



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



SPENCER EDUCATIONAL FOUNDATION, INC.



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Message

from the Foundation's Leadership:

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

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

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

Sincerely,



Margaret S. Accordino
Chairwoman



Brion Callori
President



Peggy Accordino

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

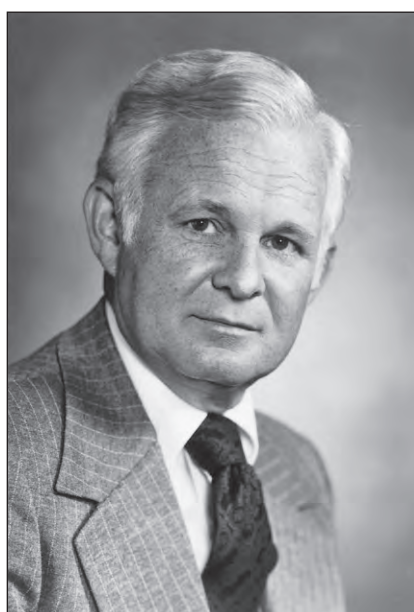


Brion Callori

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

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

About the Foundation and Robert S. Spencer:



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

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

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

2012 Results by the numbers

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

Foundation Leadership

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

EXECUTIVE OFFICERS & BOARD OF DIRECTORS

CHAIRWOMAN

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

PRESIDENT

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

VICE PRESIDENT

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

TREASURER

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

SECRETARY

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



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

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

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

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

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

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

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

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

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

* Resigned from board in 2012

** Joined board in 2012

*** Ex officio RIMS representative for 2012

VOLUNTEERS:

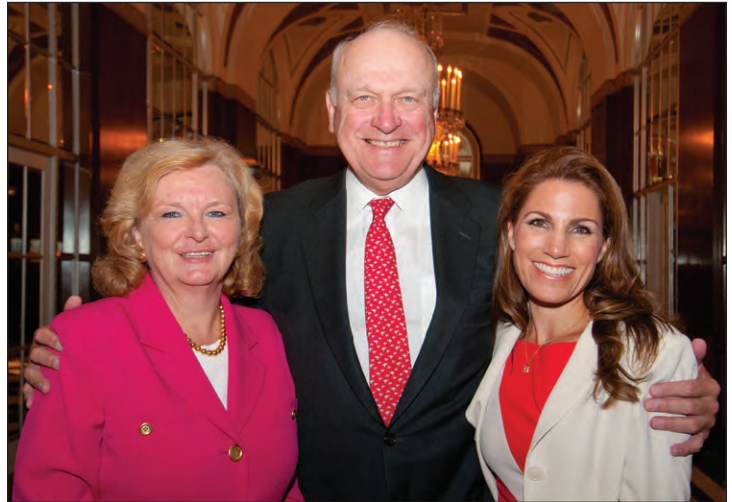
In addition to the Board of Directors, there are several volunteers who we would like to thank for serving on Foundation committees:

Carol Fox, *Risk and Insurance Management Society*

Hanan Boukhabza, *ACE Group, Inc.*

2012 Gala Dinner

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



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



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



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

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

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



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

—Seraina Maag



Fundraising Events & Chapter Support

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

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



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

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

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

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

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

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



Scholarships

2012 Spencer Scholars

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

Named Scholarships—Undergraduate

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



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

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

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

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

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

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



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

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

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

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

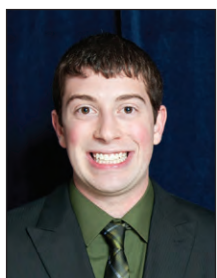


Austin J. Grant, *Illinois State University*,
September 11th Memorial

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

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

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



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



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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

Shelby Brajewski, *Illinois State University*

Benjamin R. Bussert, *Illinois State University*

Jean R. Celestin, *Illinois State University*

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

Stefan Doeblitz, *University of Oregon*



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

Paul D. Hyer, *Temple University*

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

Regina M. Ross, *Temple University*

William J. Thorsson, *Temple University*

Micah W. Todd, *University of Connecticut*

LaKenya Young, *Georgia State University*

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

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

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

Brenton J. Thompson, *Northwestern University*

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

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

Jill M. Bisco, *Florida State University*

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

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

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

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

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

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

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

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

2012 Scholarships awarded:

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

Risk Manager in Residence Program

Celebrating 15 years of bringing risk management professionals to students



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

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

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

University

Appalachian State University

Ball State University

California State University-Fullerton

Howard University

Illinois State University

Indiana State University

LaSalle University

Middle Tennessee State University

Missouri State University

Temple University

University of Calgary – Alberta

University of Hartford

University of Louisiana – Lafayette

University of Rhode Island

Eastern Kentucky University

Mount Royal University (Canada)

Olivet College

Seneca College (Canada)

University of Central Arkansas

Risk Manager

Richard J. Roberts, Jr.
Ensign-Bickford Industries

Randy Jouban
Five Guys Enterprises

Susan R. Meltzer
Aviva North America

Fred Savage
Chevron Corp.

Lori Seidenberg
Centerline Capital Group

Raymond Sibley
City and County of Denver

Edward Katersky
CVS Caremark Corp.

J. Gary Meggs
Southern Company

Jeffrey Vernor
Russell Investments

Daniel Kugler
Snap-on Incorporated

Mark Ryan
Occidental Petroleum Corp.

Michael Lubben
Ryder System, Inc.

Daniel Kugler (Spring 2013)
Snap-on Incorporated

Mari-Jo Hill
SAS Institute, Inc.

Roger Andrews
E.D. Bullard Company

(to be determined)

Douglas J. Borg
Duke University Medical Center

Mark. D. Robertson
Nexen, Inc.

Carolyn Snow
Humana, Inc.

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

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

Grant Programs

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

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



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

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



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

2012 grants were awarded to the following companies:

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



Dawn Soleta and The Toro Company Rm Team

Funding the education of tomorrow

Thank you to our generous contributors



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

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

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

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

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

Allianz Global Corporate & Specialty
Allied World Assurance Company, (US), Inc.
American International Group, Inc.
Aon Foundation
In honor of Warren J. Mula's service to the Foundation
Aon Risk Solutions
Dan R. Peed
QBE
RIMS Greater Kansas City Chapter
XL Specialty Insurance Company
Wells Fargo & Company

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

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

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

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

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

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

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

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

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

tomorrow's industry leaders.

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

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

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

In memory of Judy Lindenmayer

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

In memory of Dante Petrizzo

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

Donors (Up to \$250)

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

Jen Jordan
Richard Joseph
James Kallman
Gary Kelson
Donald Lassaw
David Lawlar
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Peter Moreno
Dean Moroney
G. Clay Morris
James Newton
Juan Ortega
Raul Plasencia
Marya Propis
Kimberly L. Rigsby-Young
Danielle Roth
Mary Roth
Eric Shapiro
M. Sparber
Thomas Srail
Michael Stat
Mike Stout
Erik Stremke
Quentin Tauro
Michael Waldron
Ben Wilson
Tom Wimberly
Ron Winans

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

Dana Wronski
Drew Zimmerman
Anne Zug

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

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





Audited Financial Statements

December 31, 2012 and 2011

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Spencer Educational Foundation, Inc.

Report of Independent Auditors

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

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

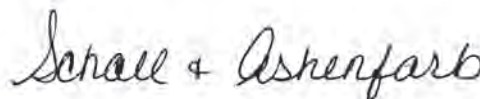
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about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

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

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

Opinion

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



Schall & Ashenfarb
Certified Public Accountants, LLC

March 27, 2013

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Spencer Educational Foundation, Inc.

Balance Sheet

At December 31, 2012 and 2011

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

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

Spencer Educational Foundation, Inc.

Statement of Revenues, Expenses and Change in Net Assets

For the Years Ended December 31, 2012 and 2011

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

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

Spencer Educational Foundation, Inc.

Statement of Cash Flows

For the years ended December 31, 2012 and 2011

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

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

Spencer Educational Foundation, Inc.

Notes to Financial Statements

December 31, 2012 and 2011

Note 1 - Summary of Significant Accounting Policies

a. Organization

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

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

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

b. Basis of Accounting

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

c. Basis of Presentation

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

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

d. Cash and Cash Equivalents

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

Spencer Educational Foundation, Inc.

Notes to Financial Statements

December 31, 2012 and 2011

e. Significant Concentrations

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

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

f. Contributions Receivable

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

g. Investments

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

h. Property and Equipment

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

i. In-kind Contributions

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

Spencer Educational Foundation, Inc.

Notes to Financial Statements

December 31, 2012 and 2011

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

Note 2 - Contributions Receivable

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

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

Spencer Educational Foundation, Inc.

Notes to Financial Statements

December 31, 2012 and 2011

Note 3 - Investments

Investments consist of the following at:

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

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

Investment income consists of the following at:

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

Note 4 - Property and Equipment

Property and equipment consist of the following at:

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

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

Note 5 - Temporarily Restricted Net Assets

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

Spencer Educational Foundation, Inc.

Notes to Financial Statements

December 31, 2012 and 2011

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

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

Spencer Educational Foundation, Inc.

Notes to Financial Statements

December 31, 2012 and 2011

Note 6 - Programs and Supporting Service Description

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

Scholarship and Other Programs

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

Student Involvement Program

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

Management and General

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

Fundraising

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

Note 7 - Related Party Transactions

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

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

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

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



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

Spencer Educational Foundation, Inc.

Independent Auditors' Report On Supplemental Information

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

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

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

Schall & Ashenfarb
Certified Public Accountants, LLC

March 27, 2013

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Spencer Educational Foundation, Inc.

Statement of Functional Expenses

For the Years Ended December 31, 2012 and 2011

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

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





SPENCER EDUCATIONAL FOUNDATION, INC.

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