



Spencer

2021 Annual Report

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SPENCER'S HISTORY & MISSION



Robert Spencer was a seminal leader in the risk management field. For 17 years, he held numerous management positions at Fuqua Industries Inc., where he developed the organization's diverse risk management program, co-founded Bermuda-based Fuqua Insurance Company Ltd., set standards on the dealings of captives in the domestic and international reinsurance markets, and created a workers' compensation, self-retention program adopted by 31 U.S. states.

In addition, Robert was a leader in The Risk and Insurance Management Society, Inc. (RIMS), serving as president of the Atlanta Chapter in 1973, and as vice president (1974–1977) and then president (1977–1978) of the national organization. He was also a founding member of the Canadian Institute of Chartered Accountants. In all these roles, Robert developed numerous programs — including RIMS' Anita Benedetti Student Involvement Program, which sends students to the annual RIMS Conference and Exhibition — so that the principles of good risk management could be passed on.

Long after his death in 1979, Spencer continues to honor Robert's legacy by funding the education of tomorrow's risk management and insurance leaders through scholarships, grants, internship opportunities, on and off campus experiential learning, and support of risk management/insurance curricula. Since Spencer's founding, we have awarded nearly \$9 million in scholarships and over \$7 million in grants to universities and professional institutions impacting an estimated 70,000 students through our programming.

2021 BOARD OF DIRECTORS

Chairperson Robin S. Roeder Sedgwick	Immediate Past Chair Marya Propis RT Specialty	Andrea M. Dudek Accenture	Debbie Michel Liberty Mutual
President Teresa M. Black Chubb	Stephen Acunto, Jr. Business Insurance	Duncan Ellis AIG	Michele J. Sansone AXA XL
Vice President Johnell Holly FM Global	Kristen M. Bessette QBE	Theana L. Iordanou ARC Personal Lines LLC	Matthew Schneider Aon
Treasurer Peter A. Heard Travelers	Butler Bourgeois Gallagher	Christopher J. Lang Marsh	Lori Seidenberg BlackRock, Inc.
Secretary Jeffrey M. Cohen Zywave	Joseph Cellura Allied World	Joseph V. LaRocco, Jr. Willis Towers Watson	Patrick Sterling Texas Roadhouse <i>RIMS Ex Officio</i>
	Dr. Cassandra Cole Florida State University	Dr. Weili Lu California State University - Fullerton	Bob Thomas Liberty Mutual
	Ron Davis Zurich Insurance	Timothy Meacham Lockton Companies	

LETTER FROM OUR BOARD CHAIRPERSON

2021 CHAIRPERSON, ROBIN S. ROEDER:

Dear Spencer Supporters,

2021 marked my first year serving as Board Chair for the Spencer Educational Foundation and I could not be prouder of the Foundation's significant growth. As a Spencer Scholar alumni, I know firsthand the impact Spencer can have – not only through financial awards, but with countless other resources such as educational opportunities, one-on-one mentorships, internships, and more.

Despite the ever-changing environment we have experienced since March 2020, Spencer has been fortunate enough to continue our mission – funding the education of tomorrow's risk management and insurance leaders. In 2021, Spencer awarded 89 Scholarships, 34 Internship Grants, 20 Risk Manager on Campus Grants, 12 General Grants, and 6 Course Development Grants totaling over a \$1.2 million investment in industry education.

We were also able to accomplish many landmark achievements including surpassing our \$1 million annual campaign goal, holding the largest virtual 5K Fun Run in our history with over 400 runners/walkers, and continuing to grow our DE&I initiatives with the addition of 20 new merit-based diversity scholarships.

Witnessing the exciting growth of Spencer and seeing the impact we have been able to make would not be possible without the generous support of our donors. Together, we are truly making a difference in supporting young risk management and insurance professionals across the country.

Upon reading our 2021 annual report, we hope you are compelled to continue your support of Spencer as we help better prepare our students to be future industry leaders. This report provides a firsthand look at how your donation is funding all the great work Spencer is doing and how you help us fulfill our mission. Thank you.

Sincerely,



Robin S. Roeder

SCHOLARSHIPS

Spencer Scholarships are awarded to students in the United States and Canada who are studying to join the risk management and insurance (RMI) industry. Selection is based on academic achievement, leadership, work/internship experience, and demonstrated commitment to pursuing a career in the industry. In 2021, Spencer awarded 89 scholarships totaling \$546,327 to full-time undergraduate and graduate students, Ph.D. students, and working risk professionals pursuing a master's degree part-time. A special thank you to all of our named scholarship partners.

NEW! Highest Ranked Undergraduate Scholarship Recipient (\$10,000 scholarship)

Sai Keerthi Manasani, University of Connecticut - *Angela Sabatino Scholarship*

Highest Ranking Undergraduate Scholarship Recipients (\$7,500 scholarships)

Brett Ackerman, Temple University

Anaha Babu, St. John's University

Caeden Godfrey, Troy University

Shelby Green, Temple University

Oumou Tounkara, Saint Joseph's University

Maurice Williams, St. John's University - *AXA XL - Aon Symposium*

Undergraduate Named and Memorial Scholarship Recipients (\$5,000 scholarships)

Bianca Anchondo, St. Mary's University - *Latin American Association of Insurance Agencies (LAAIA)*

Kaitlyn Anyan, University of Georgia - *RIMS Atlanta Chapter*

Reiner Atstathi, St. John's University-New York - *Chubb/William J. Clagnaz Memorial*

Thomas Beaudet, Temple University - *Business Insurance*

Julia Berdzik, Saint Joseph's University - *Thomas M. Regan Memorial*

Grace Brighter, Temple University - *FM Global*

Macy Butz, Florida State University - *Elizabeth Lisle*

Aaron Cox, University of Central Oklahoma - *John T. Lockton Memorial*

Chloe Doherty, St. John's University-New York - *Dante Petrizzo Memorial*

Jamal Evans, Temple University - *Allied World Assurance Company*

Elizabeth Fisher, Olivet College - *AXA XL/Ian R. Heap Memorial*

Lily Fitzpatrick, St. John's University-New York - *New York City Association of Insurance Women (NYCAIW)*

Elina Goykhman, St. John's University - *New York City Association of Insurance Women (NYCAIW)*

Alexis Hanchett, Olivet College - *Sedgwick/Steven E. Penman Memorial*

Charlene Hao, California State University-Fullerton - *Business Insurance*

Peter Heney, Bentley University - *John T. Lockton Memorial*

Kuruvilla James, Temple University - *Zurich*

Damarcus Johnson, Georgia State University - *Beecher Carlson Diversity*

Bryce Laursen, St. Marys University - *Gabriel L. Lugo/DFW RIMS*

Huy Le, St. John's University-New York - *Arch Insurance Scholars Program*

Alyssa Locke, Saint Joseph's University - *9/11 Memorial*

Ryan Lowden-Stoole, Robert Morris University - *John T. Lockton Memorial*

Ashley Martin, Saint Joseph's University - *Liberty Mutual Group*



Brett Ackerman



Bianca Anchondo



Kaitlyn Anyan



Reiner Atstathi



Michael Babiak



Anaha Babu



Spencer Balonis



Thomas Beaudet



Julia Berdzik



Arshiana Binte



Logan Boal



Anne Bowen



Grace Brighter



Macy Butz



Kaylene Candela



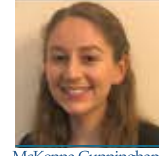
Megan Chaffey



Thomas Cotter



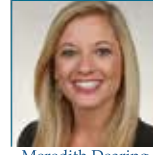
Aaron Cox



McKenna Cunningham



Sebastian Czerwinski



Meredith Dearing



Chloe Doherty



Michael Dougherty



Joshua Ebyson



Jamal Evans



Yu Fang



Elizabeth Fisher



Lily Fitzpatrick



Jordan Flaig



Caeden Godfrey



Elina Goykhman



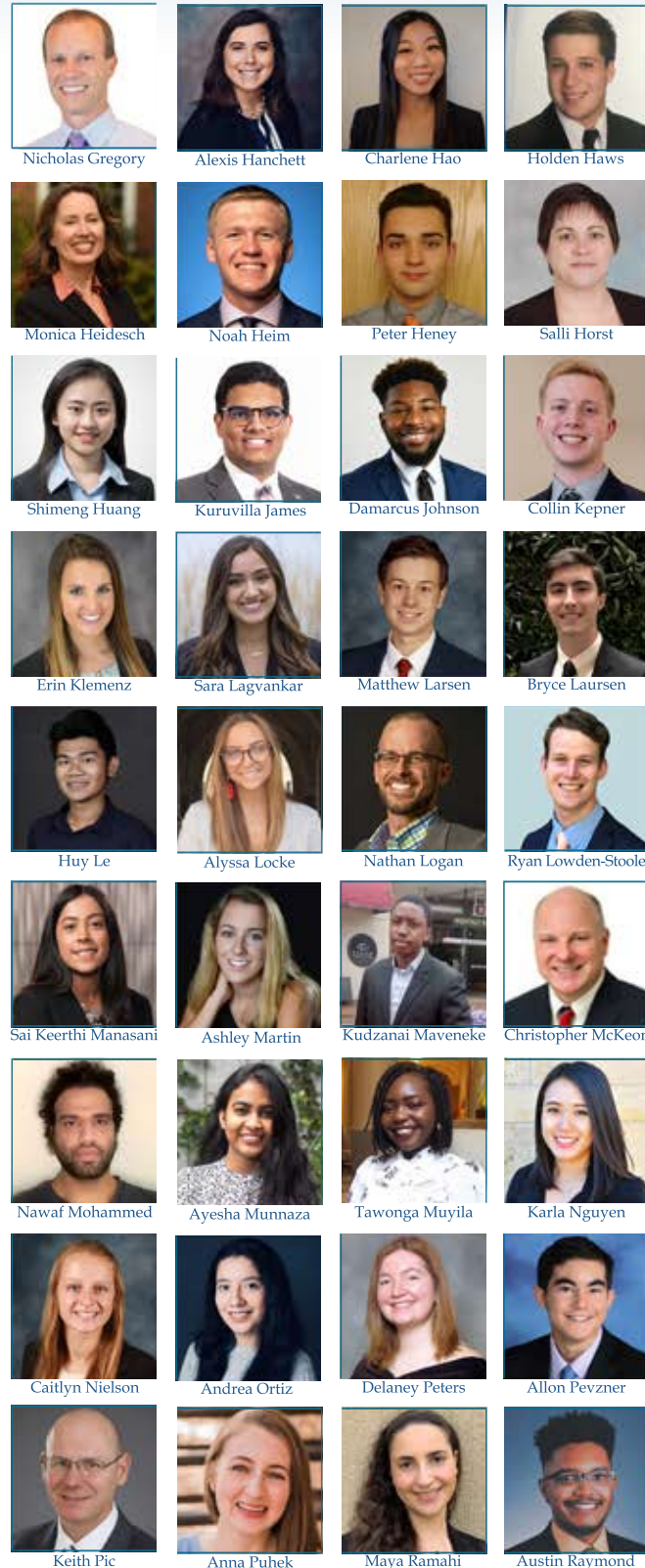
Shelby Green

SCHOLARSHIPS

Undergraduate Named and Memorial Scholarship Recipients

(\$5,000 scholarships)

Kudzanaï Maveneke, Georgia State University - *Liberty Mutual Group*
Tawonga Muyila, Georgia State University - *Dr. E.J. Leverett Memorial*
Karla Nguyen, University of St Thomas - *Liberty Mutual Group*
Andrea Ortiz, St. John's University - *Latin American Association of Insurance Agencies (LAAIA)*
Delaney Peters, Olivet College - *John T. Lockton Memorial*
Anna Puhek, University of St Thomas - *Robert E. and John P. Gallagher Memorial*
Maya Ramahi, University of Illinois at Urbana-Champaign - *Argo Group Diversity*
Austin Raymond, Towson University - *Arch Insurance Scholars Program*
Anthony Scenna, Saint Joseph's University - *RIMS New Jersey Chapter*
Allyson Sears, Olivet College - *John T. Lockton Memorial*
Emily Selenis, Illinois State University - *RIMS Chicago Chapter*
Anna Puhek, University of St Thomas - *Robert E. and John P. Gallagher Memorial*
Maya Ramahi, University of Illinois at Urbana-Champaign - *Argo Group Diversity*
Austin Raymond, Towson University - *Arch Insurance Scholars Program*
Anthony Scenna, Saint Joseph's University - *RIMS New Jersey Chapter*
Allyson Sears, Olivet College - *John T. Lockton Memorial*
Emily Selenis, Illinois State University - *RIMS Chicago Chapter*



Undergraduate General Fund Scholarship Recipients

(\$5,000 scholarships)

Michael Babiak, Saint Joseph's University
Spencer Balonis, Temple University
Logan Boal, Lebanon Valley College
Anne Bowen, Indiana State University
Megan Chaffey, University of Nebraska-Lincoln
Thomas Cotter, Temple University
Sebastian Czerwinski, Illinois State University
Joshua Ebyson, Temple University
Jordan Flaig, Ball State University
Holden Haws, Temple University
Noah Heim, Indiana State University
Collin Kepner, University of Iowa
Erin Klemenz, Saint Joseph's University
Sara Lagvankar, University of Illinois at Urbana-Champaign
Matthew Larsen, Drake University
Caitlyn Nielson, Drake University
Allon Pevzner, St. John's University-New York
Rylee Sellitto, Saint Joseph's University
Lily Van Elderen, University of Mississippi
Owen Walker, Temple University
Robert Walton, Temple University
Megan Whitney, Illinois State University
Andrea Wilcox, University of Illinois at Urbana-Champaign

SCHOLARSHIPS

Full-Time Master's Scholarship Recipients (\$10,000 scholarships)

Arshiana Binte
McKenna Cunningham, University of North Carolina at Charlotte
Ayesha Munnaza, Georgia State University - *Anita Benedetti Memorial*
Faiz Shakir, St. John's University
Cordelia Villalpando de la Garza Evia, John Hopkins University
Elizabeth Volpa, The University of Alabama

Pre-Dissertation Ph.D. Scholarship Recipients (\$10,000 scholarships)

Shimeng Huang, University of Wisconsin-Madison
Tyler Welch, University of Wisconsin-Madison

Doctoral Candidate Scholarship Recipients (\$10,000 scholarships)

Yu Fang, Temple University
Monica Heidesch, University of Georgia
Nawaf Mohammed, York University

Part-Time Master's Scholarship Recipients (awards of up to \$10,000 to working risk professionals seeking their master's degree)

Kaylene Candela, Olivet College
Meredith Dearing, Olivet College
Michael Dougherty, Columbia University - *Risk & Insurance Management Society, Inc. (RIMS)*
Nicholas Gregory, Florida State University
Salli Horst, Butler University
Nathan Logan, Butler University
Christopher McKeon, Columbia University
Keith Pic, Florida State University
Justin Ruehs, Olivet College
Laurin Vogel, Columbia University



Justin Ruehs



Anthony Scenna



Allyson Sears



Emily Selenis



Rylee Sellitto



Faiz Shakir



Elli Tai



Madison Terzich



Oumou Touunkara



Lily Van Elderen



Cordelia Villalpando de la Garza Evia



Laurin Vogel



Elizabeth Volpa



Owen Walker



Elizabeth Wallace



Zoie Walters



Robert Walton



Tyler Welch



Megan Whitney



Andrea Wilcox



Maurice Williams

TOTAL AMOUNT AWARDED: \$546,327

GENERAL GRANTS

Spencer General Grants support initiatives that provide experiential learning opportunities for Risk Management and Insurance students and attract new talent to the industry. Many 2021 initiatives included specific, earmarked support for students of color and other historically underrepresented groups. **In 2021, Spencer awarded 12 general grants totaling \$276,732.**

THE FOLLOWING 2021 GRANTS WERE AWARDED TO ORGANIZATIONS TO SUPPORT STUDENT ATTENDANCE AT INDUSTRY RELATED CONFERENCES:

Gamma Iota Sigma

Funding for the GIS International Conference and support of GIS's One Campus at A Time initiative (3-year grant)

Professional Liability Underwriting Association (PLUS)

Supporting selected student attendance at the PLUS Conference

RIMS 2021 Enterprise Risk Management Conference

Supporting selected student attendance

RIMS 2021 Risk Tech Conference

Supporting selected student attendance

RIMS Anita Benedetti Student Involvement Program (ABSIP)

Supporting selected student attendance at the RIMS Annual Conference

RIMS Student Risk Management Challenge

Supporting student teams travel and housing expenses to compete on a chosen case study at the RIMS Annual Conference

GENERAL UNIVERSITY/ORGANIZATIONAL GRANT RECIPIENTS

Appalachian State University

Funding for a Diversity and Inclusion in Risk Management & Insurance initiative (3-year grant)

California State University - Fullerton

"Fusion Certificate Program" – RMI/STEM Certificate Program, exploring the intersections of Science, Technology, Engineering and Risk (2-year grant)

Indiana State University

Funding recruitment and Career Awareness Diversity Program to increase recruitment, enrollment, and D&I

National African American Insurance Association (NAAIA)

Funding for the NAAIA National Talent Development Competition

Old Dominion University

Funding for Development of Advanced Course Modules

Saint Joseph's University

Creation of the "Spencer Digital Insights Lab" – bringing students, faculty, and the industry together to solve novel risk management business problems through the application of software and analytics

*** Temple University**

Funding to create, develop and implement the named Spencer Center for Professional Development in Risk Management and Actuarial Science (multi-year grant)

** Year 2 funding delivery deferred to 2022*

TOTAL AMOUNT AWARDED: \$276,732

INTERNSHIP GRANTS

Spencer creates new opportunities for experiential learning through grants to risk managers to fund summer internships. Since its creation in 1997, Spencer's Internship Grant Program has introduced the fundamentals of managing risk to students, many of whom may have never taken a risk management course. Through their internships, students gain hands-on experience that prepares them for a career within the industry. **In 2021, Spencer awarded internship grants to 34 Risk Management departments totaling \$246,614.**

A special thank you to all of our named internship grant donor partners.

2021 STUDENT INTERNSHIP PROGRAM

EMPLOYER

AES Corporation - *RIMS Grant*
Bon Secours Mercy Health
CBIZ, Inc.
Clark Equipment Company
ConAm Management Corp. - *RIMS Grant*

Cotton Holdings Inc.
CVS Health
DFA Dairy Brands, LLC
DFW International Airport
Diocese of St. Augustine - *NE Florida RIMS Chapter Grant*

Dollar Tree - *RIMS Grant*
Electrolux North America
Growmark, Inc.
Hearst - *RIMS Grant*
Henry Schein
KeyCorp - *RIMS Grant*
KHS&S
LVMH - *Archipelago Grant*
McKesson Corporation
Mission Rock Residential - *RIMS Grant*
NuStar Energy L.P.
Oregon Health & Science University
Oregon State University - *RIMS Grant*
Parsons Corporation
Port of Portland - *RIMS Grant*
Prologis Inc. - *Golden Gate RIMS Chapter Grant*
Retail Properties of America, Inc.
Sage Software North America
Sierra Nevada Corp. - *RIMS Grant*
SP Plus Corporation
The Adecco Group
The ALS Group - *NJ RIMS Chapter Grant*

UFA Co-operative Ltd.
University of Cincinnati

INTERN

Nicole Perez
Emily Kuder
Tyzha Gunn
Ross Bieniek
Alex Bernal
Tyler Rice
Michael (David) Stein
Rachel Zabelsky
Daniel Landaverde
Monae Garrett
Kareem Chams
Ana Paula Melilo
Brandon Flores
Jacob Pittman
Jill Carter
Devin Summers
Joseph Razza
John Sullivan
Amanda Shubin
Johannes Piele
Siyin (Stacey) Yao
Rohit Dhole
Sean Rivas
Antara Vidyarthi
Hannelore Wrahtz
Manuel Mandoza
Katelyn Williams
Dominique Orji
Edgar Castillo
Ingara Mayeke
Ryley Lewis
Dovydas (David) Mazeika
Morgan Rees
Tori Holste
Ina Koeder
Wen (Jessie) Xiong
Anamika Anamika
Noor Abuzaid
Aaman Patel

UNIVERSITY

Temple University
Bowling Green State University
Baldwin Wallace University
University of Georgia-Athens
Grossmont/Cuyamaca College
Point Loma Nazarene University
University of Houston Downtown
Robert Morris University
University of North Texas
University of North Texas
Florida State College at Jacksonville,
University of North Florida
Old Dominion University
University of North Carolina at Charlotte
Illinois State University
Greensboro College
St. John's University
University of Georgia
California State University Fullerton
St. John's University
University of Georgia
University of Colorado Denver
St. Mary's University
Portland State University
Oregon State University
California State University Fullerton
Portland State University
University of Georgia
Judson University
Georgia State University
Florida State University
Illinois State University
Susquehanna University
St. John's University
Temple University
Columbia University
Southern Alberta Institute of Technology
University of Cincinnati
University of Cincinnati

TOTAL AMOUNT AWARDED: \$246,614

COURSE DEVELOPMENT GRANTS

Spencer Course Development Grants support Introductory Risk Management and Insurance Course Development - for universities that have not previously offered any such instruction - as well as proposals for additional Course Curriculum Development and Program Development - for universities looking to develop a RMI program and/or expand existing RMI course offerings, with an emphasis on new and emerging areas in the industry. **In 2021, Spencer awarded \$130,210 to support course development at 6 universities.**

2021 COURSE DEVELOPMENT GRANT RECIPIENTS

Brooklyn College (Brooklyn, NY)

This grant was awarded to the Brooklyn College's Murray Koppelman School of Business to develop a series of risk management courses and programs for undergraduate students to prepare them for a career in risk management, insurance, finance and more. This program will include guest lectures, internships and an Aon/Spencer Educational Foundation tuition award program that will support students throughout their academic journeys. This grant was funded by Aon.

Fisk University (Nashville, TN)

This grant was awarded for the development and implementation of a new course titled "Risk Management & Insurance: Fundamentals & Applications." This grant was made possible through a generous contribution by the R.I.S.E. Opportunity Foundation.

Stony Brook University (Stony Brook, NY)

This grant was awarded in support of the College of Business's efforts to launch a Specialization in Risk Management and Insurance, including the creation of a "Foundations of Property and Casualty Insurance" Course, and support for co-curricular activities for students.

University of the District of Columbia (Washington, DC)

This grant was awarded for the development of an Introductory Risk Management and Insurance Course. This grant was made possible through a generous contribution by the Risk and Insurance Management Society (RIMS).

University of North Texas (Denton, TX)

This grant was awarded to support the incorporation of RMI Professional Designations into UNT's undergraduate RMI curriculum.

York University (Toronto, Ontario)

This two-year grant was awarded to help develop and offer a Risk Management and Insurance course. This grant will benefit York University's Risk and Insurance Studies Centre. York University titled the RMI course "Principles of Risk Management and Insurance" and it has been approved to be offered at York University during the 2021-2022 academic year and thereafter. They plan to offer the course at least twice a year.

TOTAL AMOUNT AWARDED: \$130,210

RISK MANAGER ON CAMPUS GRANTS

Spencer's Risk Manager on Campus (RMOC) Grant Program allow colleges and universities to bring a practicing Risk Manager on campus to interact with students in classes, lectures, and receptions over a 1-3 day period. Spencer RMOC Grants create possibilities for students to network with and learn from risk professionals, and provide practicing risk managers with the rewarding opportunity to give back to the profession. **In 2021, Spencer awarded 20 RMOC grants totaling \$54,166.**

2021 RISK MANAGER ON CAMPUS PROGRAM

Ball State University

Nada Jandrich, Cook Group

California State University - Fullerton

Robert Cartwright, Bridgestone Retail Operations

Central Washington University

Robert Brandkamp, Avista Corp.

East Carolina University

James Curbeam, Las Vegas Valley Water District
Jorie Dickerson, SAS

Florida State University

Michael Philipus, Occidental Petroleum Corp.
Barry Dillard, The Walt Disney World Resort and
Disney Cruise Line

Illinois State University

Theresa Severson, Kite Realty Group

La Salle University

John Bell, Lawrence Livermore National Laboratory
Dylan Lauzon, Port of Portland

New Mexico State University

Stephanie Fisher, Quanta Services

Ohio Dominican

Don Desender, White Castle System, Inc.

Ohio State University

Dan Chizever, Abercrombie & Fitch
Julie Pemberton, Keolis

Saint Joseph's University

Robert Gofourth, BlueCross BlueShield
Tracy Hwang, Instacart

University of Akron

Dan Kugler, Risk Management & Insurance Consultancy, LLC
Michael Phillipus, Occidental Petroleum Corporation

University of Central Arkansas

Lance Ewing, San Manuel Band of Mission Indians

University of Dayton

Thomas Kim, KKR Capstone
Bob Nighan, Travelers

University of Hartford

Marina Cronk, Williams-Sonoma, Inc.
Andrea Dudek, Accenture
Steve Pottle, Thompson Rivers University
Rick Roberts, Former RM at Ensign-Bickford Industries
Jeffrey Strege, Academy Sports + Outdoors

University of Houston-Downtown

Richard Johanson, General Dynamics Corp.
Jeff Strege, Academy Sports + Outdoors

University of Illinois

Michael Lubben, Henry Crown and Company

University of Louisville

Amy Townsend, North American Properties

University of North Texas

Andrew Bent, Sage Software Inc.
Reggie Texada, TelevisaUnivision

York University

Andrea Dudek, Accenture

TOTAL AMOUNT AWARDED: \$54,166

PROGRAM IMPACT

Spencer's impact on students and the RMI industry continues as the Foundation expands its programming throughout the U.S. and Canada. **In 2021, Spencer was able to award 89 scholarships and 72 grants totaling over \$1.2 million - impacting thousands of individuals involved in risk management and insurance!**



" From scholarship opportunities to hands-on learning and connections with industry professionals, the Spencer Educational Foundation Scholarship helps build successful leaders and lifelong learners. I'm thrilled to have the opportunity to further my insurance education and professional career as a proud Spencer Scholarship recipient. Thank you! "

Anne Bowen

Indiana State University | 2021, 2020 Spencer Scholar

" In 2021, we were able to use Spencer grant funds to invite six wonderful college students to the URMIA Annual Conference in Seattle. These talented students were able to attend several special networking events with current and former leaders of URMIA. It was a real treat for URMIA members to get to know these students and we look forward to having them back as young professionals at future conferences.

Thank you! "

Jenny Whittington

Executive Director, URMIA | 2021 General Grant Recipient



" Through my internship experience, I had the opportunity to work closely with our brokers, which showed me that side of the business and it gave me a clear understanding of what path I wanted to take post-graduation and I'm really thankful for that. I also had the opportunity to work with people all over the world and it showed me the different perspectives of each individual and it showed me what diversity in a company is truly about. "

Nicole Perez

Temple University | 2021 Intern, AES Corporation

" Thank you to Spencer Educational Foundation for your great support of our effort to develop a risk management and insurance program at Mercy College. The Foundation's grant funding has been instrumental for the design of eight new courses. We're also planning to host a risk manager on our campus in 2021. The benefits of our collaboration are not just financials. The Foundation brings a valuable network of industry professionals we look forward to tapping into. Our students will benefit from these connections well beyond graduation. "

Victor Petenkemani

Associate Dean of the Mercy College School of Business | 2020 Course Development Grant Recipient



" I want to extend my thanks to Spencer for all that you do for our students. During the last two academic years, we've been so thrilled to participate in the Risk Manager on Campus Program. This program truly brings our course material to life. The opportunity for students to engage with working risk managers who are in the trenches experiencing the day-to-day challenges of risk management is just so valuable. "

Deborah Vesneski

Visiting Instructor, Saint Joseph's University | 2021 Risk Manager on Campus Grant Recipient

DIVERSITY, EQUITY, AND INCLUSION AT SPENCER

The Spencer Educational Foundation believes diversity, equity, and inclusion in risk management and insurance is a business imperative that only makes us stronger, and that is why we have taken actionable measures to develop and foster a diverse pipeline of talent. In 2021, Spencer awarded \$165,760 in scholarships and grants that directly impacted Minority-Serving institutions - including Historically Black Colleges & Universities and Hispanic-Serving Institutions - and students who identify with a historically underrepresented group in the industry.

2021 MERIT-BASED SCHOLARSHIPS FOR STUDENTS WHO IDENTIFY WITH A HISTORICALLY UNDERREPRESENTED GROUP

Arch Insurance

(2) Arch Insurance Scholars Program diversity scholarships

Argo Group

(1) two-year scholarship awarded to a diverse student studying at the University of Illinois at Urbana-Champaign

Beecher Carlson

(1) scholarship awarded to an undergraduate student who identifies with a historically underrepresented race/ethnicity

Latin American Association of Insurance Agencies

(2) scholarships for Latinx students

New York City Association of Insurance Women (NYCAIW)

(2) Scholarships awarded to female applicants

TOTAL AMOUNT AWARDED: \$40,000

2021 COURSE DEVELOPMENT GRANTS

Fisk University (*Historically black college or university*)

Funding to develop an Introductory Risk Management and Insurance Course

University of the District of Columbia (*Historically black college or university*)

Funding to develop an Introductory Risk Management and Insurance Course

University of North Texas (*Hispanic-serving institution*)

Funding to support the incorporation of RMI Professional Designations into UNT's undergraduate RMI curriculum

TOTAL AMOUNT AWARDED: \$56,500

2021 GENERAL GRANTS

Appalachian State University

Funding for a Diversity and Inclusion in Risk Management & Insurance Initiative

California State University - Fullerton (*Hispanic-serving institution*)

"Fusion Certificate Program" - RMI/STEM Certificate Program, exploring the intersections of Science, Technology, Engineering and Risk

Indiana State University

Funding recruitment and Career Awareness Diversity Program to increase recruitment, enrollment, and Diversity and Inclusion

NAAIA - the National African American Insurance Association

National Talent Development Competition

TOTAL AMOUNT AWARDED: \$66,100

2021 RISK MANAGER ON CAMPUS GRANT

New Mexico State University (*Hispanic-serving institution*)

Risk Manager on Campus Program

TOTAL AMOUNT AWARDED: \$3,160

FUNDING THEIR FUTURE CAMPAIGN

Spencer held its 2nd annual comprehensive fundraising campaign, Funding Their Future, from June 15 through September 15 honoring Peter Garvey of EPIC Insurance Brokers and Consultants and Mary Roth of Risk and Insurance Management Society, Inc. (RIMS). The campaign highlighted the past, present, and future of the Foundation and showcased its prominent role in supporting industry talent for more than four decades. **The Funding Their Future Campaign surpassed the \$1 million fundraising goal enabling Spencer to continue offering scholarships, grants, internships, and more to foster the next generation of risk management and insurance leaders.**

CAMPAIGN COMMITTEE CHAIR

Duncan Ellis
AIG

FUNDING THEIR FUTURE HONOREES

Peter Garvey
Vice Chairman of Galway Insurance Holdings (parent company of EPIC)

CAMPAIGN COMMITTEE

Teresa Black
Chubb

Mary Roth
CEO of Risk and Insurance Management Society, Inc. (RIMS)

Marya Propis
RT Specialty



L to R: Teresa Black, Megan Miller, Peter Garvey, Duncan Ellis

Bob Thomas
Liberty Mutual



L to R: Mary Roth, Megan Miller, Duncan Ellis

PAST: The first phase of the campaign recognized longtime industry supporters and those who helped pave the way for the Foundation's success including interviews with our honorees, videos from Spencer's Council of Advisors, and more. Highlighted Council of Advisors (previous Spencer Board Members) included:



Peggy Accordino
Former VP, Director of Risk Management
NFP Corp.



Roger Andrews
Former Director of Risk Management
E. D. Bullard Company



Brion Callori
SVP, Engineering and Research
FM Global



Donna Galer
Senior Advisor
Hanover Stone Solutions



P. Richard Hackenburg
Former VP of Insurance & Risk Control Services
FOJP Service Corp.



Robert Hoyt
Moore Chair and Department Head
University of Georgia

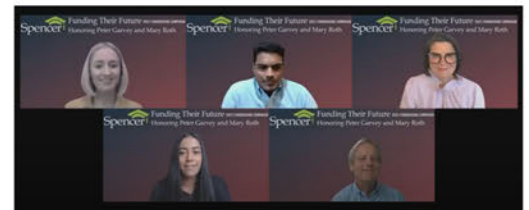


Zakia Phillips
Former EVP
Willis Towers Watson

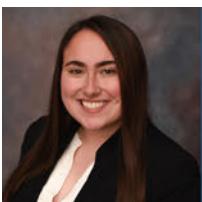


Scott Rich
Former Director of Corporate Insurance
Flowers Foods

PRESENT: On August 3rd, Spencer held a live virtual roundtable discussion with Spencer Honorees Peter Garvey and Mary Roth, Spencer staff, and Spencer scholarship recipients Kuruvilla James and Sai Manasani to talk about why risk management and insurance is such an attractive career path, and how to foster an evolving, fulfilling career in the industry.



FUTURE: The third phase of the campaign celebrated the diverse and talented students who have benefited from Spencer's programming - the future of our great industry!



" The relationships and mentorships that I have made while being a Spencer Scholar are ones that I will cherish throughout my professional career! Being a Spencer Scholarship recipient has not only assisted me financially but has also assisted me professionally by giving me the resources to develop relationships with industry professionals and grow in my knowledge of the industry. I thank the Spencer Educational Foundation for investing in my future, without them I would not be where I am today. "

Allyson Sears
Olivet College | 2021, 2020 Spencer Scholar

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SPENCER & SEDGWICK 5K FUN RUN

Because of the continuing pandemic and the RIMS Annual Conference going virtual, the Spencer & Sedgwick 5K Fun Run remained a virtual event. The 2021 Virtual 5K Fun Run was held on April 20th and allowed anyone to participate, no matter their location. Individuals were encouraged to run or walk on their treadmill, through their neighborhood, or their place of choosing and post photos on social media. **The 2021 Spencer & Sedgwick Virtual 5K Fun Run was a huge success with 405 runners, 245 donors, and 23 sponsors raising \$164,000!**

2021 5K FUN RUN SPONSORS:

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SPENCER GALLAGHER GOLF TOURNAMENT

In 2021, the Spencer Gallagher Golf Tournament pivoted to a virtual golf tournament allowing individuals to participate at various golf courses throughout the U.S. **The Spencer Gallagher Golf Tournament was able to raise \$27,000 through sponsorships and golfer registrations.** Thank you to Gallagher and all those who supported the golf tournament!

2021 GOLF TOURNAMENT SPONSORS:

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SPENCER DAY

Spencer held its 2nd Annual Spencer Day on February 22nd showcasing Spencer scholarship recipients, the companies who hire them, and the myriad ways that Spencer supports industry education. Spencer Day 2021 reflected on the Foundation's continued work in supporting diversity and inclusion in the risk management and insurance industry, including our partnerships with companies and organizations to create several merit-based scholarships awarded to students who identify with historically underrepresented groups. **Those partnerships enabled the creation of 20 new scholarships representing a \$100,000 direct investment in diverse talent!**

Celebrating the Diverse Future



of the Risk Management & Insurance Industry



“ After I graduate, I would like to use my skills and knowledge to help people attain financial stability through risk management and insurance. My dream is that one day even a local farmer in a developing country can afford insurance for his land and crops. ”

Tawonga Muyila

Student, Georgia State University
2021, 2020 Spencer Scholar

“ As an international, first-generation college student, The Spencer Educational Foundation has granted me the opportunity to show others that it does not matter where you start but where you finish. Being a first-year Spencer Scholar has helped me place my foot in the insurance industry, and I am more excited than ever to play a similar role in the future of this industry. ”



Maurice Williams

Student, St. John's University
2021 Spencer Scholar



“ I really look forward to seeing the evolution of the industry, and the great technological and analytical innovations that are already being implemented. As I keep on learning I intend to use the skills and the knowledge that I will acquire for the greater good by developing the insurance industry in Guinea and making it an integral part of the culture. ”

Oumou Tounkara

Student, Saint Joseph's University
2021, 2020 Spencer Scholar

FUNDRAISING & DONOR SUPPORT

THANK YOU FOR YOUR SUPPORT - 2021 DONORS

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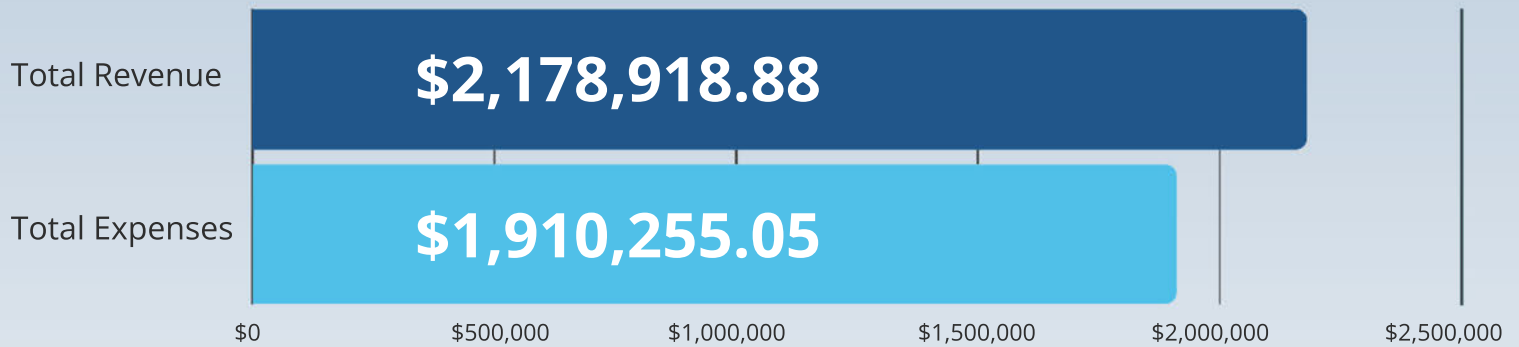
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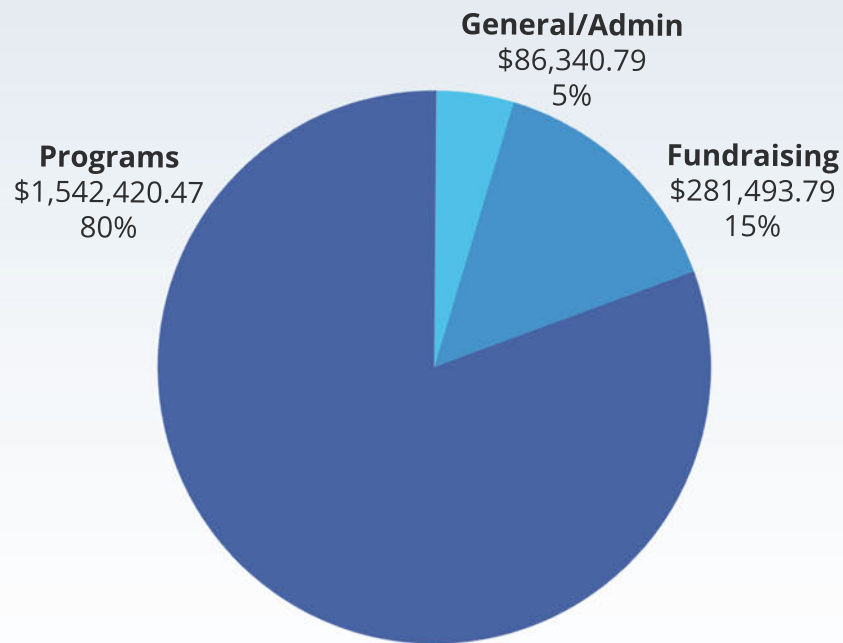
FINANCIALS

BALANCE SHEET



OVERALL EXPENSES

Total: \$1,910,255.05



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21. Statements of Activities Years Ended December 31, 2021 and 2020
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24. Notes to Financial Statements

INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Spencer Educational Foundation, Inc.
New York, New York

Opinion

We have audited the accompanying financial statements of Spencer Educational Foundation, Inc., (a nonprofit organization), which comprise the balance sheet as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Spencer Educational Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of Spencer Educational Foundation, Inc. as of December 31, 2020 were audited by other auditors whose report dated May 19, 2021 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Spencer Educational Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Spencer Educational Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Spencer Educational Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Dorfman Adams Incis, LLC

Saddle Brook, New Jersey

April 8, 2022

BALANCE SHEETS

SPENCER EDUCATIONAL FOUNDATION, INC.

BALANCE SHEETS

ASSETS

	December 31,	
	2021	(restated) 2020
Cash and cash equivalents	\$ 1,042,814	\$ 400,452
Investments, at fair value	7,944,513	7,932,216
Contributions receivable, net	628,849	831,717
Equipment and trademarks, net	10,215	10,215
Prepaid expenses	16,950	11,450
Total assets	<u>\$ 9,643,341</u>	<u>\$ 9,186,050</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	\$ 122,027	\$ 92,435
Refundable advances	235,010	20,000
Refundable advances - Paycheck Protection Program		55,975
Total liabilities	<u>357,037</u>	<u>168,410</u>
Net assets:		
Without donor restrictions:		
Undesignated	7,097,867	6,609,345
Board-designated	85,571	109,118
Without donor restrictions	7,183,438	6,718,463
With donor restrictions	2,102,866	2,299,177
Total net assets	<u>9,286,304</u>	<u>9,017,640</u>
Total liabilities and net assets	<u>\$ 9,643,341</u>	<u>\$ 9,186,050</u>

STATEMENTS OF ACTIVITIES

SPENCER EDUCATIONAL FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

	Year ended December 31, 2021		Year ended December 31, 2020 (restated)	
	Without donor restrictions	With donor restrictions	Without donor restrictions	With donor restrictions
Operating activities:				
Support and revenues:				
Contributions	\$ 795,492	\$ 563,500	\$ 837,630	\$ 670,000
Government grants - Paycheck Protection Program		118,837		
Special events	203,997	203,997	286,082	286,082
Investment income	73,942	6,206	55,933	55,933
In-kind contributions	5,600			
Miscellaneous income	2,774	2,774	35,939	35,939
Total support	1,081,805	688,543	1,215,584	670,000
Net assets released from restrictions	889,667	(889,667)	349,988	(349,988)
Total support and revenues	1,971,472	(201,124)	1,565,572	320,012
Expenses:				
Program services	1,542,419		1,591,014	
Supporting services:				
Management and general	86,340		165,171	
Fundraising	281,494		339,806	
Total supporting expenses	367,834		504,977	
Total expenses	1,910,253		2,095,991	
Change in net assets from operations	61,219	(201,124)	(530,419)	320,012
Nonoperating activities:				
Gain from insurance proceeds			29,370	
Realized and unrealized gains on investments	403,756	4,813	568,765	
Total nonoperating activities	403,756	4,813	598,135	
Change in net assets	464,975	(196,311)	67,716	320,012
Net assets, beginning of year, as previously reported	7,169,463	1,849,177	6,650,747	1,979,165
Prior period adjustment	(450,000)	450,000		
Net assets, beginning of year, as restated	6,718,463	2,299,177	6,650,747	1,979,165
Net assets, end of year	\$ 7,183,438	\$ 2,102,866	\$ 6,718,463	\$ 2,299,177

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

SPENCER EDUCATIONAL FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

	Year ended December 31,	
	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 268,664	\$ 387,728
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Realized and unrealized gains on investment	(408,569)	(568,765)
Change in discount on contributions receivable	10,038	(25,797)
(Increase) decrease in assets:		
Contributions receivable	192,830	(38,797)
Prepaid expenses	(5,500)	(750)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	29,592	91,390
Refundable advances	215,010	5,480
Refundable advances - Paycheck Protection Program	(55,975)	55,975
Net cash provided (used) by operating activities	<u>246,090</u>	<u>(93,536)</u>
Cash flows from investing activities:		
Purchase of investments	(7,069,372)	(9,760,592)
Proceeds from sale of investments	<u>7,465,644</u>	<u>9,908,216</u>
Net cash provided by investing activities	<u>396,272</u>	<u>147,624</u>
Net increase in cash and cash equivalents	642,362	54,088
Cash and cash equivalents, beginning of year	<u>400,452</u>	<u>346,364</u>
Cash and cash equivalents, end of year	<u>\$ 1,042,814</u>	<u>\$ 400,452</u>

STATEMENTS OF FUNCTIONAL EXPENSES

SPENCER EDUCATIONAL FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2021 and 2020

	Program services		Management and general		Supporting services		Total		Total program and supporting services	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Personnel costs	\$ 226,081	\$ 244,005	\$ 12,560	\$ 90,119	\$ 180,027	\$ 147,655	\$ 192,587	\$ 237,774	\$ 418,668	\$ 481,779
Scholarships	548,327	550,655							548,327	550,655
Grants	276,732	381,150							276,732	381,150
Internships	248,609	193,765							248,609	193,765
Course development	141,210	138,762							141,210	138,762
Risk manager in residence	54,932								54,932	
RIMS administrative fees	36,720	69,621	2,040	25,714	29,240	42,130	31,280	67,844	68,000	137,465
Marketing	812	447			1,469	10,727	1,469	10,727	2,281	11,174
Fundraising expenses					46,695	71,944	46,695	71,944	46,695	71,944
Travel, meals and entertainment	4,877	10,499	922	1,161	478	390	1,400	1,551	6,277	12,050
Conferences, conventions and meeting	1,735	1,110	973	299	454	1,427	1,427	299	3,162	1,409
Professional fees	557	125	20,628	18,712	20,087	65,039	40,725	83,751	41,282	83,876
Information technology	1,535	875	13,794	19,163	2,764	253	16,558	19,416	18,093	20,291
Insurance			11,185				11,185		11,185	
Other office expense	292		24,238	10,002	270	1,669	24,508	11,671	24,800	11,671
Total expenses	\$ 1,542,419	\$ 1,591,014	\$ 86,340	\$ 165,70	\$ 281,494	\$ 339,607	\$ 367,834	\$ 504,977	\$ 1,910,253	\$ 2,095,991

NOTES TO FINANCIAL STATEMENTS

SPENCER EDUCATIONAL FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

1. Nature of the Organization

The Spencer Educational Foundation, Inc. is a 501(c)(3) nonprofit organization funding the education of tomorrow's risk management and insurance leaders through scholarships, grants, internship opportunities, on and off campus experiential learning, and support of risk management/insurance curricula. Since its founding in 1979, Spencer has awarded nearly \$9 million in scholarships to students studying risk management and insurance, and over \$7 million in grants to universities and industry professional institutions. Spencer has directly impacted an estimated 70,000 students through its programming.

Spencer continues to be the premier foundation for awarding scholarships and grants in risk management and insurance. The Foundation is named in honor of the former president of the Risk and Insurance Management Society, Inc. (RIMS), the late Robert S. Spencer and was established by RIMS Atlanta Chapter.

The Foundation's mission is funding the education of tomorrow's risk management and insurance industry leaders.

Programs description

The following programs are included in the accompanying financial statements:

Scholarships

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 9. The Foundation also awards scholarships to risk management professionals pursuing master's degrees part-time.

Grants and other programs

Spencer awards funds through several other programs as follows:

General Grants: Spencer's Grants Program supports initiatives that align with the Foundation's mission to fund the education of tomorrow's Risk Management and Insurance leaders. Spencer considers grant proposals that fall in the following two critical branches: 1. provide experiential learning opportunities for Risk Management and Insurance students, and 2. attract new talent to the industry.

Internships: Through our Internship Grant Program, Spencer aims to support tomorrow's risk management and insurance leaders through experiential learning opportunities. Spencer provides internship grants to Risk Managers to hire interns in the risk management function of their organizations. Employers apply for the grants from Spencer, and students then apply directly with the companies for the internship opportunities.

Course Development Grants: Spencer's Course Development Grants support the development and implementation of both Introductory Risk Management and Insurance courses for universities that have not previously offered any such instruction, as well as additional RMI courses for universities looking to expand their existing RMI course offerings.

Risk Manager on Campus: The Risk Manager on Campus Program provides universities the opportunity to host risk managers and expose students to risk management through formal lectures and informal discussions. Risk managers can lecture for up to three days on college and university campuses in the United States and Canada.

NOTES TO FINANCIAL STATEMENTS

SPENCER EDUCATIONAL FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

2. Summary of significant accounting policies

Basis of presentation

The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the board of directors.

Net assets with donor restrictions - This class consists of net assets resulting from contributions and other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations. When such stipulations end or are fulfilled, such donor-restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities.

Measure of operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Foundation's ongoing services and interest and dividends earned on investments. Nonoperating activities are limited to realized and unrealized gains (losses) on investments, and other activities considered to be of a more unusual or nonrecurring nature.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

All short-term investments purchased with a maturity of three months or less from the date of purchase are considered to be cash equivalents, except money market funds held for long-term investment in the Foundation's investment portfolio.

NOTES TO FINANCIAL STATEMENTS

SPENCER EDUCATIONAL FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

2. Summary of significant accounting policies (continued)

Fair value measurement

U.S. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The Foundation classifies fair value balances based on the fair value hierarchy defined by U.S. GAAP, as follows:

The three levels of the fair value hierarchy are as follows:

Level 1 - Valuations are based on unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis;

Level 2 - Valuations are based on quoted prices in markets that are not active or for which all significant inputs are not observable, either directly or indirectly. The fair value of such investment is estimated using recently executed transactions, buy/asked prices and pricing models that factor in, where applicable, interest rates, bond spreads, and volatility;

Level 3 - Valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad criteria data, liquidity statistics, and other factors. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Foundation. The Foundation considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple, independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the Foundation's perceived risk of that investment.

Investment income

Investment income is recognized when earned and consists of interest and dividends. Dividends are recorded on the ex-dividend date. Purchases and sales are recorded on a trade-date basis. Investments of the Foundation are valued at fair value in the balance sheet. Unrealized gains and losses are included in the statement of activities.

Investment donated to the Foundation are recorded at fair market value at the date of receipt.

NOTES TO FINANCIAL STATEMENTS

SPENCER EDUCATIONAL FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

2. Summary of significant accounting policies (continued)

Contributions receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

Allowance for doubtful accounts

The Foundation uses the allowance method to account for uncollectible contributions receivable. The allowance is based on prior years' experience and management's analysis of possible bad debt. As of December 31, 2021, and 2020, the Foundation determined that an allowance was not necessary.

Equipment and trademarks

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.

The Foundation owns trademarks with an indefinite useful life. The trademark's carrying amount is tested for impairment in accordance with U.S. GAAP, or more frequently if events or changes in circumstances indicate that the asset might be impaired. The impairment test consists of a comparison of the fair value of the indefinite-lived intangible asset with its carrying amount. If the carrying amount of the indefinite-lived intangible asset exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess.

Impairment of long-lived assets

The Foundation reviews long-lived assets, including equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. During the years ending December 31, 2021 and 2020, management evaluated the need for impairment and, as of December 31, 2021 and 2020, there have been no such losses.

Refundable advances

The Foundation considers cash received for sponsorship of events occurring in future years as refundable advances. These amounts are recorded as revenue when the sponsored event takes place.

NOTES TO FINANCIAL STATEMENTS

SPENCER EDUCATIONAL FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

2. Summary of significant accounting policies (continued)

Revenue and revenue recognition

The Foundation recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Conditional promises to give, including those received under multi-year grant agreements are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. A promise is considered conditional only if the donor has stipulated one or more barriers that must be overcome before the Foundation is entitled to the assets transferred or promised, and there also exists a right of return to the donor of any assets transferred or a right of release of the donor's obligation to honor the promise. A transfer of assets from a donor that contains donor conditions is accounted for as a refundable advance until the conditions have been substantially met or explicitly waived by the donor.

The Foundation reports gifts of property as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long lived assets are reported as an increase in net assets with donor restrictions. Absent explicit donor stipulations about how long those long lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long lived assets are placed in service. Gifts of property are measured at the fair value of the property on the date of the gift, which also represents the Foundation's cost basis in the property.

Special events income is reported net of the cost of direct donor benefits and recognized when the event takes place. Income and expense are directly attributable to a fundraising activity or event held by the Foundation to raise additional funds other than contributions.

In-kind contributions and contributed services

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of services that require specialized skills and would typically need to be purchased if not provided by contributions or which create or enhance non-financial assets are reported at fair value. In 2021, there were three in-kind contributions with a total value of \$5,600. There were no in-kind contributions received in 2020.

Board members and other individuals volunteer their time and perform a variety of tasks that assist the Foundation. These services have not been recorded in the financial statements, because they do not meet the criteria outlined above.

Income taxes

The Foundation is a tax-exempt organization as defined by Section 501(c)(3) of Internal Revenue Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Foundation has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Foundation has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

NOTES TO FINANCIAL STATEMENTS

SPENCER EDUCATIONAL FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

2. Summary of significant accounting policies (continued)

Functional allocation of expenses

The costs of providing various programs and support services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, natural expenses attributable to more than one functional expense category are allocated based on time and effort.

Reclassifications

Certain amounts in the 2020 financial statements have been reclassified to conform to the 2021 financial statement presentation.

3. Risks and uncertainties

Concentration of credit risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents, investments, and contributions receivable. The Foundation maintains its cash and cash equivalents in bank deposit accounts, the balance, of which, at times, may exceed federally insured limits. Investment securities are exposed to various risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes may subsequently affect the amounts reported in the financial statements. Concentrations of credit risk with respect to the contribution's receivables are limited due to the fact that a large number of the amounts are from donors spread over a wide geographic region. The Foundation has not experienced, nor does it anticipate, any losses with respect to such accounts.

Pandemic

In the first quarter of calendar year 2020, the outbreak of a novel strain of coronavirus, COVID-19, was declared a Pandemic. The Pandemic did not have an impact on the Foundation until mid-March 2020. In response to the Pandemic, management has modified certain business practices and implemented new protocols to promote social distancing and enhance health and safety measures in its operations. While the Pandemic may have reduced in-person activities, the Foundation has continued operations and anticipates the majority of its programs to be active, therefore, it does not anticipate that the COVID-19 Pandemic will have a material impact on its operations. However, events surrounding the Federal and various state responses to the Pandemic, and changes to those responses could change the impact and analysis made by the Foundation, and that change could be material.

NOTES TO FINANCIAL STATEMENTS

SPENCER EDUCATIONAL FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

4. Availability and liquidity

The following represents the Foundation's financial assets at December 31, 2021, which is available for operations within one year:

Financial assets at year-end:

Cash and cash equivalents	\$ 1,042,814
Investments, net	7,944,513
Contributions receivable, current portion	<u>133,863</u>
Total financial assets	<u>9,121,190</u>

Less funds unavailable for general expenditures within one year due to:

Net assets with donor-imposed restrictions	2,102,866
Less net assets with restrictions to be met in less than a year	(517,739)
Board-designated	<u>85,571</u>
	<u>1,670,698</u>

Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,450,492</u>
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The Foundation's investment portfolio consists, in part, of donor-restricted amounts, including a donor-restricted scholarship endowment fund. Income from the donor-restricted scholarship endowment fund is restricted for a specific purpose and, therefore, is not available for general expenditure.

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Foundation invests cash in excess of daily requirements in short-term investments.

The Foundation also has a fund established by the governing board that may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside of the typical life cycle of converting financial assets to cash or setting financial liabilities.

NOTES TO FINANCIAL STATEMENTS

SPENCER EDUCATIONAL FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

5. Investments

Investment securities are carried at fair value and consist of the following at December 31:

	2021		2020	
	Cost	Fair value	Cost	Fair value
Money market funds	\$ 1,141,024	\$ 1,141,024	\$ 1,116,105	\$ 1,116,105
Domestic equity mutual funds And ETFs	2,720,116	3,213,681	1,613,689	1,930,891
International equity mutual funds	1,003,524	1,182,171	1,276,745	1,750,239
Fixed-income mutual funds	2,014,571	2,013,050	2,674,273	2,756,206
Alternative investments	382,231	394,587	351,082	378,775
	<u>\$ 7,261,466</u>	<u>\$ 7,944,513</u>	<u>\$ 7,031,894</u>	<u>\$ 7,932,216</u>

The following schedule summarizes the investment return at December 31. All investment earnings are available for the unrestricted use of the Organization:

	2021	2020
Dividends and interest	\$ 80,148	\$ 55,933
Realized and unrealized gains	408,569	568,765
	<u>\$ 488,717</u>	<u>\$ 624,698</u>

6. Contributions receivable

Contributions receivable that are expected to be collected within one year are recorded at their net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates of 1.26% in 2021 and .36% in 2020.

The contributions receivable consist of the following at December 31:

	2021	2020
One year or less	\$ 133,863	\$ 501,693
Two to five years	512,500	337,500
Subtotal	646,363	839,193
Discount on contributions receivable	(17,514)	(7,476)
	<u>\$ 628,849</u>	<u>\$ 831,717</u>

NOTES TO FINANCIAL STATEMENTS

SPENCER EDUCATIONAL FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

7. Fair value measurement

The classification of the Foundation's investment securities at fair value are as follows at December 31, 2021:

	2021			Total
	Level 1	Level 2	Level 3	
Money market funds	\$ 1,141,024	\$	\$	\$ 1,141,024
Domestic equity mutual funds and ETFs	3,213,681			3,213,681
International equity mutual funds and ETF's	1,182,171			1,182,171
Fixed-income mutual funds		2,013,050		2,013,050
Alternative investments		394,587		394,587
	<u>\$ 5,536,876</u>	<u>\$ 2,407,637</u>	<u>\$</u>	<u>\$ 7,944,513</u>

The classification of the Foundation's investment securities at fair value are as follows at December 31, 2020:

	2020			Total
	Level 1	Level 2	Level 3	
Money market funds	\$ 1,116,105	\$	\$	\$ 1,116,105
Domestic equity mutual funds and ETFs	1,930,891			1,930,891
International equity mutual funds	1,750,239			1,750,239
Fixed-income mutual funds		2,756,206		2,756,206
Alternative investments		378,775		378,775
	<u>\$ 4,797,235</u>	<u>\$ 3,134,981</u>	<u>\$</u>	<u>\$ 7,932,216</u>

8. Refundable advance - Paycheck Protection Program

In May 2020, the Foundation was granted a loan in the amount of \$55,975 pursuant to the Paycheck Protection Program (the PPP). The PPP loan established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and related interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, employee benefits, rent and utilities, and maintains its payroll levels.

The Organization has determined the PPP to be a conditional contribution from the government, and as such, it has recorded this grant as government grant income as of December 31, 2021, when all conditions were met and the loan was fully forgiven by the Small Business Administration (SBA). The loan and related interest were fully forgiven on March 20, 2021.

In January 2021, the SBA commenced the application process for a second draw of PPP loans. The loan carries the same general terms as the first draw with expanded eligible expenses that qualify for loan forgiveness. The Foundation's application for a second draw was approved and funded in the amount of \$62,382 in February 2021. The loan and related interest were fully forgiven in November 2021, as such, they were recognized as revenues during the year ended December 31, 2021.

NOTES TO FINANCIAL STATEMENTS

SPENCER EDUCATIONAL FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

9. Net assets

Net assets were available as follows at December 31, 2021 and 2020:

	2021			2020		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Undesignated	\$7,097,867	\$	\$7,097,867	\$6,609,345	\$	\$6,609,345
Board - designated	85,571		85,571	109,118		109,118
Specific Purpose						
Allied World Scholarship		45,000	45,000		55,000	55,000
RIMS Atlanta Chapter Scholarship		25,000	25,000		49,000	49,000
Argo Group Scholarship		25,000	25,000		10,000	10,000
Arch Insurance Group Scholarship		40,000	40,000		50,000	50,000
Travelers Scholarship		50,000	50,000			
RIMS Chicago Chapter Scholarship		35,000	35,000		40,000	40,000
Clagnaz ACE Memorial Scholarship		25,000	25,000		30,000	30,000
Dallas/Ft. Worth Scholarship		20,000	20,000		40,000	40,000
Atlanta Chapter EJ Leverett Scholarship		40,000	40,000		45,000	45,000
Elizabeth Lisle Scholarship		25,000	25,000		30,000	30,000
Golden Gate Chapter Internship		22,500	22,500		30,000	30,000
John Lockton Memorial Scholarship		207,150	207,150		107,150	107,150
Liberty Mutual Scholarship		180,000	180,000		200,000	200,000
Beckage Scholarship		10,000	10,000			
NJ Chapter Scholarship		40,000	40,000		45,000	45,000
North East Florida Internship					5,000	5,000
NY Chapter/Dante Petrizzo Scholarship		35,000	35,000		13,755	13,755
NYCAIW Scholarship		20,000	20,000		30,000	30,000
RIMS Course Development		132,197	132,197		166,667	166,667
RIMS Internship Program					132,500	132,500
RIMS NJ Chapter Internship Grants		25,000	25,000		32,500	32,500
RIMS Part Time Masters MBA		72,500	72,500		117,605	117,605
RIMS Scholarship Fund		30,000	30,000		40,000	40,000
Robert & John Gallagher Scholarship		35,000	35,000		40,000	40,000
Sedgwick Scholarship		55,000	55,000		60,000	60,000
Thomas Regan Scholarship		20,000	20,000		27,500	27,500
XL Ian Heap Scholarship		30,000	30,000		37,500	37,500
Zurich Financial Services Scholarship		35,000	35,000		40,000	40,000
Aon Course Development		25,000	25,000			
Archipelago Internship		7,500	7,500			
Gabe Cossio Scholarship		5,000	5,000			
Passage of time		400,000	400,000		450,000	450,000
FM Global Endowment		386,019	386,019		375,000	375,000
	<u>\$7,138,438</u>	<u>\$2,102,866</u>	<u>\$9,286,304</u>	<u>\$6,718,463</u>	<u>\$2,299,177</u>	<u>\$9,017,640</u>

NOTES TO FINANCIAL STATEMENTS

SPENCER EDUCATIONAL FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

9. Net assets (continued)

As of December 31, 2021, and 2020, the Board of Directors has designated \$85,571 and \$109,118, respectively, of net assets without donor restrictions, as a general fund to support operations. Since that amount resulted from an internal designation and is not donor restricted, it is classified as without donor restriction net assets.

Releases from net assets with donor restrictions are as follows at December 31:

	2021	2020
Satisfaction of purpose restrictions:		
Allied World Scholarship	\$ 10,000	\$ 5,000
RIMS Atlanta Chapter Scholarship	24,000	5,000
Scholarship - Business Insurance	10,000	10,000
RIMS Chicago Chapter Scholarship	5,000	5,000
Clagnaz ACE Memorial Scholarship	5,000	5,000
Dallas/Ft. Worth Scholarship	20,000	5,000
Atlanta Chapter EJ Leverett Scholarship	5,000	5,000
Elizabeth Lisle Scholarship	5,000	5,000
Golden Gate Chapter Internship	7,500	7,500
John Lockton Memorial Scholarship	50,000	35,000
Liberty Mutual Scholarship	20,000	20,000
NY Chapter Part Time Masters		10,000
NJ Chapter Internship	7,500	5,000
NJ Chapter Scholarship	5,000	
RIMS North East Florida Internship	5,000	5,000
NY Chapter Dante Petrizzo Scholarship	5,000	5,000
NYCAIW Scholarship	10,000	10,000
RIMS Course Development	34,470	83,333
RIMS Internship Program	132,500	67,500
RIMS Part Time Masters MBA	10,000	10,000
RIMS Scholarship Fund	5,000	5,000
Robert & John Gallagher Scholarship	5,000	5,000
Sedwick Scholarship	5,000	5,000
Thomas Regan Scholarship	5,000	5,000
XL Ian Heap Scholarship	7,500	5,000
Zurich Financial Services Scholarship	5,000	5,000
Paycheck Protection Program	118,837	
Arch Insurance Group Scholarship	10,000	
Argo Group Scholarship	5,000	
Beecher Carlson Scholarship	5,000	
LAAIA scholarship	10,000	
Rise Found Course Development	20,000	
XL Aon Scholarship	7,500	
Archipelago Internship	7,500	
Aon Course Development	36,000	
Other releases and adjustments	16,360	16,655
Passage of time	250,000	
	<u>\$ 889,667</u>	<u>\$ 349,988</u>

NOTES TO FINANCIAL STATEMENTS

SPENCER EDUCATIONAL FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

10. Management agreement

The Foundation and RIMS have a management agreement in place under which RIMS provides office space, personnel and certain administrative functions for the Foundation for a compensatory fee. For the years ended December 31, 2021 and 2020, total fees paid to RIMS amounted to \$486,668 and \$619,244, respectively. The fees are included as personnel costs and RIMS administrative fees in the statement of functional expenses. The Foundation owed \$76,136 and \$65,450 to RIMS at the end of December 31, 2021 and 2020, respectively, which is included in accounts payable and accrued expenses on the balance sheet.

Additionally, the Foundation received contributions of \$82,982 and \$65,450 during the years ended December 31, 2021 and 2020, respectively, from several RIMS chapters that choose to support the Foundation.

During 2019, the Foundation received a \$600,000 donor-restricted pledge from RIMS. The pledge was payable over a three-year period. The second and third installments of \$200,000 each were received during the years ended December 31, 2021 and 2020, respectively.

11. Prior period adjustment

The Spencer Educational Foundation, Inc. has restated its results for the year ended December 31, 2020 to properly report contributions received with time restrictions in the amount of \$450,000 and reclassified them from net assets without donor restriction to net assets with donor restriction at December 31, 2020. The correction has no effect on the results of the current year's activities.

12. Significant source of support

During the year ended December 31, 2021, the Foundation received approximately 22% of its support and revenue income from two donors. During the year ended December 31, 2020, the Foundation received approximately 30% of its support and revenue income from one donor.

NOTES TO FINANCIAL STATEMENTS

SPENCER EDUCATIONAL FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

13. Endowment net assets classification

The Foundation's endowment funds consist of investments that are donor-restricted. The Foundation follows the requirements of the New York Prudent Management of Institutional Funds Act (NYPMIFA). A portion of donor-restricted assets includes funds that the Foundation must hold in perpetuity. During 2020, the Foundation chose to segregate the donor-restricted net assets from its broader investment portfolio in order to insulate the donor-restricted corpus from market volatility and generate a stable investment return.

The following applies to the endowment funds:

Interpretation of relevant law

The spending of endowment funds by a not-for-profit corporation in the State of New York is currently governed by NYPMIFA. The Foundation has interpreted NYPMIFA as allowing the governing board of the Foundation to make available for expenditure as much of an endowment fund, including principal, as the governing board finds prudent, taking into consideration the uses, benefits, purposes and duration for which the fund was established. The governing board must act in good faith and must consider various factors, if relevant, when making decisions, including the Foundation's investment policy, purposes of the Foundation and the fund, and general economic conditions. As a result of the interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent donor fund, (b) the original value of subsequent gifts to the permanent donor fund and (c) accumulations to the permanent donor fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The investment income earned on the accumulations to the restricted donor funds is classified based on donor stipulations as either with or without donor-restricted net assets until the donor-imposed restrictions have been met.

Investment and spending policies

In 2020, the Foundation, as part of the segregation, invested the endowment in low-risk and low-return securities in order to protect the corpus from potentially unfavorable COVID-related volatility. The Foundation will appropriate endowment investment returns for distribution each year. The Foundation intends to adopt investment and spending policies for endowment funds that attempt to provide a stream of returns that would be utilized to fund various programs while seeking to maintain the purchasing power of the assets. The endowment funds are invested in cash equivalents and stable investment funds that are intended to produce moderate-to-high rates of return while assuming a moderate-to-low level of investment risk.

NOTES TO FINANCIAL STATEMENTS

SPENCER EDUCATIONAL FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

13. Endowment net assets classification (continued)

Changes in endowment net assets were as follows for the year ended December 31, 2021:

	With donor restrictions		Total endowments
	Appreciation	Historical gift value	
Endowment net assets, January 1, 2021	\$	\$ 375,000	\$ 375,000
Investment income	6,206		6,206
Net appreciation, realized and unrealized gains	4,813		4,813
Total investment return	11,019		11,019
Endowment net assets, December 31, 2021	\$ 11,019	\$ 375,000	\$ 386,019

Changes in endowment net assets were as follows for the year ended December 31, 2020:

	Historical gift value	Total endowments
Endowment net assets, January 1, 2020	\$ 225,000	\$ 225,000
Net investment income		
Contributions to endowment	150,000	150,000
Endowment net assets, December 31, 2020	\$ 375,000	\$ 375,000

14. Commitments - program grants

As of December 31, 2021, and 2020, grant letters in the amount of \$340,000 and \$250,000, respectively, were outstanding. These grant awards are subject to satisfactory reports to be submitted and the performance of certain obligations that the recipients have to meet, therefore, they have not been recorded as an expense at December 31, 2021 and 2020.

15. Subsequent events

Subsequent events have been evaluated through April 8, 2022, which is the date the financial statements were available to be issued. The Foundation is not aware of any material subsequent events.

**THANK YOU
FOR YOUR SUPPORT**

