



SPENCER EDUCATIONAL FOUNDATION, INC.

Educating Risk Professionals for Today and Tomorrow



Managing Risk...
One Student at a Time

Annual Report 2010

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“Managing Risk. . .One Student at a Time, not only expresses an annual goal but, what the Spencer Educational Foundation has been since we started in 1979.”

A Message from the Foundation’s Leadership:

We’d like to think that the theme for this year’s annual report, Managing Risk. . .One Student at a Time, not only expresses an annual goal but, what the Spencer Educational Foundation has been since we started in 1979.

In 1980, we managed risk by awarding the first three \$750 scholarships and, in 2010, 43 scholarships totaling \$255,000 were awarded to 39 full-time and four Part-Time master students. In 1999, five internship grants were awarded to RIMS members to employ local students to work on risk management projects. In 2010, we provided 20 internships totaling \$60,000 so that students can apply risk management applications to parallel their in-class instruction. We manage risk one classroom at a time as well! The Risk Manager in Residence program places experienced risk managers in classrooms in the United States and Canada to lecture about their risk management experiences. Since 1997, the Foundation has reached out to thousands of students through this program.

The Foundation, in partnership with the Risk and Insurance Management Society, Inc. (RIMS), awards an annual grant to the Anita Benedetti Student Involvement Program (ABSIP). This RIMS program provides funding and accommodations to selected students to attend educational sessions and network at the RIMS Conference.

We ventured one step further in 2007. Through the generosity of FM Global, we began the process of awarding universities and colleges \$50,000 grants to develop and implement Loss Control course modules within the risk management curricula. To date, Ball State University, University of Hartford and Virginia Commonwealth have or will implement Loss Control modules in risk management classrooms.

As these students become risk practitioners, the Foundation is there to assist with its Part-Time master scholarships and grants to RIMS to create professional development podcasts and webinars.

We’ve had a successful year in 2010 thanks to our many generous supporters listed in this report and we pledge to increase our outreach by managing risk, one student at a time!



Roger L. Andrews
Chairman

Margaret “Peggy” Accordini
President

Spencer Educational Foundation Board of Directors

The Foundation offers special recognition to the Spencer Educational Foundation Board of Directors for its continual dedication to risk management education, and its enduring leadership. This group of corporate risk managers and members of the insurance community have shown a steadfast commitment to the Foundation's mission and their dedication and financial support has been instrumental in the success of aspiring risk professionals.



Executive Committee:

Roger L. Andrews, *Chairman*
Margaret "Peggy" Accordino, *President*
Craig Van der Voort, *Vice President*
Margaret "Peggy" Accordino, *Treasurer*
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Donna L. Galer, Zurich (retired)
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B. Scott Rich, Flowers Foods (retired)
Pamela G. Rogers, Marsh, Inc.
Martin J. Ross, Business Insurance
J. Douglas Strohl, Hilb, Rogal & Hobbs
Craig Van der Voort, Arthur J. Gallagher & Co.

“Since 1997, the Foundation has reached out to thousands of students through this program.”

About Spencer Educational Foundation



Spencer Educational Foundation, administered by the Risk and Insurance Management Society, Inc. (RIMS), was created by RIMS Atlanta Chapter in 1979 in honor of the late Robert S. Spencer, RIMS president from 1977 to 1978, and an outspoken advocate of risk management education. From the beginning, its mission has been to stimulate, promote and encourage promising undergraduate, graduate, doctoral and part-time students of risk management and insurance disciplines. Today, the Foundation is the leading organization for awarding scholarships to students and risk professionals. Students also benefit from the Foundation's Risk Manager in Residence program, Student Internship program and university grants. Since 1980, the Foundation has awarded nearly \$4 million in scholarships and \$2.1 million in grants to students at 63 colleges and universities throughout the United States, Canada and the United Kingdom. The Foundation operates with support from RIMS chapters, fundraising events and contributions from individuals and corporations. It is a 501C(3) educational and charitable organization.

The Foundation sponsors the following programs to promote the risk management and insurance professions:

- **Spencer Scholars:** Since 1980, nearly \$4 million in merit-based scholarships have been awarded to outstanding undergraduate, graduate, doctoral and part-time master's students.
- **Risk Manager in Residence:** This program arranges for dedicated risk practitioners to give lectures and presentations at colleges and universities across the United States.
- **Student Internships:** This program is designed to provide students with a meaningful internship experience and maximum exposure to risk management and the issues facing today's practitioners.
- **Spencer Scholar Resume Book:** A catalog of all full-time Spencer Scholars provided to supporters that donate \$5,000 or more.
- **Course Development:** Through a \$300,000 grant from FM Global, the Foundation was able to extend its reach to course development in colleges and universities. The first grants were awarded in 2009.

2010 Gala Dinner, September 13, 2010, Waldorf=Astoria Hotel, New York



Shivan S. Subramaniam, *Chairman and Chief Executive Officer*;
Roger L. Andrews, *Chairman, Spencer Educational Foundation*;
Stephen P. McGill ACII, *Chairman & Chief Executive Officer, Aon Risk Solutions*

The Foundation held its Annual Gala Dinner on September 13, 2010, honoring Stephen P. McGill of Aon Risk Solutions and Shivan Subramaniam of FM Global. The event raised more than \$466,000 for the Foundation's general scholarship and grant programs.



“The event raised more than
\$466,000 for the Foundation’s general
 scholarship and grant programs.”

The Foundation wishes to thank the following organizations and individuals who purchased tables and/ or journal ads in support of the honorees and scholarships:



- ACE Group
- AdvisenLtd.
- A.J. Martini, Inc.
- Allianz Global Corporate
- Allied World Assurance Co. (US), Inc.
- Alterra Reinsurance
- Amwins Group
- Aon Risk Solutions
- ARC Excess & Surplus, LLC
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- Arch Worldwide Insurance Group
- Argo Group
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- Aspen Re America
- AXIS Capital
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- Dempsey Partners
- Dowling & Partners Securities
- Dr. Ellen Thrower
- Endurance Specialty Holdings
- eReinsure
- Everest Reinsurance Company
- Donna Galer
- Diversified Project Management
- FM Global
- Genral Reinsurance Group
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- Illinois State University - Katie School of Insurance
- Ironshore Insurance
- Jackson Lewis LLP
- Janitronics
- J.M. Service Co., LLC
- John Lasage Ltd.
- Insurance Recruiting Specialists
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- Navigators Group, Inc.
- Ogilvy Public Relations Worldwide
- Physicians’ Reciprocal Insurers
- RIMS New York Chapter
- Risk & Insurance Management Society, Inc.
- Riskconnect
- Risk Management Planning Group
- RWH Myers
- St. John’s University - School of Risk Management
- State Auto Insurance Cos.
- Sullivan Group
- Sunset Building Services
- Swett & Crawford
- Swiss Re
- Towers Watson
- Travelers
- University of Georgia - Terry College of Business
- United Healthcare
- Wells Fargo Insurance
- Wildfire Incorporated
- Willis Re
- Wyman Street Advisors
- XL Insurance
- XL Reinsurance America, Inc.
- Zurich Financial Services

"By working under Mari-Jo Hill, I have gained some irreplaceable experience working in the risk management world, and I wouldn't have had this opportunity if it wasn't for her and the Spencer Educational Foundation."

Aaron Lui, *University of North Carolina at Charlotte*
Intern at SAS Institute (Mari-Jo Hill)

2010 Named/Memorial Scholarships | 2010 Student Internship Program

Named or memorial scholarships are chosen from among the pool of applications received. Unless specified otherwise, all scholarships are awarded to undergraduates.

Royal & SunAlliance/Douglas Barlow Memorial Scholarship—\$7,500

Joseph P. Holwerda Memorial Scholarship—\$5,000

September 11th Memorial Scholarship—\$5,000

John T. Lockton Memorial Scholarships—\$5,000 scholarships
(up to 10 awards annually)

Ellen Thrower Scholarship—\$5,000

Thomas Regan Memorial Scholarship (RIMS NY Chapter)—\$5,000

RIMS Atlanta Chapter Scholarship—\$5,000

E.J. Leverett Memorial Scholarship (RIMS Atlanta Chapter)—\$5,000

RIMS Dallas/Ft. Worth Scholarship—\$5,000

William J. Clagnaz ACE USA Memorial Scholarship—\$5,000

Anita Benedetti Memorial Scholarship (Graduate Award)—\$10,000

XL/Ian R. Heap Memorial Scholarship—\$5,000

Zurich Financial Services Scholarship—\$5,000

FM Global Scholarship—two \$5,000 awards

RIMS Chicago Chapter Scholarship—\$5,000

Robert E. and John P. Gallagher Memorial Scholarship—\$5,000

New in 2011:

Through the generosity of Allied World Assurance Company, Liberty Mutual Group, Risk and Insurance Management Society, Inc (RIMS) and the RIMS New York Chapter, the additional named and general fund scholarships will allow the Foundation's Education Committee to award more scholarships in 2011:

Allied World Assurance Company Scholarship—\$5,000

Liberty Mutual Group Scholarships—\$5,000 scholarships
(up to 8 annually)

RIMS New York Chapter Scholarship—\$5,000
(additional to the above)

Two Additional \$5,000 General Fund Scholarships provided by RIMS as part of its donation.

"Overall, I had an awesome experience at the YMCA this summer. I have learned so much more about the risk management profession through this internship and it has reinforced my interest in risk management as a career path."

Greg Lagreid, *Washington State University, Seattle, WA*
Intern at YMCA of Greater Seattle

In 1998, the Foundation sought alternative ways to reach out to students and educate them about career opportunities in risk management. Forming partnerships with RIMS member employers, the Foundation awards grants of up to \$3,000 to provide internships at their company for 8-12 weeks. In 1999, five grants were awarded; in 2010, 20 grants were given to RIMS members and chapters to incorporate annual internships in the United States. Employers can download a grant application from the Spencer web site.

2010 Student Internship Program Grant Recipients

Alon USA	Education Management Corporation
American Management Services	Growmark, Inc.
AT&T	Hyatt Hotels
Baystate Health	Morgan Stanley
Brigham Young	NuStar Energy
Charles Taylor Consulting	Orange County Bd. Of Commissioners
City of San Antonio	Orbital Sciences
Columbia University	Risk International Services
Dean Foods	SAS Institute
RIMS Delaware Valley Chapter (Two Grants)	Southern Methodist University RM Dept

"I return to Bryant this Fall to finish my undergraduate work with a better understanding of where I will take my career upon graduation. I am thankful to UTC and organizations like the Spencer Educational Foundation who see the value of investing in the cultivation of young talent. Even in tough economic times Spencer is thinking about the future of this country."

Michael Ansman, *Bryant University, Smithfield, RI*
Intern at United Technologies, Hartford, CT

"I would like to **thank you** for your great contribution to my education."

Mason J. Novess, *Olivet College*

2010 Spencer Scholars

The committee reviewed 108 full-time undergraduate, graduate and pre-dissertation applications for 2010 scholarships after the deadline date of January 30th and selected the following 2010 Spencer Scholars: Named and Memorial Scholarships (undergraduate level):

Julie Alig, *Indiana State University*
Douglas Barlow Memorial—\$7,500

Kanwar Bir Anand, *Virginia Commonwealth*
Zurich Financial Services—5,000

Nicholas Bauman, *Univ. Wisconsin-Madison*
FM Global—5,000

Renee Browne, *Howard University*
XL/Ian R. Heap Memorial—5,000

Mark Buckholtz, *Univ. Wisconsin-Madison*
9/11 Memorial Scholarship—5,000

Kali Diethrich, *Indiana State University*
FM Global—5,000

Veronica Fouad, *St. John's University*
Thomas Regan Memorial/(RIMS NY Chapter)—5,000

Candace Fullmore, *Georgia Southern University*
RIMS Atlanta Chapter—5,000

Kelsie Griffin, *Illinois State University*
RIMS Chicago Chapter—5,000

Janna Harrington, *Temple University*
John T. Lockton Memorial—5,000

Minyu Hu, *St. John's University*
William Clagnaz Memorial/ ACE USA—5,000

Terri Ketzner, *Indiana State University*
John T. Lockton Memorial—5,000

Sara Mays, *Indiana State University*
John T. Lockton Memorial— 5,000



Jacob Timmins, *Illinois State University*

Mason Novess, *Olivet College*
John T. Lockton Memorial—5,000

Amy Overton, *University of Iowa*
John T. Lockton Memorial—5,000

Jourdana Passaro, *University of Georgia*
E.J. Leverett Memorial/(RIMS Atlanta Chapter)—5,000

Megan Richardson, *Middle Tenn. State*
John T. Lockton Memorial—5,000

Rajiv Sagewan, *St. John's University*
Ellen Thrower Scholarship—5,000

Joshua Spencer, *Ball State University*
Robert E./John P. Gallagher Memorial—5,000

Jacob Timmins, *Illinois State University*
John T. Lockton Memorial—5,000

Molly Treacy, *Univ. Wisconsin-Madison*
Joseph P. Holwerda Memorial—5,000

David Walters, *Indiana State University*
John T. Lockton Memorial—5,000

Jo Dawn Watson, *Univ. of North Texas*
RIMS Dallas/Ft. Worth Chapter—5,000

Christopher Wexler, *Appalachian State University*
John T. Lockton Memorial—5,000

Dennis Zic, *Illinois Wesleyan University*
John T. Lockton Memorial—5,000

General Fund Scholarships (Undergraduate):

Vincent Baldino, *Temple University*—\$5,000

Saqib Cheema, *Virginia Commonwealth*—\$5,000

Gabriel Cossio, *Univ. of South Carolina*—\$5,000

Taruja Deshmukh, *Temple University*—\$5,000

Timothy McDermott, *Temple University*—\$5,000

Timothy Puffer, *Olivet College*—\$5,000

William Rennie, *Temple University*—\$5,000

Christen Rudisell, *Appalachian State University*—\$5,000

Eric Smith, *Temple University*—\$5,000

Elizabeth Tengler, *Olivet College*—\$5,000

Sub-Total F/T Undergraduate Scholarships Awarded—\$177,500



Brian Ford, *Florida State University*

Full-Time Master/Graduate Scholarships:

Brian Ford, *Florida State University*—\$10,000

Nicholas Grant, *Univ. Wisconsin-Madison*—\$10,000

Anna Tkachev, *New York University, Anita Benedetti Memorial (SEF Memorial Award)*—\$10,000

Sub-Total F/T Graduate Scholarships Awarded—\$30,000

Full-Time Pre-Dissertation Scholarship:

Christopher Eaton, *Univ. of Calgary-Alberta*—\$10,000

Grand Total F/T Scholarships Awarded—\$217,500

Part-Time Masters Scholarship:

Malika E. Adams, *Comcast Corporation*—\$10,000

Lori R. Badenhop, *Burroughs & Chapin*—\$7,534

Julie HyunJoo Oh, *Marsh & McLennan*—\$10,000

Danielle B. Roth, *Verizon Communications*—\$10,000



Taruja Deshmukh, *Temple University*

Total Part-Time Masters Scholarships Awarded—\$37,534

Total F/T and P/T Scholarships Awarded—\$255,034

Risk Manager in Residence Program:



This program connects risk managers with students through the orchestration of one to three-day lectures on campus. Risk managers get the opportunity to give back to the industry as teachers and students get real time risk management scenarios to coincide with their studies. Visit www.spencered.org to read about how risk managers can participate and universities can apply for grants.

"The visit to Colorado State University was incredibly rewarding, fulfilling personal goals to be more proactive with student involvement and interacting with the next generation of risk managers. I highly recommend participation by all risk managers. It's a great way to give back to the profession and extremely self fulfilling. The students were very interested in the risk management profession, job opportunities after graduation and learning how to build a personal network."

Lori Seidenberg, ARM
Vice President, Enterprise Risk Management
Insurance Risk Manager
Centerline Capital Group
2010 RMIR Lecturer at Colorado State University



2010 RMIR College/University Grant Recipients and Selected Risk Managers

Ball State University—John F. Hughes, III, Conoco Phillips

Colorado State University—Lori Seidenberg, Centerline Capital Group

Howard University—Susan Meltzer, Aviva Canada (Spring 2011)

Illinois State University—Al Gorski, Orange County Transportation Authority

Indiana State University—Susan Meltzer, Aviva Canada

LaSalle University—Roger Andrews, ED Bullard Co.

Middle Tennessee State Univ.—Charles Magazine, City of Boynton Beach, FL

Missouri State University—Ann Barry, Fidelity Investments

New Mexico State University—Douglas Borg, Duke University Medical Center

Temple University—Edward Katersky, BJ's Wholesale Club

University of Central Arkansas—Dan Kugler, Snap-on Incorporated
(Lecturing in Fall 2010)

University of Dayton—John Bell, Union Bank NA

University of Hartford—Dan Kugler, Snap-on Incorporated
(Lecturing in Spring 2011)

Univ. of Louisiana, Lafayette—Mari-Jo Hill, SAS Institute, Inc.

University of North Texas—Jeffrey Vernor, Russell Investments

Univ. of Rhode Island—Michael Lubben, Ryder Systems, Inc.

"The Risk Manager in Residence Program has been a highlight of our fall semester for the last 10 years. The opportunity to have a seasoned risk management professional interact with our students is a great educational enhancement to our Risk Management and Insurance Program. The students benefit by hearing about the professional experiences of the risk manager and they see the connection between theory learned in the classroom and the practical application. Thanks, Spencer Foundation!!"

Kathleen S. McNichol, MBA, CPCU, ARM

Assistant Professor
Coordinator, Risk Management and Insurance Program
La Salle University
2010 RMIR Grant Recipient

The FM Global Grants for Loss Control Course Development

In 2008, FM Global contributed \$525,000 to the Spencer Educational Foundation, the largest gift in the Foundation's 30-year history. The gift included \$300,000 earmarked to assist universities in developing new loss prevention-related courses. In April, 2009, the first two \$50,000 grants were awarded to the University of Hartford (undergraduate module) and Virginia Commonwealth University (graduate module). In 2010, a \$50,000 grant was awarded to Ball State University (undergraduate module).

2011 Funding Guidelines

The Loss Prevention Education Grant program is intended for academic institutions with risk management programs that are interested in creating either undergraduate course curricula or a graduate course to provide future risk managers with a greater understanding of the value of engineering in loss prevention.

With the growth of the global economy, and as many organizations become increasingly interdependent across borders, risks to many entities have grown rapidly as have the financial consequences of loss. In economically trying times, sound loss prevention methods become especially important as many organizations are under increasing pressure to do more with less, facing more scrutiny by their stakeholders to operate responsibly and develop sustainable and winning long-term business strategies that minimize operational risks.

Unfortunately, for many students pursuing studies in risk management, current loss prevention-related academic course material is scant and often outdated at both the undergraduate and graduate levels. Risk management courses that focus on the value of engineering in loss prevention often do not exist or are not as robust as many institutions of higher learning. With the benefit of relevant and the most up-to-date course materials, these students will be better prepared to meet the challenges of the organizations that one day will employ them.

As such, this grant program gives colleges and universities financial backing to take a leading role in loss prevention advocacy. This in turn has the promise to make their collegiate programs even more competitive.

Spencer Educational Foundation, Inc.'s Loss Prevention Education Grant Program is being underwritten by FM Global, one of the world's largest business property insurers (www.fmglobal.com).

Fundraising Support

At RIMS 2010 Annual Conference & Exhibition in Boston, risk managers swapped business suits for golf clubs and hockey sticks to raise funds for Spencer Educational Foundation. The 19th Annual Spencer/Gallagher Golf Tournament was a great success, raising \$40,000. Not to be outdone by the golfers, hockey players from Team Canada and Team USA took to the ice in the NAPCO Spencer Cup, sponsored by NAPCO LLC at Hockeytown USA, INC in Boston. The events raised more than \$50,000 combined to benefit the Foundation's general fund.



Thank You, Contributors!

Spencer Leaders in Education Pledge Campaign (3-4 year pledges)

Scholars Level (\$30,000 -50,000 in 3-4 year pledges)

Dallas/Ft. Worth Chapter of RIMS (12)
Greater Kansas City Chapter of RIMS (20)
Utah Chapter of RIMS (3)
XL Foundation Ltd. (9)

Grants Level (\$25,000 3-4 year pledges)

Programs Level (\$15,000 3-4 year pledges)

Joe Mc Sweeney (2)

Individual Supporters:

Scott Rich (31)
Anne Zug (26)

Former RIMS Presidents' Group

(Annual, Three and Four- year pledges)

Roger L. Andrews (4)
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Mark DeLillo (4)
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Ellen Vinck (7)
Steve Wilder (15)

General Fund Annual Contributions

Chairman's Circle (\$50,000 - \$100,000)

Aon Risk Solutions (6)

President's Circle (\$25,000 - \$49,999)

Atlanta Chapter of RIMS (31)

Golden Circle (\$10,000 - \$24,999)

Carolinas Chapter of RIMS (7)
New Jersey Chapter of RIMS (11)
Willis of Atlanta *

Sponsors (\$5,000 - \$9,999)

Connecticut Valley Chapter of RIMS (14)
Delaware Valley Chapter of RIMS (18)
Los Angeles Chapter of RIMS (11)
St. Louis Chapter of RIMS (21)

Benefactors (\$2,500 - \$4,999)

Fairfield/Westchester Chapter of RIMS (4)
Golden Gate Chapter of RIMS (5)
International Risk Management Institute, Inc. (15)
In memory of Gary E. Bird
Potomac Chapter of RIMS (5)
RIMS San Diego Chapter (11)
Upstate New York Chapter of RIMS (10)

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James Blinn (4)
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Nevada Chapter of RIMS (4)
North Florida Chapter of RIMS *
Orange County Chapter of RIMS (10)
Oregon Chapter of RIMS (6)
Piedmont Chapter of RIMS (2)
Specialized Roofing Company *
In honor of Shivan Subramaniam

Contributors (\$500 - \$999)

Mary Lynn Bangs (7)
Jeanne H. Braun (14)
Brion Callori *
Greater Boston Convention and Visitors Bureau *
Dr. Robert Hoyt (10)
James W. Smirles (24)
Southern Louisiana Chapter of RIMS (2)
Craig Van der Voort (7)
Western Carolina Chapter of RIMS (3)
In memory of Joe Gilstrap/chapter donation

Donors (\$250 - \$499)

Atlanta Chapter of RIMS
Michael Hubbel (2)
Cathy McKeon (5)
Mark D. O'Brien (11)
In memory of Tom Celic and Patricia Cody
Mark D. O'Brien
In memory of James Smirles
Danielle Roth (2) (SS)

Friends (\$100 - \$249)

David and Eve Adler (18)
Atlanta Chapter of RIMS (H)
In honor of Martin Murphy and Debbie Rodkin

Maryann Amici (11) (SS)

Eugene R. Daly *

Mark DeLillo

In honor of Steve Wilder, 2010 Goodell Award Recipient

Rita P. Garcia (19) (SS)

P. Richard and Linda Hackenburg
In memory of Michael Andrews, Jr.

P. Richard and Linda Hackenburg

In memory of Bob Clements

P. Richard and Linda Hackenburg

In memory of Loretta D'Eugenio

P. Richard and Linda Hackenburg

In memory of Victoria Sangeorgio

P. Richard and Linda Hackenburg

In memory of Steven Harris

P. Richard and Linda Hackenburg

In memory of JoAnn Houser

P. Richard and Linda Hackenburg

In memory of James W. Smirles

James Kallman (9) (SS)

Deborah S. Little (6) (SS)

James and Judy Newton (25)

James and Judy Newton

In memory of Jim Smirles

Anne M. Zug

In memory of E.J. Buse, Eileen Mader, and James Smirles

Supporters (\$25 - \$99)

Alicia Junta Cherniak (8)

Ron and Kelly Winans

In memory of Tom Allen

Ron and Kelly Winans

In memory of Eugene Armstrong

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In memory of William Brissenen

Ron and Kelly Winans

In memory of Diane Conrad

Ron and Kelly Winans

In memory of William Everts

Ron and Kelly Winans

In memory of Dorothy Frisch

Ron and Kelly Winans

In memory of Louise Ganz

Ron and Kelly Winans

In memory of Darlene Grant

Ron and Kelly Winans

In memory of Rannie Hirschburg

Ron and Kelly Winans

In memory of Galen Norquist

Ron and Kelly Winans

In memory of James W. Smirles

Spencer Educational Foundation would like to thank the following contributors and pledges for their generous support in 2010.

Educators Circle (Named Scholarships Created in 2010) \$100,000 or more

Allied World Assurance Company Inc.–\$100,000
Liberty Mutual Group–\$500,000
RIMS New York Chapter/Dante Petrizzo Memorial Scholarship–\$100,000
Risk and Insurance Management Society, Inc. (RIMS)–\$450,000

2010 RIMS Conference Fund Raising Event Sponsors

Arthur J. Gallagher–Spencer/Gallagher Golf Tournament–\$40,000
Napco LLC–Napco “Spencer Cup” Hockey Tournament–\$ 11,000

2010 Gala Dinner Supporters

The Foundation wishes to thank the following supporters of its 2010 Gala Dinner on September 13, 2010, Waldorf Astoria Hotel NYC, honoring Shivan Subramaniam of FM Global and Stephen McGill of Aon Risk Solutions:

ACE Group
Advisen Ltd.
A.J. Martini, Inc.
Allianz Global Corporate
Allied World Assurance Co. (US), Inc.
Alterra Reinsurance
Amwins Group, Inc.
Aon Risk Solutions
ARC Excess & Surplus, LLC
Arch Re
Arch Worldwide Insurance Group
Argo Group
Arthur J. Gallagher & Co.
Aspen Re America
AXIS Capital
Beecher Carlson
Brookside Group
Building Automation Systems
BWD Group LLC
Catlin Insurance Company
Chartis
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Columbia Construction Co.
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Crump Insurance Services, Inc.
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Diversified Project Management
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eReinsure
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FM Global
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General Reinsurance Group
Guy Carpenter & Co.
P. Richard Hackenburg
Hanover Stone Partners
HCC Insurance Holdings Inc.
Hewitt Associates
Hub International
The Hylant Group
Illinois State University–Katie School of Insurance
Insurance Recruiting Specialists
Ironshore Insurance
Jackson Lewis LLP
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J.M. Service Co., LLC
John Lasage Ltd.
Liberty Mutual Commercial Markets
Lockton Companies
Lloyd’s America
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RIMS New York Chapter
Risk and Insurance Management Society, Inc.
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RWH Myers
St. John’s University–School of Risk Management
State Auto Insurance Companies
The Sullivan Group
Sunset Building Services
Swett & Crawford
Swiss Re
Travelers
Towers Watson
United Healthcare
University of Georgia–Terry
Wells Fargo
Wildfire Incorporated
Willis Re

Wyman Street Advisors
XL Insurance
XL Reinsurance America, Inc.
Zurich Financial Services

In-Kind Contributions

Advisen, Inc.
Business Insurance
Risk and Insurance Management Society, Inc.(RIMS)

Our thanks to the following RIMS chapters and organizations who created scholarships prior to 2010 through three and four year pledges:

ACE Group/William J. Clagnaz Memorial Scholarship
John P. and Robert E. Gallagher Memorial Scholarship–Arthur J. Gallagher & Co.
FM Global Scholarship (two scholarships)
John T. Lockton Memorial Scholarship (up to 10 scholarships)
RIMS Atlanta Chapter (two scholarships)
RIMS Chicago Chapter
RIMS Dallas/Ft. Worth Chapter
RIMS New York Chapter/Thomas Regan Memorial Scholarship
XL/Ian R. Heap Memorial Scholarship (XL Capital Ltd)
Zurich Financial Services Scholarship

Legend

(#) Numbers listed next to each contributor represent the number of years as a Spencer Educational Foundation supporter
* First time contributor
(H) Honorarium
(SS) Spencer Scholar

This listing contains the names of individuals and organizations who have pledged to Spencer Educational Foundation from January 1, 2010 to December 31, 2010. If you have any questions, please contact Angela Sabatino at 212-655-6223 or asabatino@spencered.org.

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December 31, 2010 and 2009

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Report of Independent Auditors



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

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

We have audited the accompanying balance sheet of Spencer Educational Foundation, Inc. (the "Foundation") as of December 31, 2010 and 2009, and the related statements of revenues, expenses and change in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2010 and 2009, and the change in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Schall & Ashenfarb".

Schall & Ashenfarb
Certified Public Accountants, LLC

March 22, 2011

350 Fifth Avenue, Suite 728
New York, New York 10118
Tel: (212) 268-2800 Fax: (212) 268-2805
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Spencer Educational Foundation, Inc.

At December 31, 2010 and 2009

Balance Sheet

	<u>12/31/10</u>	<u>12/31/09*</u>
Assets		
Current assets:		
Cash and cash equivalents (Notes 1d and 1e)	\$51,247	\$238,842
Accounts receivable	0	10,000
Contributions receivable, current portion (Notes 1f and 2)	280,905	92,233
Prepaid expense	26,000	3,000
Total current assets	<u>358,152</u>	<u>344,075</u>
Non-current assets:		
Investments (Notes 1g and 3)	5,767,018	4,740,851
Contributions receivable, net of current portion (Notes 1f and 2)	568,376	11,760
Property and equipment (Notes 1h and 4)	19,787	15,744
Total non-current assets	<u>6,355,181</u>	<u>4,768,355</u>
Total assets	<u>\$6,713,333</u>	<u>\$5,112,430</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$0	\$3,179
Total current liabilities	<u>0</u>	<u>3,179</u>
Net assets: (Note 1c)		
Unrestricted:		
Undesignated	4,194,656	3,071,330
Board designated - Anita Benedetti Fund	42,391	52,391
Total unrestricted	<u>4,237,047</u>	<u>3,123,721</u>
Temporarily restricted (Note 5)	2,423,786	1,933,030
Permanently restricted (Note 6)	52,500	52,500
Total net assets	<u>6,713,333</u>	<u>5,109,251</u>
Total liabilities and net assets	<u>\$6,713,333</u>	<u>\$5,112,430</u>

* Restated

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

Spencer Educational Foundation, Inc.

For The Years Ended December 31, 2010 and 2009

Statement of Revenues, Expenses and Change In Net Assets

	12/31/10			12/31/09				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains and Other Support:								
Contributions—Liberty Mutual Scholarship Fund	\$442,369	\$400,000		\$400,000	\$647,396	\$3,572		\$0
Contributions—general				442,369				650,968
Contributions—Robert E. & John P. Gallagher Scholarship Fund				0		100,000		100,000
Contributions—RIMS Atlanta Scholarship Fund		15,000		15,000				
Contributions—Allied World Assurance Company Scholarship Fund		100,000		100,000				0
Contributions—RIMS New York Chapter Scholarship Fund		90,000		90,000				0
Contributions—RIMS		225,000		225,000				
Discount on pledges receivable		(51,244)		(51,244)				
Fundraising events (net of direct expenses of \$120,491)	610,309			610,309	523,444			523,444
Contributions—in-kind (Note 2)	48,700			48,700	46,300			46,300
Contributions—Striving for Excellence Campaign	30,000			30,000	20,000			20,000
Investment income (Note 3)	616,541			616,541	850,855			850,855
Net assets released from restrictions:								
Satisfaction of program restrictions	288,000	(288,000)		0	299,900	(299,900)		0
Total revenues, gains and other support	<u>2,035,919</u>	<u>490,756</u>	<u>0</u>	<u>2,526,675</u>	<u>2,387,895</u>	<u>(196,328)</u>	<u>0</u>	<u>2,191,567</u>
Expenses:								
Program services:								
Scholarship and other programs	530,334			530,334	521,622			521,622
Student involvement	81,000			81,000	45,000			45,000
Total program services	<u>611,334</u>	<u>0</u>	<u>0</u>	<u>611,334</u>	<u>566,622</u>	<u>0</u>	<u>0</u>	<u>566,622</u>
Supporting services:								
General and administration	88,047			88,047	69,683			69,683
Fundraising	223,212			223,212	196,268			196,268
Total supporting services	<u>311,259</u>	<u>0</u>	<u>0</u>	<u>311,259</u>	<u>265,951</u>	<u>0</u>	<u>0</u>	<u>265,951</u>
Total expenses	<u>922,593</u>	<u>0</u>	<u>0</u>	<u>922,593</u>	<u>832,573</u>	<u>0</u>	<u>0</u>	<u>832,573</u>
Change in net assets	<u>1,113,326</u>	<u>490,756</u>	<u>0</u>	<u>1,604,082</u>	<u>1,555,322</u>	<u>(196,328)</u>	<u>0</u>	<u>1,358,994</u>
Prior period adjustment (Note 5)				<u>0</u>	<u>15,000</u>	<u>185,000</u>	<u>(200,000)</u>	<u>0</u>
Net assets—beginning of year	<u>3,123,721</u>	<u>1,933,030</u>	<u>52,500</u>	<u>5,109,251</u>	<u>1,553,399</u>	<u>1,944,358</u>	<u>252,500</u>	<u>3,750,257</u>
Net assets—end of year	<u>\$4,237,047</u>	<u>\$2,423,786</u>	<u>\$52,500</u>	<u>\$6,713,333</u>	<u>\$3,123,721</u>	<u>\$1,933,030</u>	<u>\$52,500</u>	<u>\$5,109,251</u>

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

Spencer Educational Foundation, Inc.

For The Years Ended December 31, 2010 and 2009

Statement of Cash Flows

	<u>12/31/10</u>	<u>12/31/09</u>
Cash flows from operating activities:		
Change in net assets	\$1,604,082	\$1,358,994
Adjustments to reconcile change in net assets to net cash (used for)/provided by operating activities:		
Accretion of discount on contributions receivable	0	(3,572)
Net realized and unrealized gains on investments	(467,477)	(749,709)
Depreciation expense	6,235	4,056
Decrease/(increase) in assets:		
Accounts receivable	10,000	(10,000)
Contributions receivable	(745,288)	275,584
Prepaid expense	(23,000)	(3,000)
Increase/(decrease) in liabilities:		
Accounts payable and accrued expenses	(3,179)	(4,054)
Total adjustments	<u>(1,222,709)</u>	<u>(490,695)</u>
Net cash provided by operating activities	<u>381,373</u>	<u>868,299</u>
Cash flows from investing activities:		
Proceeds from sales of investments	3,601,571	1,373,413
Purchases of investments	(4,160,261)	(2,224,126)
Purchases of property and equipment	(10,278)	(8,800)
Net cash used for investing activities	<u>(568,968)</u>	<u>(859,513)</u>
Net (decrease)/increase in cash and cash equivalents	(187,595)	8,786
Cash and cash equivalents - beginning of year	<u>238,842</u>	<u>230,056</u>
Cash and cash equivalents - end of year	<u><u>\$51,247</u></u>	<u><u>\$238,842</u></u>
Supplemental disclosures of cash flows information:		
Non-cash investing activities:		
Cash paid during the year for interest and taxes	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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

Notes to Financial Statements

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 stimulate, promote and encourage promising students in the risk management discipline in fulfilling their educational goals, 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. The restrictions stipulate that resources be maintained permanently but permit the Foundation to expend the income generated in accordance with the provisions of the agreement. Income earned on permanently restricted net assets that is expended in the same period in which it is earned is classified as unrestricted by the Foundation.

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.

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 ("FDIC") 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, 2010, 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.

Notes to Financial Statements

- g. Investments
Investments are carried at readily determinable fair value with realized and unrealized gains and losses included in the profit and loss statement. 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.
- h. Property and Equipment
Property and equipment is recorded at cost. The Foundation capitalizes all expenditures for property and equipment over \$1,000 for computer software. Depreciation is computed using the straight-line method over the estimated useful life of the software, which is 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, 2010, and 2009, the Foundation received in-kind contributions of \$48,700 and \$46,300, respectively, related to certain printing and advertising expenses and to cover the use of RIMS headquarters facilities.
- 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 has adopted the provisions of FASB ASC 740, Income Taxes, which applies to positions taken or expected to be taken in a tax return. Organizations are required to recognize the effects of tax positions if they are more likely than not of being sustained. The Foundation does not believe its financial statements include any uncertain tax positions.
- n. Subsequent Events
Management has evaluated for potential recognition and disclosure events subsequent to the date of the balance sheet through March 22, 2011, 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.

Spencer Educational Foundation, Inc.

December 31, 2010 and 2009

Notes to Financial Statements

Note 2 - Contributions Receivable

Contributions receivable consist of the following unconditional promises to give as of:

	<u>12/31/10</u>	<u>12/31/09</u>
Unconditional promises to give before unamortized discount	\$900,765	\$104,233
Less: unamortized discount	(51,484)	(240)
Net unconditional promises to give	<u>849,281</u>	<u>103,993</u>
Less: current portion	(280,905)	(92,233)
Noncurrent portion	<u>\$568,376</u>	<u>\$11,760</u>
	<u>12/31/10</u>	<u>12/31/09</u>
Amounts due in:		
Less than one year	\$280,905	\$92,233
One to five years	<u>619,860</u>	<u>12,000</u>
Total	<u>\$ 900,765</u>	<u>\$104,233</u>

Note 3 - Investments

Investments consist of the following at:

	<u>12/31/10</u>	<u>12/31/09</u>
Stock funds	\$3,704,276	\$2,966,025
Bond funds	2,009,465	1,732,847
Money Market	53,277	41,979
Total	<u>\$5,767,018</u>	<u>\$4,740,851</u>

Investment income consists of the following:

	<u>12/31/10</u>	<u>12/31/09</u>
Dividend and interest income	\$160,824	\$109,223
Net realized and unrealized gains/(losses) on investments	467,477	749,709
Less: investment advisory fees	(11,760)	(8,077)
Total	<u>\$616,541</u>	<u>\$850,855</u>

Note 4 - Property and Equipment

Property and equipment consists of the following at:

	<u>12/31/10</u>	<u>12/31/09</u>
Computer software	\$ 30,078	\$24,815
Less: accumulated depreciation	(10,291)	(9,071)
Net	<u>\$ 19,787</u>	<u>\$15,744</u>

Depreciation expense for the years ended December 31, 2010 and 2009 was \$6,235 and \$4,056, respectively.

Note 5 - Temporarily Restricted Net Assets

As mentioned in Note 1c, 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.

December 31, 2010 and 2009

Notes to Financial Statements

	12/31/09	Contribution	Released From Restriction	12/31/10
FM Global Fund	\$392,500	\$0	\$60,000	\$332,500
John T. Lockton Memorial Scholarship Fund	327,150	0	50,000	277,150
RIMS Fund	168,100	0	115,500	52,600
Zurich Financial Services Scholarship Fund	95,000	0	5,000	90,000
Dr. E.J. Leverett Memorial Scholarship Fund-RIMS Atlanta Chapter	95,000	0	5,000	90,000
RIMS Chicago Chapter Scholarship Fund	95,000	0	5,000	90,000
RIMS Dallas-Ft. Worth Chapter Fund	95,000	0	5,000	90,000
XL Ian Heap Memorial Scholarship Fund	92,500	0	5,000	87,500
Ellen Thrower Scholarship Fund	89,840	0	5,000	84,840
Thomas M. Regan Memorial Scholarship Fund	82,500	0	5,000	77,500
September 11th Memorial Scholarship Fund	78,180	0	5,000	73,180
RSA Douglas Barlow Scholarship Fund	47,500	0	7,500	40,000
Robert E. & John P. Gallagher Scholarship Fund	100,000	0	5,000	95,000
RIMS Atlanta Chapter Scholarship Fund	90,000	0	5,000	85,000
William J. Clagnaz ACE Memorial Scholarship RIMS Scholarship Fund	85,000	0	5,000	80,000
	0	225,000	0	225,000
Liberty Mutual Scholarship Fund	0	400,000	0	400,000
Allied World Scholarship Fund	0	100,000	0	100,000
RIMS Atlanta Chapter Scholarship Fund	0	15,000	0	15,000
RIMS New York Chapter Scholarship Fund	0	90,000	0	90,000
Unamortized discount on multi-year contributions receivable	(240)	(51,244)	0	(51,484)
	<u>\$1,933,030</u>	<u>\$778,756</u>	<u>\$288,000</u>	<u>\$2,423,786</u>
	12/31/08*	Contribution	Released From Restriction	12/31/09
FM Global Fund	\$502,500	\$0	\$110,000	\$392,500
John T. Lockton Memorial Scholarship Fund	374,650	0	47,500	327,150
RIMS Fund	263,000	0	94,900	168,100
Zurich Financial Services Scholarship Fund	100,000	0	5,000	95,000
Dr. E.J. Leverett Memorial Scholarship Fund-RIMS Atlanta Chapter	100,000	0	5,000	95,000
RIMS Chicago Chapter Scholarship Fund	100,000	0	5,000	95,000
RIMS Dallas-Ft. Worth Chapter Fund	95,000	0	0	95,000
XL Ian Heap Memorial Scholarship Fund	95,000	0	2,500	92,500
Ellen Thrower Scholarship Fund	94,840	0	5,000	89,840
Thomas M. Regan Memorial Scholarship Fund	85,000	0	2,500	82,500
September 11th Memorial Scholarship Fund	83,180	0	5,000	78,180
RSA Douglas Barlow Scholarship Fund	55,000	0	7,500	47,500
Robert E. & John P. Gallagher Scholarship Fund	0	100,000	0	100,000
RIMS Atlanta Chapter Scholarship Fund*	95,000	0	5,000	90,000
William J. Clagnaz ACE Memorial Scholarship*	90,000	0	5,000	85,000
Unamortized discount on multi-year contributions receivable	(3,812)	3,572	0	(240)
	<u>\$2,129,358</u>	<u>\$103,572</u>	<u>\$299,900</u>	<u>\$1,933,030</u>

Notes to Financial Statements

* An adjustment was made for these two funds in order to re-classify from the permanently restricted class of net assets to the temporarily restricted class based on a clarification of the donor agreements.

Note 6 - Permanently Restricted Net Assets

In 1991, the Foundation received \$52,500 from several contributors in memory of Joseph G. Holwerda. These contributions are subject to restrictions which require that the principal be invested and maintained in perpetuity and the income earned on such investments be used for the sole purpose of awarding scholarships in memory of Joseph G. Holwerda. The Foundation awarded scholarships in the amount of \$5,000 each for the years ended December 31, 2010 and 2009.

Interpretation of Relevant Law

On September 17, 2010, New York State enacted a version of the Uniform Prudent Management of Institutional Funds Act, (NYPMIFA) into law. The Board of Directors of the Foundation has interpreted NYPMIFA as requiring preservation of the purchasing power (real value) of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The Foundation awards scholarships from the investment income generated by the endowment funds each year to promising students in the risk management discipline. The awards are decided by the Foundation's board of directors, and appropriated, irrespective of the returns earned on the invested funds. Factors used to determine the amount of awards are as follows:

- (1) The duration and preservation of the fund;
- (2) The purposes of the Foundation and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) The investment policies of the Foundation

Return Objectives

This endowment fund has been invested in a pool with all other investments of the Foundation. The funds are invested in accordance with the investment policies of the Foundation. The balance of endowment funds was \$52,500 as of both December 31, 2010 and 2009, all of which are included as permanently restricted net assets on the balance sheet. Because scholarships have been awarded each year in excess of investment earnings, there is no remaining balance in the investment pool for this endowment. Scholarships will be awarded with unrestricted resources in the future.

Notes to Financial Statements

Note 7 - 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 Notes 5 and 6. 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 Internship Program

The Student Internship 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 8 - 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 \$155,000 and \$269,755, respectively, for the years ended December 31, 2010 and 2009, from several RIMS chapters. Included in contributions receivable at December 31, 2010 and 2009, are \$142,000 and \$34,000, respectively, due from several RIMS chapters.

During 2010, the Foundation received a \$450,000 pledge from RIMS. Included in contributions receivable at December 31, 2010 is \$300,000 related to this pledge.

The Foundation also received in-kind contributions of \$40,000 and \$35,600, respectively, for the years ended December 31, 2010 and 2009, from RIMS to cover the use of headquarters facilities.

The Foundation paid RIMS a fee of \$140,290 and \$133,290 for the years ended December 31, 2010 and 2009, respectively for program assistance, fundraising, and administrative services provided. There were immaterial balances due to RIMS at December 31, 2010 and 2009.

Independent Auditors' Report on Supplemental Information



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

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

Our audit of the basic financial statements included in the preceding section of this report was performed for the purpose of forming an opinion on those statements taken as a whole. The financial statements of the prior-year were performed by other auditors, whose purpose was also to form an opinion on those statements taken as a whole. The supplemental information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information for 2010 and 2009 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Schall & Ashenfarb".

Schall & Ashenfarb
Certified Public Accountants, LLC

March 22, 2011

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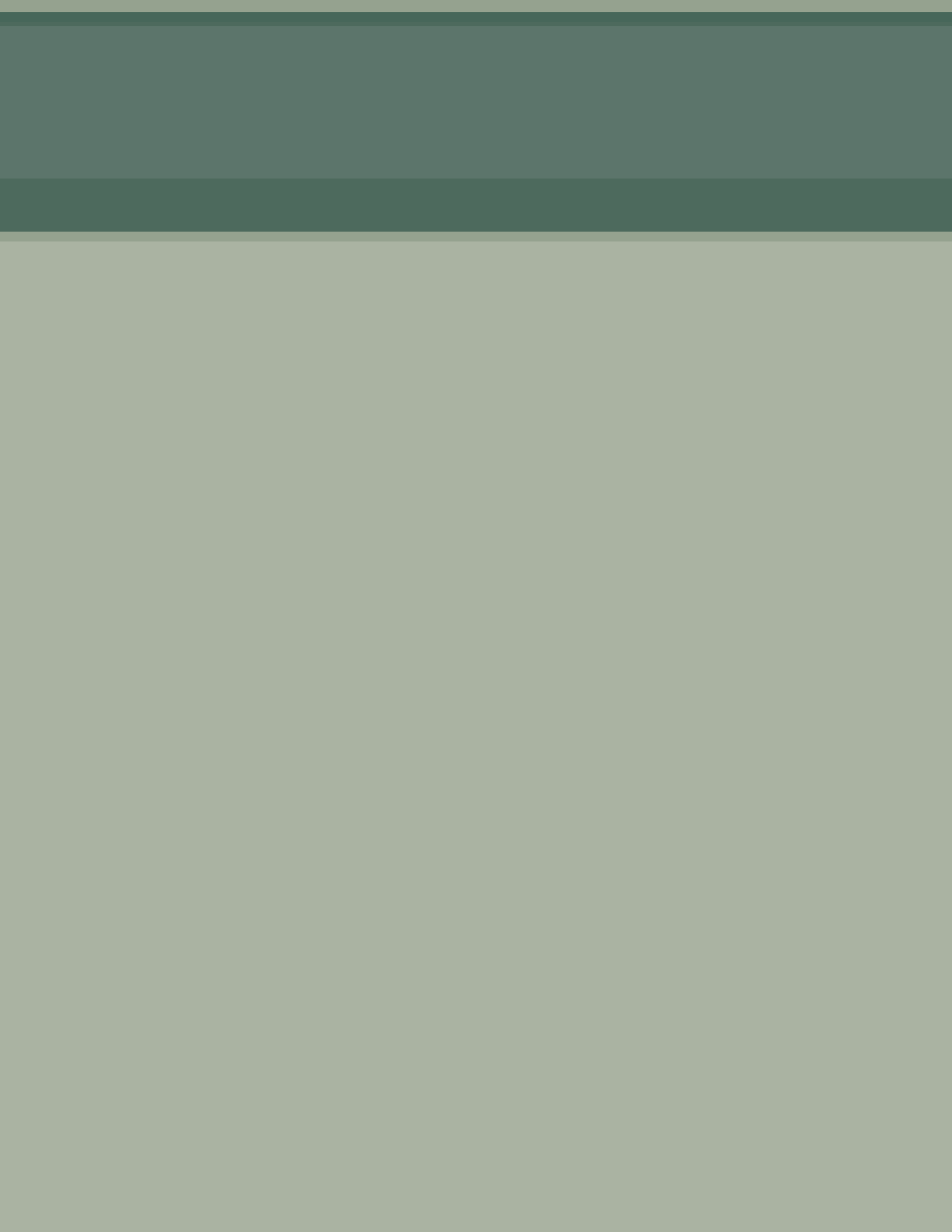
Spencer Educational Foundation, Inc.

For The Years Ended December 31, 2010 and 2009

Statement of Functional Expenses

	December 31, 2010					December 31, 2009				
	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	\$405,534			\$0	\$405,534	\$394,955			\$0	\$394,955
Student Involvement	81,000			0	81,000	45,000			0	45,000
Administrative RIMS fees	124,800	\$12,199	\$43,290	55,489	180,289	126,667	\$25,334	\$16,889	42,223	168,890
Professional fundraising			65,000	65,000	65,000			65,905	65,905	65,905
Marketing				0	0			1,150	1,150	1,150
Accounting		18,500		18,500	18,500		15,577		15,577	15,577
Postage and shipping			12,075	12,075	12,075			11,908	11,908	11,908
Conferences and meetings		16,219		16,219	16,219		14,830		14,830	14,830
Bad debts expense		20,000		20,000	20,000				0	0
Equipment rental		9,300		9,300	9,300		7,085		7,085	7,085
Miscellaneous		1,000		1,000	1,000		835		835	835
Printing		1,076		1,076	1,076		1,499		1,499	1,499
Supplies		1,288		1,288	1,288		251		251	251
Staff training				0	0				0	0
Bank fees		2,230		2,230	2,230		216		216	216
Depreciation		6,235		6,235	6,235		4,056		4,056	4,056
Indirect gala expenses			102,847	102,847	102,847			100,416	100,416	100,416
Total expenses	\$611,334	\$88,047	\$223,212	\$311,259	\$922,593	\$566,622	\$69,683	\$196,268	\$265,951	\$832,573

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





SPENCER EDUCATIONAL FOUNDATION, INC.

Educating Risk Professionals for Today and Tomorrow

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