dinner

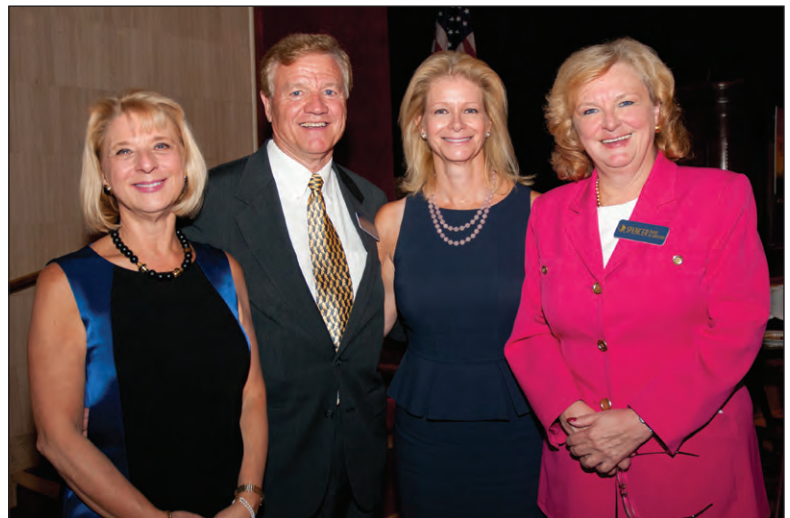
The Foundation held its 4th Annual Gala Dinner in September and honored *Seraina Maag*, chief executive, *North America Property & Casualty, XL Insurance* and *David Zuercher*, retired head of insurance for *Wells Fargo and Company*. The event raised \$751,250 for the Foundation's general scholarship and grants programs.



**Peggy Accordino**, Chairwoman, Spencer Educational Foundation (L)  
**David Zuercher**, retired head of insurance for Wells Fargo and Company and  
**Seraina Maag**, chief executive, North America Property & Casualty, XL Insurance



*"[During my career,] I learned how important it is to foster new blood in this business. . ."*—David Zuercher



**Thank you to those companies and individuals who bought tables, journal advertisements or made a contribution to the success of the 2012 Gala Dinner:**

ACE Group  
 Adelson, Testan, Brundo & Jiminez  
 Advisen Ltd.  
 Alliant Insurance Services, Inc.  
 Allianz  
 Allied World Assurance Co., (US), Inc.  
 American Professional Agency  
 AmWins  
 Anderson Kill & Olick, PC  
 Aon Risk Services  
 Aramark  
 Arch Reinsurance Company  
 Arthur J. Gallagher & Co.  
 Aspen Insurance  
 Axis Insurance  
 Beecher Carlson  
 BMS CAT, Inc.  
 BMS Group  
 Broadspire Services, Inc.  
 Business Insurance  
 C.V. Starr & Co., Inc.  
 Cahill Gordon & Reindel LLP  
 Carlton Fields  
 Catlin Insurance Company, Inc.  
 Chartis  
 Chubb & Son  
 Clyde & Co US LLP  
 Construction Risk Partners  
 CRC Insurance Services, Inc.  
 Deloitte LLP  
 DLA Piper LLP  
 Donald Pipino  
 Edwards Wildman Palmer  
 Epstein Becker Green  
 Everest Re  
 FBMC  
 Fireman's Fund  
 First Best  
 FM Global  
 Fortress Investment Group  
 Franco & Moroney LLC  
 Frank Crystal & Company  
 General Reinsurance  
 Genex  
 Golden, Rothschild, Spagnola, Lundell, Boylan & Garubo, PC  
 Gordon Rees  
 Guy Carpenter  
 Hanover Stone Partners  
 Hub International Ltd.  
 Insurance Management Co.  
 Ironshore Insurance  
 JGS Insurance  
 Katie School of Insurance, Illinois State University  
 Liberty Mutual Insurance

Lloyd's America  
 Lockton  
 London Fischer LLP  
 Markel Corporation  
 Marsh & McLennan Companies, Inc.  
 McKinsey & Company  
 Mesirov Financial  
 Milber Makris Plousadis & Seiden, LLP  
 Munich Reinsurance America  
 Navigators Management Company, Inc.  
 New Day Underwriting  
 National Financial Partners  
 NIF Group  
 Partner Re  
 Partners Specialty Group LLC  
 Physician's Reciprocal Insurers  
 Pillinger Miller Tarallo, LLP  
 Platinum Underwriters Reinsurance, Inc.  
 Preferred Concepts  
 Program Brokerage Corporation  
 QBE  
 Risk and Insurance Management  
 Riskconnect  
 RT Specialty  
 RWH Myers  
 Safety National  
 Schaffer Consulting  
 Sedgwick, Inc.  
 Sidley Austin  
 St. John's University School of Risk Management and Insurance  
 Sterling & Sterling  
 Sutherland  
 Swiss Re  
 The Brookeside Group, Inc.  
 The Hartford  
 The Mechanic Group, Inc.  
 The Sullivan Group  
 TigerRisk Parters  
 Towers Watson  
 Transatlantic Re  
 Travelers  
 Travis Pedersen & Associates, Inc.  
 Troutman Sanders LLP  
 Turner Surety & Insurance Brokerage  
 University of Georgia, Terry School of Business  
 VCU- School of Business  
 Weight Watchers International  
 Wells Fargo Insurance Services  
 White & Williams  
 Willis Re Inc.  
 Willkie Farr  
 XL Insurance  
 York Risk Services Group  
 Zurich



*"We are preparing today's students for jobs that don't exist yet... The work that Spencer is doing will benefit us as an industry."*

*—Seraina Maag*



# Fundraising Events & Chapter Support

The Foundation also benefitted from numerous events held by RIMS Chapters including the inaugural Casino Night at the Florida Regional Conference, as well as by golf tournaments held by numerous chapters. This year a record 34 Chapters supported the Foundation through new or on-going donations.

Two events took place at the RIMS 2012 Annual Conference & Exhibition that provided the industry the opportunity to swing a club or a stick to support the Foundation. The 21st Annual Spencer/Gallagher Golf Tournament and the annual NAPCO Spencer Cup hockey competition combined raised approximately \$50,000 to benefit the Foundation's general fund.



### Four RIMS Chapters deserve special recognition and thanks for consistently contributing each year since 1999:

- RIMS St. Louis Chapter
- RIMS Dallas/Fort Worth Chapter
- RIMS San Diego Chapter
- RIMS Atlanta Chapter

*"This has been the greatest experience in terms of business related internships I've ever had. I'm very glad that you were able to connect me to the Oregon RIMS Chapter."*

*—Stefan Doeblitz, 2012 Spencer Scholar and University of Oregon student.*

### The following RIMS Chapters provided support to the Foundation in 2012:

- Arizona Central (Phoenix)
- Atlanta
- Broward County (Fort Lauderdale)
- Carolinas (Charlotte)
- Central Penn (Harrisburg)
- Central Texas (Austin)
- Connecticut Valley (Hartford County)
- Dallas/Ft. Worth
- Delaware Valley (Philadelphia)
- Detroit
- Fairfield/Westchester (Greenwich)
- Golden Gate (San Francisco)
- Greater Kansas City
- Greater Quad Cities (Muscatine)
- Houston
- Long Island (Nassau County)
- Massachusetts (Boston)
- Nevada (Las Vegas)
- New Jersey (Basking Ridge)
- New York (New York City)
- Northeast Florida (Jacksonville)
- Northeast Ohio (Cleveland)
- Oregon (Portland)
- Ozarks Area (Springfield)
- Palm Beach
- Piedmont (Raleigh-Durham)
- Potomac (Washington, D.C.)
- Sacramento Valley
- San Diego
- South Louisiana (New Orleans)
- South Texas (San Antonio)
- St. Louis
- Upstate New York (Rochester)
- Washington (Seattle)





# Scholarships

## 2012 Spencer Scholars

Named and Memorial Scholarships (undergraduate level): The following scholarships are for \$5,000 unless otherwise noted.

### Named Scholarships— Undergraduate

**Christopher D. Ahn**, *Temple University*  
*John T. Lockton Memorial*



**Cameron N. Annas**, *Appalachian State University*,  
*John T. Lockton Memorial*

**Geoffrey W. Bernardo**, *Virginia Commonwealth Univ., FM Global*

**Drew A. Carey**, *St. John's University*, *William J. Clagnaz Memorial/ACE USA*

▲ **Riley C. Christy**, *Indiana State University*,  
*Ian R. Heap Memorial/XL Capital*

**Michael M. Cross**, *Temple University*,  
*Zurich Financial Services*

**Kyle A. Enderle**, *Temple University*,  
*Thomas Regan Memorial/RIMS NY Chapter*



**Alexander A. Fudali, Jr.**, *University of Georgia*,  
*RIMS Atlanta Chapter*

**Cathleen J. Gabriel**, *Temple University*,  
*John T. Lockton Memorial*

**Brett R. Glaser**, *Illinois State University*,  
*Liberty Mutual Group*

▲ **Andrew D. Graman**, *Indiana State University*,  
*Douglas Barlow Memorial (\$7,500 scholarship)*

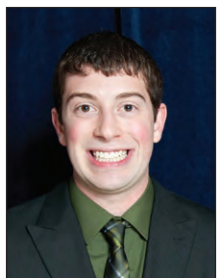


**Austin J. Grant**, *Illinois State University*,  
*September 11th Memorial*

**William E. Hauser II**, *Temple University*,  
*John T. Lockton Memorial*

◀ **Jaclin R. Huxford**, *Indiana State University*,  
*John T. Lockton Memorial*

**Jewel E. Sayoko, Kawamoto**, *Wofford College*,  
*John T. Lockton Memorial*



◀ **Bradley T. Ketzner**, *Indiana State University*,  
*RIMS Chicago Chapter*



◀ **Brooke N. Knight**, *Indiana State University*,  
*Robert E. and John P. Gallagher Memorial*

**Martin L. Leicht**, *Temple University*  
*John T. Lockton Memorial*

**Andrew D. Litchfield**, *Ball State, University FM Global*

**Justin T. LoPiccolo**, *Temple University*,  
*John T. Lockton Memorial*

**Kelly Jane Lovett**, *University of Hartford*,  
*Dante Petrizzo Memorial/RIMS NY Chapter*



**Corinne M. McCarter**, *Illinois State University*,  
*Liberty Mutual Group*

**Rumbidzai M. Masamvu**, *Appalachian State University*,  
*John T. Lockton Memorial*

**Samuel K. Matthews**, *St. John's University*,  
*Dr. Ellen Thrower*

▲ **Logan S. Mendenhall**, *Indiana State University*,  
*Joseph P. Holwerda Memorial*

**Erin E. Meyers**, *University of Georgia*,  
*E.J. Leverett Memorial/RIMS Atlanta Chapter*

**Eric R. Mutch**, *Illinois State University*,  
*Liberty Mutual Group*

**Duc T. Nguyen**, *Univ. of North Texas*,  
*RIMS Dallas/Ft. Worth Chapter*

**Nicholas J. Roth**, *Temple University*,  
*John T. Lockton Memorial*

**Alexander D. Schwartz**, *Temple University*,  
*Liberty Mutual Group*

**Sviatlana Serhiyenia**, *Temple University*,  
*Risk and Insurance Management Society, Inc. (RIMS)*

**Sarah A. Shelton**, *Missouri State University*,  
*John T. Lockton Memorial*

**Christopher S. Townsend**, *Virginia Commonwealth Univ.*, *John T. Lockton Memorial*

**Cristina A. Vigilante**, *Temple University*,  
*Allied World Assurance Company*

**General Fund Scholarships—Undergraduate**  
The following scholarships are for \$5,000.

**Shelby Brajewski**, *Illinois State University*,

**Benjamin R. Bussert**, *Illinois State University*,

**Jean R. Celestin**, *Illinois State University*

**Timothy M. Cowen**, *University of Wisconsin-Madison*

**Stefan Doebnitz**, *University of Oregon*



◀ **Morgan E. Godden**, *Indiana State University*

**Paul D. Hyer**, *Temple University*

**Warren K.Y. Cheung Kit**, *St. John's University*

**Regina M. Ross**, *Temple University*

**William J. Thorsson**, *Temple University*

**Micah W. Todd**, *University of Connecticut*

**LaKenya Young**, *Georgia State University*

**Full-Time Master/Graduate Scholarships:**  
The following scholarships are for \$10,000

**Adriana P. Lievano**, *City University of London*  
*(Cass Business School)*

**Costain Nikisi**, *City University of London*  
*(Cass Business School)*

**Brenton J. Thompson**, *Northwestern University*

**Janet L. Zeaiter**, *University of Wisconsin-Madison* \*\*  
\*\*Anita Benedetti Memorial Scholarship  
*(Spencer sponsored scholarship)*

**Full-Time Pre-Dissertation Scholarship:**  
The following scholarship is for \$10,000

**Jill M. Bisco**, *Florida State University*

**Part-Time Master Scholarships**  
*(awards of up to \$10,000)*

In 2000, the Foundation created the Part-Time Master Scholarship program to support the professional development of working risk practitioners. Awards of up to \$10,000 are based on corporate tuition reimbursement and tuition.

**Michael T. Casey**, *University of Toledo, Dana Holding Corporation*

**Gisselle F. Escotto**, *New York University, Insurance Services Office*

**Michael J. Ganzi**, *New York University, ACE USA*

**Lauren O. Kowan**, *Georgia State University, Core Benefit Solutions, LLC*

**Mark D. Pfeifer**, *Creighton University, Ag Processing, Inc.*

**Sarah S. Rogers**, *New York University, Vantiv, LLC*

### 2012 Scholarships awarded:

Undergraduate	\$232,500
Graduate	\$ 40,000
Pre-dissertation	\$ 10,000
Part-time Master's	\$ 53,980
<b>TOTAL</b>	<b>\$336,480</b>

# Risk Manager in Residence Program

*Celebrating 15 years of bringing risk management professionals to students*

This outreach program of sending experienced risk managers to lecture on campuses in the United States and Canada has been praised by risk managers, universities and students alike. In 2012, we awarded a record 19 grants totaling \$57,500 to 19 universities to host risk managers on campus. This program has two deadlines for proposals, March 1 and October 1.

If you would like to participate in this rewarding program either as a lecturer or a university host, visit our web site at [www.spencered.org](http://www.spencered.org) and click on Programs.



**Raymond Sibley**, Risk Management Director for the City and County of Denver, served as risk manager in residence at Indiana State University.

## University

## Risk Manager

Appalachian State University	Richard J. Roberts, Jr. Ensign-Bickford Industries
Ball State University	Randy Jouban Five Guys Enterprises
California State University-Fullerton	Susan R. Meltzer Aviva North America
Howard University	Fred Savage Chevron Corp.
Illinois State University	Lori Seidenberg Centerline Capital Group
Indiana State University	Raymond Sibley City and County of Denver
LaSalle University	Edward Katersky CVS Caremark Corp.
Middle Tennessee State University	J. Gary Meggs Southern Company
Missouri State University	Jeffrey Vernor Russell Investments
Temple University	Daniel Kugler Snap-on Incorporated
University of Calgary – Alberta	Mark Ryan Occidental Petroleum Corp.
University of Hartford	Michael Lubben Ryder System, Inc.
University of Louisiana – Lafayette	Daniel Kugler (Spring 2013) Snap-on Incorporated
University of Rhode Island	Mari-Jo Hill SAS Institute, Inc.
Eastern Kentucky University	Roger Andrews E.D. Bullard Company
Mount Royal University (Canada)	(to be determined)
Olivet College	Douglas J. Borg Duke University Medical Center
Seneca College (Canada)	Mark. D. Robertson Nexen, Inc.
University of Central Arkansas	Carolyn Snow Humana, Inc.

*“The hospitality provided during my visit was warm, receptive and encouraging. . . It is always a treat to have the one-on-one discussions with the students, especially during a meal – they seem so much more relaxed.”*

*— Edward S. Katersky,  
Senior Director of Risk Management,  
CVS Caremark and 2012 Risk Manager  
in Residence at LaSalle University.*

# Grant Programs

*“Thank you for providing the grant for the inaugural VCU-RISC RMI Challenge. The event gave students from many different risk and insurance programs the opportunity to challenge their knowledge and present their case in front of industry representatives.”*

*—Hannah Taylor, Risk Management and Insurance major at Virginia Commonwealth University.*



The Foundation awards a variety of grants to support industry education. In 2012, these grants included:

- **Loss Control Course Development:** In 2007, FM Global donated \$525,000; \$225,000 to be applied to undergraduate scholarships and \$300,000 to award \$50,000 grants to universities to develop a loss control module within their risk management curriculum. In 2012, two course development grants were awarded to California State University at Fullerton and Old Dominion University.
- **Virginia Commonwealth University’s RISC Challenge:** Eight schools put their knowledge to the test on a complex risk management problem in March 2012 at the inaugural RISC/Spencer RMI Challenge. The event helps to elevate the visibility of the study of risk management and insurance.
- **Gamma Iota Sigma Conference:** This student organization promotes, encourages, and sustains student interest in insurance, risk management, and actuarial science as professions. Spencer supported its 41st Annual International Conference in Chicago in October, 2012. More than 315 students from 36 colleges and universities in North America were in attendance.
- **Anita Benedetti Student Involvement Program:** The Foundation awarded a \$30,000 grant to RIMS in support of this program, which has been in existence since 1978. This year, Spencer’s grant allowed 32 students to attend the 2012 RIMS Annual Conference in Philadelphia.



**Grants of up to \$3,000 are awarded to employers to compensate and introduce an intern to risk management procedures.**

2012 grants were awarded to the following companies:

- Aramark
- AT&T
- Big Five Sporting Goods
- Blue Cross/Blue Shield of Florida
- Brigham Young University
- Cigna Global Risk Management
- City of Boynton Beach, FL
- Columbia University
- Dean Foods Company
- Education Management Corporation
- Energy Future Holdings
- Expeditors International of Washington
- Henry Schein, Inc.
- Ingram Micro
- Lennox International, Inc.
- McGriff, Seibels & Williams of Texas
- NuStar Energy
- Parsons
- Orbital Sciences
- Quality Distribution, Inc.
- SAS Institute, Inc.
- Southern Methodist University
- Starbucks Coffee Co.
- Taylor Morrison
- The Toro Company
- Veolia Water Company
- Volvo Group Truck Operations



*Dawn Soleta and The Toro Company Rm Team*

# Funding the education of tomorrow

## Thank you to our generous contributors



*"I grew up in a family of limited means and realized at an early age that education would be the key to my future success. To this day, I believe that education is the greatest gift you can give someone. Thank you for giving me that gift."*

*—Janet Zeaiter, 2012 Spencer Scholar and University of Wisconsin Master's Candidate (concentrating in Risk Management and Insurance).*

### *Trustee's Roundtable (\$100,000 - \$499,999)*

Liberty Mutual  
RIMS New York Chapter  
Risk and Insurance Management Society, Inc.

### *Educator's Circle (\$25,000 - \$99,999)*

Allianz Global Corporate & Specialty  
Allied World Assurance Company, (US), Inc.  
American International Group, Inc.  
Aon Foundation

*In honor of Warren J. Mula's service to the Foundation*

Aon Risk Solutions  
Dan R. Peed  
QBE  
RIMS Greater Kansas City Chapter  
XL Specialty Insurance Company  
Wells Fargo & Company

### *Dean's Fellows (\$15,000 - \$24,999)*

Arthur J. Gallagher & Co.  
Business Insurance  
FM Global  
Ironshore Holdings (US), Inc.  
Marsh & McLennan Companies  
RIMS Atlanta Chapter  
Travelers  
Zurich

### *Faculty Club (\$10,000 - \$14,999)*

ACE Group of Companies  
Alliant Insurance Services, Inc.  
American Professional Agency  
AmWins Group, Inc.  
Axis Insurance  
Cahill Gordon & Reindel LLP  
Chubb Corporation, The  
Clyde & Co.  
Crawford & Company  
Deloitte  
General Reinsurance  
Guy Carpenter & Company, Inc.  
Lloyd's America, Inc.  
Lockton Companies  
London Fischer LLP  
McKinsey & Company  
Munich Reinsurance America, Inc.  
Napco LLC  
Navigators Insurance Company  
Partners Specialty Group  
RIMS Carolinas Chapter  
RIMS Dallas/Ft. Worth Chapter  
RIMS Delaware Valley Chapter  
RIMS New Jersey Chapter  
RIMS Potomac Chapter  
Riskonnect  
RT Specialty  
Starr Underwriting Agencies, LLC

Turner Surety & Insurance Brokerage  
White and Williams, LLP  
Willis Re, Inc.

### *High Honor Roll (\$5,000 - \$9,999)*

Arch Reinsurance Company  
Bryan Cave LLP  
RIMS Connecticut Valley Chapter  
CRC Insurance Services  
Hartford Financial Services Group, The  
Brian Kawamoto  
Lathrop & Gage LLP  
Lockton Companies  
National Financial Partners  
Pillinger Miller Tarallo LLP  
Preferred Concepts  
RIMS Fairfield/Westchester Chapter  
RIMS South Texas Chapter  
RIMS St. Louis Chapter  
RIMS Washington Chapter  
Sedgwick, Inc.  
Swiss Reinsurance America Corp  
Travis Pedersen & Associates, Inc.  
Troutman Sanders LLP

### *Honor Roll (\$1,500 - \$4,999)*

Adelson, Testan, Brundo & Jimenez  
Aspen Insurance US Services Inc.  
Donald P. Pipino Company, LTD  
Dan Donovan  
Edwards Wildman Palmer LLP  
Epstein, Becker & Green, P.C.  
First Best  
Gerald J. Sullivan & Assoc., Inc.  
Gordon & Rees LLP  
P. Richard and Linda Hackenburg  
Hanover Stone Partners  
Hub International NE  
Insurance Management Co.  
International Risk Management Institute, Inc.  
Jacobson, Goldfarb & Scott Insurance  
John Kelly  
Markel Specialty  
The Mechanic Group, Inc  
Partner Reinsurance Co. of US  
Physicians' Reciprocal Insurers  
Platinum Underwriters Reinsurance, Inc.  
RIMS Central Penn Chapter  
RIMS Detroit Chapter  
RIMS Golden Gate Chapter  
RIMS Houston Chapter  
RIMS Long Island Chapter  
RIMS Northeast Florida Chapter  
RIMS Northeast Ohio Chapter  
RIMS Oregon Chapter  
RIMS Palm Beach Chapter  
RIMS Piedmont Chapter  
RIMS San Diego Chapter

# orrow's industry leaders.

RIMS Upstate New York Chapter  
Safety National  
Sidley Austin Foundation  
TigerRisk Partners, LLC  
Towers Watson  
Willkie Farr & Gallagher LLP  
York Risk Services Group, Inc.

## *Patrons (\$250 - \$1,499)*

Advisen Ltd.  
Deborah Babcock  
Mary Lynn Bangs  
Beecher Carlson  
BMS CAT INC.  
BMS Intermediaries, Inc.  
Jeanne Braun  
The Brookside Group, Inc.  
Brion Callori  
Carlton Fields  
Catlin Insurance Company, Inc.  
Jeffrey Cohen  
Construction Risk Partners  
Crain Communications Inc.  
Theodore Dann  
Ronald Davis  
DLA Piper LLP (US)  
Everest Re Group, Ltd.  
FBMC  
Fireman's Fund Insurance Co.  
Fortress Investment Group  
Franco & Moroney LLC  
Frank Crystal & Company  
Donna Galer  
Golden, Rothschild Spagnola Lundell  
Boylan & Garubo  
Gordon & Rees LLP  
Peter Heard  
Robert Hoyt

### *In memory of Judy Lindenmayer*

Michael Kearney  
Daniel Kugler  
Deborah Little  
Kathleen McCullough  
Timothy Meacham  
Christine Merkle  
Ron Winans

### *In memory of Dante Petrizzo*

Mesirow Financial  
Milber Makris Plousadis & Seiden, LLP  
New Day Underwriting  
North Island Excess & Surplus Corporation  
Ralph Pascucci  
B. Scott Rich  
RIMS Broward Chapter  
RIMS Massachusetts Chapter  
RIMS Nevada Chapter  
RIMS Ozarks Chapter  
RIMS Quad City Chapter  
RIMS Southern Louisiana Chapter  
Debra Rodgers  
Pamela Rogers  
RWH Myers  
Schaeffer Consulting  
St. John's University  
Sterling & Sterling, Inc.  
Suprashesh General Insurance Services & Brokers Pvt  
Sutherland Asbill & Brennan  
Transatlantic Reinsurance Holdings  
Stephen Wilder  
Bill Williamson  
Willis North America  
World Captive Forum

## *Donors (Up to \$250)*

David Adler  
Sandy Beddis  
Cameron Benishek  
Brian Cottrell  
Colleen Cunningham  
Todd Cunningham  
Calvin Ellis  
Lance Ewing  
Melane Fava  
Rita Garcia  
Sheme Goldsmith  
Gary Greenstein  
P. Richard and Linda Hackenburg  
*In memory of Janet Babb,  
Jeannie Platow, Denis Julien,  
Judy Lindenmayer, Eileen Rankin and  
Barry Zug*  
Henry Hearn  
Clark Hooper

Jen Jordan  
Richard Joseph  
James Kallman  
Gary Kelson  
Donald Lassaw  
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Tracy Leder  
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Thomas Srail  
Michael Stat  
Mike Stout  
Erik Stremke  
Quentin Tauro  
Michael Waldron  
Ben Wilson  
Tom Wimberly  
Ron Winans

*In memory of Sam Barton,  
Edwin Russell Burner, Jr.,  
Genevieve Dahl, Shirley Hunsaker,  
Donald Stennett, Gretchen Kiefer,  
Dolores Kirby, Don Lind,  
Norma Lind Regan, Richard Renk,  
Bill Rutledge, Arnold Shotwell,  
Donald Stennett, Roberta Stith,  
William Stith, Helen Thomson,  
Norman B. Towne, Jr. and Carol Troy*

Dana Wronski  
Drew Zimmerman  
Anne Zug

*"My daughter Amanda recently reminded me of how important getting my Ph.D. is. She said, 'Mom, you've been talking about getting your Ph.D. for my whole life.' This scholarship award will make that dream a little easier."*

*—Jill Bisco, 2012 Spencer Scholar and Florida State University Pre-Dissertation Ph.D. Candidate  
(Business Administration with concentration in Risk Management and Insurance)*





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December 31, 2012 and 2011

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## Spencer Educational Foundation, Inc.

# Report of Independent Auditors

### To the Board of Directors of Spencer Educational Foundation, Inc.

We have audited the accompanying financial statements of Spencer Educational Foundation, Inc. (the "Foundation"), which comprise of the balance sheet as of December 31, 2012 and 2011, and the related statements of revenues, expenses and change in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

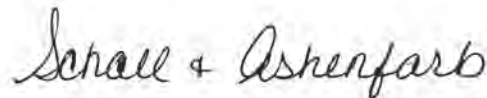
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Spencer Educational Foundation, Inc. as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Schall & Ashenfarb  
Certified Public Accountants, LLC

March 27, 2013

350 Fifth Avenue, Suite 728  
New York, New York 10118  
Tel: (212) 268-2800 Fax: (212) 268-2805  
www.schallandashenfarb.com

Spencer Educational Foundation, Inc.

# Balance Sheet

At December 31, 2012 and 2011

	12/31/12	12/31/11
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents (Notes 1d and 1e)	\$764,218	\$559,716
Contributions receivable, current portion (Notes 1f and 2)	58,182	332,207
Prepaid expenses	28,000	6,000
<b>Total current assets</b>	<u>850,400</u>	<u>897,923</u>
<b>Non-current assets:</b>		
Investments (Notes 1g and 3)	6,015,594	5,336,947
Contributions receivable, net of current portion (Notes 1f and 2)	311,910	357,645
Property and equipment (Notes 1h and 4)	893	12,267
<b>Total non-current assets</b>	<u>6,328,397</u>	<u>5,706,859</u>
<b>Total assets</b>	<u><u>\$7,178,797</u></u>	<u><u>\$6,604,782</u></u>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$166,005	\$6,618
<b>Total current liabilities</b>	<u>166,005</u>	<u>6,618</u>
<b>Net assets: (Note 1c)</b>		
Unrestricted:		
Undesignated	5,040,821	4,352,958
Board designated - Anita Benedetti Fund	22,391	32,391
<b>Total unrestricted</b>	<u>5,063,212</u>	<u>4,385,349</u>
Temporarily restricted (Note 5)	1,949,580	2,212,815
<b>Total net assets</b>	<u>7,012,792</u>	<u>6,598,164</u>
<b>Total liabilities and net assets</b>	<u><u>\$7,178,797</u></u>	<u><u>\$6,604,782</u></u>

The attached notes and auditors' report are an integral part of these financial statements.



**Spencer Educational Foundation, Inc.**

# Statement of Revenues, Expenses and Change in Net Assets

**For the Years Ended December 31, 2012 and 2011**

	12/31/12			12/31/11		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Revenues, Gains and Other Support:</b>						
Contributions - general	\$198,189		\$198,189	\$152,261		\$152,261
Contributions - John T. Lockton Memorial Scholarship Fund			0		\$100,000	100,000
Contributions - RIMS Atlanta Chapter		\$10,000	10,000		20,000	20,000
Contributions - Allied World Assurance Company		25,000	25,000			0
Discount on pledges receivable		14,265	14,265		9,129	9,129
Fundraising events (net of direct expenses of \$133,176)	664,074		664,074	670,512		670,512
Contributions - in-kind (Note 1i)	19,637		19,637	47,800		47,800
Investment income (Note 3)	674,095		674,095	(129,727)		(129,727)
Loss on disposal of fixed assets	(4,069)		(4,069)			0
Net assets released from restrictions:						
Satisfaction of program restrictions	312,500	(312,500)	0	340,100	(340,100)	0
Total revenues, gains and other support	<u>1,864,426</u>	<u>(263,235)</u>	<u>1,601,191</u>	<u>1,080,946</u>	<u>(210,971)</u>	<u>869,975</u>
<b>Expenses:</b>						
<b>Program services:</b>						
Scholarship and other programs	689,374		689,374	593,839		593,839
Student involvement	111,500		111,500	103,000		103,000
Total program services	<u>800,874</u>	<u>0</u>	<u>800,874</u>	<u>696,839</u>	<u>0</u>	<u>696,839</u>
<b>Supporting services:</b>						
General and administration	107,035		107,035	64,347		64,347
Fundraising	278,654		278,654	223,958		223,958
Total supporting services	<u>385,689</u>	<u>0</u>	<u>385,689</u>	<u>288,305</u>	<u>0</u>	<u>288,305</u>
Total expenses	<u>1,186,563</u>	<u>0</u>	<u>1,186,563</u>	<u>985,144</u>	<u>0</u>	<u>985,144</u>
Change in net assets	677,863	(263,235)	414,628	95,802	(210,971)	(115,169)
Net assets - beginning of year	<u>4,385,349</u>	<u>2,212,815</u>	<u>6,598,164</u>	<u>4,289,547</u>	<u>2,423,786</u>	<u>6,713,333</u>
Net assets - end of year	<u>\$5,063,212</u>	<u>\$1,949,580</u>	<u>\$7,012,792</u>	<u>\$4,385,349</u>	<u>\$2,212,815</u>	<u>\$6,598,164</u>

*The attached notes and auditors' report are an integral part of these financial statements.*

**Spencer Educational Foundation, Inc.**  
**Statement of Cash Flows**  
**For the years ended December 31, 2012 and 2011**

	<u>12/31/12</u>	<u>12/31/11</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$414,628	(\$115,169)
<b>Adjustments to reconcile change in net assets to net cash provided by/(used for) operating activities:</b>		
Net realized and unrealized (gain)/loss on investments	(489,197)	321,789
Depreciation expense	7,305	7,520
Loss on disposal of fixed assets	4,069	0
<b>Decrease/(increase) in assets:</b>		
Contributions receivable	319,760	159,429
Prepaid expenses	(22,000)	20,000
<b>Increase/(decrease) in liabilities:</b>		
Accounts payable and accrued expenses	159,387	6,618
Total adjustments	<u>(20,676)</u>	<u>515,356</u>
<b>Net cash provided by operating activities</b>	<u>393,952</u>	<u>400,187</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sales of investments	1,058,248	427,054
Purchases of investments	(1,247,698)	(318,772)
Purchases of property and equipment	0	0
<b>Net cash (used for)/provided by investing activities</b>	<u>(189,450)</u>	<u>108,282</u>
<b>Net increase in cash and cash equivalents</b>	204,502	508,469
<b>Cash and cash equivalents - beginning of year</b>	<u>559,716</u>	<u>51,247</u>
<b>Cash and cash equivalents - end of year</b>	<u>\$764,218</u>	<u>\$559,716</u>
Supplemental disclosures of cash flows information:		
Non-cash investing activities:		
Cash paid during the year for interest and taxes	<u>\$0</u>	<u>\$0</u>

*The attached notes and auditors' report are an integral part of these financial statements.*

# Spencer Educational Foundation, Inc.

## Notes to Financial Statements

December 31, 2012 and 2011

### Note 1 - Summary of Significant Accounting Policies

a. Organization

The Spencer Educational Foundation (the "Foundation") is the premier foundation for awarding scholarships in risk management and insurance. The Foundation is a charitable and educational organization named in honor of the former president of the Risk and Insurance Management Society, Inc. ("RIMS"), the late Robert S. Spencer. Founded in 1979 by RIMS Atlanta Chapter, the Foundation provides academic scholarships to college and university students interested in pursuing a career in risk management, and other types of support for research projects dedicated to the advancement of the discipline.

The real story of the Foundation's success can only be told through the achievements of its scholars, the work of the institutions that further its mission, and the generosity of those that continue, year after year, to support the Foundation's purpose as it seeks to raise the level of awareness of the importance of risk management.

The Foundation's mission is to fund the education of tomorrow's risk management and insurance industry leaders, primarily by providing scholarship awards and educational grants.

b. Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting. As such, revenue is recognized when earned and expenses when incurred.

c. Basis of Presentation

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

- Unrestricted net assets – represents all activity that has not been restricted by the donors.
- Temporarily restricted net assets – represents donor-restricted contributions whose restrictions have not been met at year end but whose restrictions are anticipated to be met in the future. However, donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted.
- Permanently restricted net assets – consists of assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of the Foundation. There were no assets of this type as of December 31, 2012 or December 31, 2011.

d. Cash and Cash Equivalents

Short-term instruments with maturities of three months or less are considered to be cash and cash equivalents for the purposes of these financial statements, except money market funds held for long-term investment in the Foundation's investment portfolio.

## Spencer Educational Foundation, Inc.

# Notes to Financial Statements

December 31, 2012 and 2011

e. Significant Concentrations

Financial instruments which potentially subject the Foundation to concentration of credit risk consist principally of cash and cash equivalents, contributions receivable, and investments. The Foundation places its cash and cash equivalents and investments with financial institutions they deem to be creditworthy. The Foundation maintains its cash balance in an account which, at times, may exceed the Federal Deposit Insurance Corporation insurance limits. The Foundation has not experienced any losses in the account due to bank failure. The Foundation believes it is not exposed to any significant credit risk on its cash and cash equivalents.

Credit risk with respect to contributions receivable is limited as a large number of the amounts are due from donors spread over a wide geographic region. As of December 31, 2012, the Foundation has no significant concentration of credit risk.

f. Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value based on market conditions using the income approach. Management considers all promises to give to be fully collectible, therefore no allowance for doubtful accounts has been established.

g. Investments

Investments are carried at fair value market value, which is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are included in the statement of revenues, expenses and change in net assets.

h. Property and Equipment

Property and equipment is recorded at cost. The Foundation capitalizes all expenditures for property, equipment and computer software over \$1,000. Depreciation is computed using the straight-line method over the estimated useful life of the assets, which is generally four years. When assets are sold or otherwise disposed of, the asset and related accumulated depreciation are removed from the accounts, and any remaining gain or loss is included in operations. Repairs and maintenance are charged to expense when incurred.

i. In-kind Contributions

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are performed by those who possess such skills, and would typically need to be purchased if not provided by donations, are recorded at their fair values in the period received. During the years ended December 31, 2012, and 2011, the Foundation received in-kind contributions of \$19,637 and \$47,800, respectively, related to certain printing and advertising expenses and to cover the use of RIMS headquarters facilities.

**Spencer Educational Foundation, Inc.**  
**Notes to Financial Statements**  
**December 31, 2012 and 2011**

- j. Functional Allocation of Expenses  
 The costs of providing various program and supporting activities have been summarized on a functional basis in the statement of revenues, expenses and change in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.
- k. Use of Estimates  
 The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.
- l. Tax Status  
 The Foundation has been granted exemption by the Internal Revenue Service (IRS) from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the IRS has determined that the Foundation is not a private foundation.
- m. Accounting for Uncertainty of Income Taxes  
 The Foundation does not believe its financial statements include any uncertain tax positions. Tax filings for periods ending December 31, 2009 and later are subject to examination by applicable taxing authorities.
- n. Subsequent Events  
 Management has evaluated for potential recognition and disclosure events subsequent to the date of the balance sheet through March 27, 2013, the date the financial statements were available to be issued. No events have occurred subsequent to the balance sheet date through our evaluation date that would require adjustment to or disclosure in the financial statements.

**Note 2 - Contributions Receivable**

Contributions receivable consist of the following unconditional promises to give as of:	_____	_____
	12/31/12	12/31/11
Unconditional promises to give		
before unamortized discount	\$398,182	\$732,207
Less: unamortized discount	(28,090)	(42,355)
Net unconditional promises to give	<u>370,092</u>	<u>689,852</u>
Less: current portion	<u>(58,182)</u>	<u>(332,207)</u>
Noncurrent portion	\$311,910	\$357,645
	_____	_____
	12/31/12	12/31/11
Amounts due in:		
Less than one year	\$58,182	\$332,207
One to five years	<u>340,000</u>	<u>400,000</u>
Total	<u>\$398,182</u>	<u>\$732,207</u>

**Spencer Educational Foundation, Inc.**  
**Notes to Financial Statements**  
**December 31, 2012 and 2011**

**Note 3 - Investments**

Investments consist of the following at:

	<u>12/31/12</u>	<u>12/31/11</u>
Stock funds	\$3,573,886	\$3,389,476
Bond funds	2,194,599	1,884,300
Money Market	247,109	63,171
Total	<u>\$6,015,594</u>	<u>\$5,336,947</u>

All of the Foundation's investments have been identified as Level I in the fair value hierarchy as they have values based on quoted prices in active markets for identical assets.

Investment income consists of the following at:

	<u>12/31/12</u>	<u>12/31/11</u>
Dividend and interest income	\$198,884	\$202,436
Net realized and unrealized gain/(loss) on investments	489,197	(321,789)
Less: investment advisory fees	(13,986)	(10,374)
Total	<u>\$674,095</u>	<u>(\$129,727)</u>

**Note 4 - Property and Equipment**

Property and equipment consist of the following at:

	<u>12/31/12</u>	<u>12/31/11</u>
Computer software	\$19,800	\$30,078
Less: accumulated depreciation	18,907	(17,811)
Net	<u>\$893</u>	<u>\$12,267</u>

Depreciation expense for the years ended December 31, 2012 and 2011 was \$7,305 and \$7,520, respectively.

**Note 5 - Temporarily Restricted Net Assets**

Donor restricted contributions whose use is restricted by the donor are recorded in a separate class of net assets. The following schedule summarizes those restrictions:

**Spencer Educational Foundation, Inc.**

# Notes to Financial Statements

**December 31, 2012 and 2011**

	1/1/12	Contribution	Released From Restriction	12/31/12
FM Global Fund	\$322,500	\$0	\$110,000	\$212,500
John T. Lockton Memorial Scholarship Fund	327,150	0	60,000	267,150
Zurich Financial Services Scholarship Fund	85,000	0	5,000	80,000
Dr. E.J. Leverett Memorial Scholarship Fund-RIMS Atlanta Chapter	85,000	0	5,000	80,000
RIMS Chicago Chapter Scholarship Fund	85,000	0	5,000	80,000
RIMS Dallas-Ft. Worth Chapter Fund	85,000	0	5,000	80,000
XL Ian Heap Memorial Scholarship Fund	82,500	0	5,000	77,500
Ellen Thrower Scholarship Fund	79,840	0	5,000	74,840
Thomas M. Regan Memorial Scholarship Fund	72,500	0	5,000	67,500
September 11th Memorial Scholarship Fund	68,180	0	5,000	63,180
RSA Douglas Barlow Scholarship Fund	32,500	0	7,500	25,000
Robert E. & John P. Gallagher Scholarship Fund	90,000	0	5,000	85,000
RIMS Atlanta Chapter Scholarship Fund	85,000	5,000	10,000	80,000
William J. Clagnaz ACE Memorial Scholarship	75,000	0	5,000	70,000
RIMS Scholarship Fund	120,000	0	45,000	75,000
Liberty Mutual Scholarship Fund	380,000	0	20,000	360,000
Allied World Scholarship Fund	95,000	0	5,000	90,000
RIMS New York Chapter Scholarship Fund	85,000	0	5,000	80,000
Allied World Internship Program	0	5,000	0	5,000
RIMS Atlanta Chapter Internship Program	0	16,000	0	16,000
Allied World – 2013 ABSIP	0	9,000	0	9,000
Unamortized discount on multi-year contributions receivable	(42,355)	14,265	0	(28,090)
	<u>\$2,212,815</u>	<u>\$49,265</u>	<u>\$312,500</u>	<u>\$1,949,580</u>

	1/1/11	Contribution	Released From Restriction	12/31/11
FM Global Fund	\$332,500	\$0	\$10,000	\$322,500
John T. Lockton Memorial Scholarship Fund	277,150	100,000	50,000	327,150
RIMS Fund	52,600	0	52,600	0
Zurich Financial Services Scholarship Fund	90,000	0	5,000	85,000
Dr. E.J. Leverett Memorial Scholarship Fund-RIMS Atlanta Chapter	90,000	0	5,000	85,000
RIMS Chicago Chapter Scholarship Fund	90,000	0	5,000	85,000
RIMS Dallas-Ft. Worth Chapter Fund	90,000	0	5,000	85,000
XL Ian Heap Memorial Scholarship Fund	87,500	0	5,000	82,500
Ellen Thrower Scholarship Fund	84,840	0	5,000	79,840
Thomas M. Regan Memorial Scholarship Fund	77,500	0	5,000	72,500
September 11th Memorial Scholarship Fund	73,180	0	5,000	68,180
RSA Douglas Barlow Scholarship Fund	40,000	0	7,500	32,500
Robert E. & John P. Gallagher Scholarship Fund	95,000	0	5,000	90,000
RIMS Atlanta Chapter Scholarship Fund	85,000	20,000	20,000	85,000
William J. Clagnaz ACE Memorial Scholarship	80,000	0	5,000	75,000
RIMS Scholarship Fund	225,000	0	105,000	120,000
Liberty Mutual Scholarship Fund	400,000	0	20,000	380,000
Allied World Scholarship Fund	100,000	0	5,000	95,000
RIMS Atlanta Chapter Scholarship Fund	15,000	0	15,000	0
RIMS New York Chapter Scholarship Fund	90,000	0	5,000	85,000
Unamortized discount on multi-year contributions receivable	(51,484)	9,129	0	(42,355)
	<u>\$2,423,786</u>	<u>\$129,129</u>	<u>\$340,100</u>	<u>\$2,212,815</u>

## Spencer Educational Foundation, Inc.

# Notes to Financial Statements

December 31, 2012 and 2011

### Note 6 - Programs and Supporting Service Description

The following programs and supporting services are included in the accompanying financial statements:

#### *Scholarship and Other Programs*

Scholarship programs include general fund scholarships in undergraduate, graduate, and pre-dissertation doctorate categories. There are also various named scholarship programs that are described in Note 5. The Risk Manager in Residence is awarded to working risk managers so they can lecture for two days on college and university campuses in the United States and Canada.

#### *Student Involvement Program*

The Student Involvement Program matches students with risk management companies for a meaningful internship experience that provides students with maximum exposure to risk management issues. RIMS Anita Benedetti Student Involvement Program awards a grant that enables selected risk management students to attend RIMS Annual Conference & Exhibition. The Indiana State Grant funds a risk management workshop for local high school teachers, and the Katie School Grant was awarded to Illinois University to enable high school students to attend summer workshops educating them about career opportunities in risk management and insurance

#### *Management and General*

This includes professional fees, Board of Directors functions, and support costs necessary to manage the financial responsibilities of the Foundation.

#### *Fundraising*

Included are professional fees, printing and mailing, and marketing costs associated with the fundraising activities of the Foundation.

### Note 7 - Related Party Transactions

The Foundation is affiliated with the Risk and Insurance Management Society, Inc. ("RIMS"). RIMS does not exert control over the operations of the Foundation; however, significant funds are raised through the membership of RIMS. The Foundation received contributions of \$183,700 and \$114,100, respectively, for the years ended December 31, 2012 and 2011, from several RIMS chapters. Included in contributions receivable at December 31, 2012 and 2011, are \$47,500 and \$85,000, respectively, due from several RIMS chapters.

During 2010, the Foundation received a \$450,000 pledge from RIMS. Included in contributions receivable at December 31, 2011 is \$150,000 remaining from this pledge. This pledge was fully collected during the year ended December 31, 2012.

The Foundation also received in-kind contributions of \$19,637 and \$42,200, respectively, for the years ended December 31, 2012 and 2011, from RIMS to cover the use of headquarters facilities.

The Foundation paid RIMS a fee of \$270,557 and \$147,050 for the years ended December 31, 2012 and 2011, respectively for program assistance, fundraising, and administrative services provided. The Foundation had amounts due to RIMS totaling \$155,905 and \$513 at December 31, 2012 and 2011.





IRA L. SCHALL, CPA  
DAVID C. ASHENFARB, CPA

## **Spencer Educational Foundation, Inc.**

# **Independent Auditors' Report On Supplemental Information**

**To the Board of Directors of  
Spencer Educational Foundation, Inc.**

We have audited the financial statements of Spencer Educational Foundation, Inc. (the "Foundation") as of and for the years ended December 31, 2012 and 2011, and have issued our reports thereon dated March 27, 2013 which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on those financial statements as a whole. The statement of functional expenses is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Schall &amp; Ashenfarb". The signature is written in a cursive, flowing style.

Schall & Ashenfarb  
Certified Public Accountants, LLC

**March 27, 2013**

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**Spencer Educational Foundation, Inc.**

# Statement of Functional Expenses

For the Years Ended December 31, 2012 and 2011

	December 31, 2012					December 31, 2011				
	Program Services	Supporting Services			Total Expenses	Program Services	Supporting Services			Total Expenses
		General and Administration	Fundraising	Total Supporting Services			Management and General	Fundraising	Total Supporting Services	
Scholarships/grants	\$573,016			\$0	\$573,016	\$462,850			\$0	\$462,850
Student involvement	111,500			0	111,500	103,000			0	103,000
RIMS fees	116,358	\$15,508	\$138,691	154,199	270,557	130,989	\$12,832	\$45,428	58,260	189,249
Professional fundraising				0	0			66,058	66,058	66,058
Marketing			9,366	9,366	9,366			4,589	4,589	4,589
Accounting		14,000		14,000	14,000		17,500		17,500	17,500
Postage and shipping			3,288	3,288	3,288			5,241	5,241	5,241
Conferences and meetings		10,858		10,858	10,858		10,478		10,478	10,478
Bad debts expense		32,500		32,500	32,500				0	0
Equipment rental		9,865		9,865	9,865		10,990		10,990	10,990
Miscellaneous		4,754		4,754	4,754		864		864	864
Printing (including in-kind)		1,360		1,360	1,360		319		319	319
Supplies		1,829		1,829	1,829		966		966	966
Travel		3,216		3,216	3,216				0	0
Bank fees		5,840		5,840	5,840		2,878		2,878	2,878
Depreciation		7,305		7,305	7,305		7,520		7,520	7,520
Indirect gala expenses			127,309	127,309	127,309			102,642	102,642	102,642
<b>Total expenses</b>	<b>\$800,874</b>	<b>\$107,035</b>	<b>\$278,654</b>	<b>\$385,689</b>	<b>\$1,186,563</b>	<b>\$696,839</b>	<b>\$64,347</b>	<b>\$223,958</b>	<b>\$288,305</b>	<b>\$985,144</b>

The attached notes and auditors' report are an integral part of these financial statements.





**SPENCER EDUCATIONAL FOUNDATION, INC.**

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