



LOOKING BACK... LOOKING AHEAD: MAKING AN IMPACT

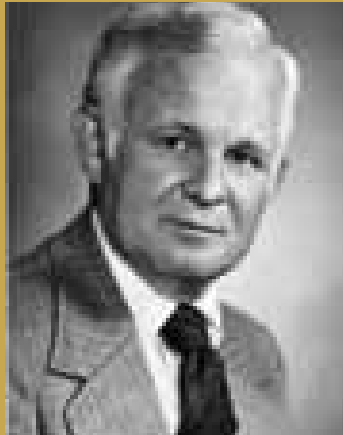


SPENCER
EDUCATIONAL FOUNDATION



SPENCER'S HERITAGE AND MISSION

Robert Spencer was a seminal leader in the risk management field. For 17 years, he held numerous management positions at Fuqua Industries Inc., where he developed the organization's diverse risk management program, co-founded the Bermuda-based Fuqua



Insurance Company Ltd., set standards on the dealings of captives in the domestic and international reinsurance markets, and created a workers compensation, self-retention program adopted by 31 U.S. states.

In addition, Robert was a leader in RIMS, serving as president of the Atlanta Chapter in 1973, and as vice president (1974 – 1977) and then president (1977 – 1978) of the national organization. He was also a founding member of the Canadian Institute of Chartered Accountants. In all these roles, Robert developed numerous programs – including RIMS' Anita Benedetti Student Involvement Program – so that the principles of “good” risk management could be passed on.

Long after his death, in 1979, the Spencer Education Foundation is continuing Robert's legacy by providing educational opportunities for young men and women seeking to advance their education in business, insurance, actuarial sciences, and risk management.

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LOOKING BACK... LOOKING AHEAD: MAKING AN IMPACT

Thirty-five years ago a little foundation was established to award scholarships to risk management and insurance students in Georgia. It started small with a few people who wanted to commemorate Robert Spencer. Needless to say it evolved. In 1980, the Foundation awarded three \$750 scholarships; in 2014, those numbers grew to 65 \$5,000 and \$10,000 scholarships.

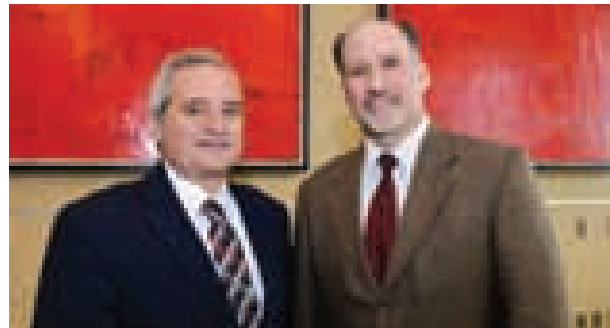
When the Foundation was created, it was only for scholarships. Over time that too has evolved to include three other core programs: internship grants (given out since 1999), Risk Manager in Residence grants (established in 1997) and general educational grants – which have included course development, RIMS Conference attendance for students, the Spencer/RIMS Risk Management Challenge and more.

The pages of this annual report detail how we continue to make an impact and are looking ahead to touch the next generation of professionals through our programs and initiatives. While the numbers are inspiring, perhaps more inspiring are the individuals who the Foundation affected: the student who couldn't complete school if not for the Spencer scholarship; the scholarship recipient who is the fifth generation in her family to work in this great industry; the risk manager who lectured at a university and went home feeling good about giving back to the industry; the student who was hired as a result of an internship funded by Spencer.

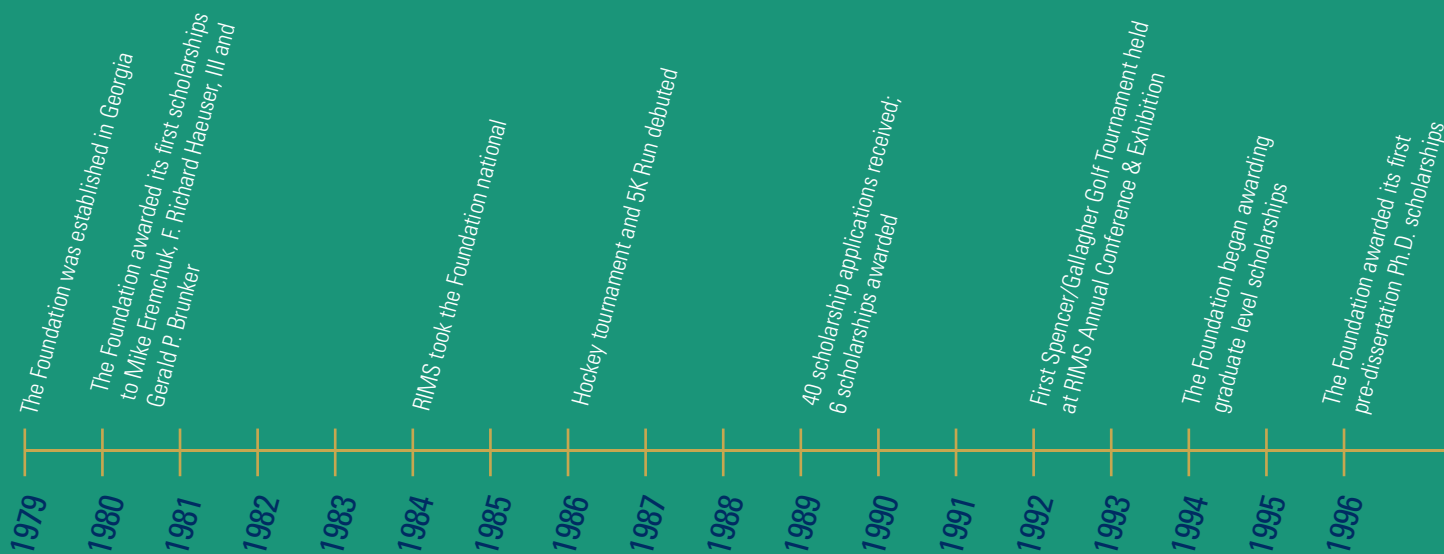
As we complete our 35th anniversary celebration, we honor Robert Spencer's legacy and will continue to advocate and promote industry education so that future generations may benefit from the Foundation's programs. With the industry's continued support, we can.

As we share the Foundation's 2014 accomplishments and results in the pages that follow, we would like to sincerely thank our donors for investing in the Foundation and giving the gift of education.

Brion Callori, Chairman
Ron Davis, President



KEY MILESTONES IN SPENCER'S HISTORY



BOARD OF DIRECTORS



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

CHAIRMAN

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

PRESIDENT

Ron Davis Executive Vice President, Head of Market Customers, Global Corporate North America, Zurich

VICE PRESIDENT

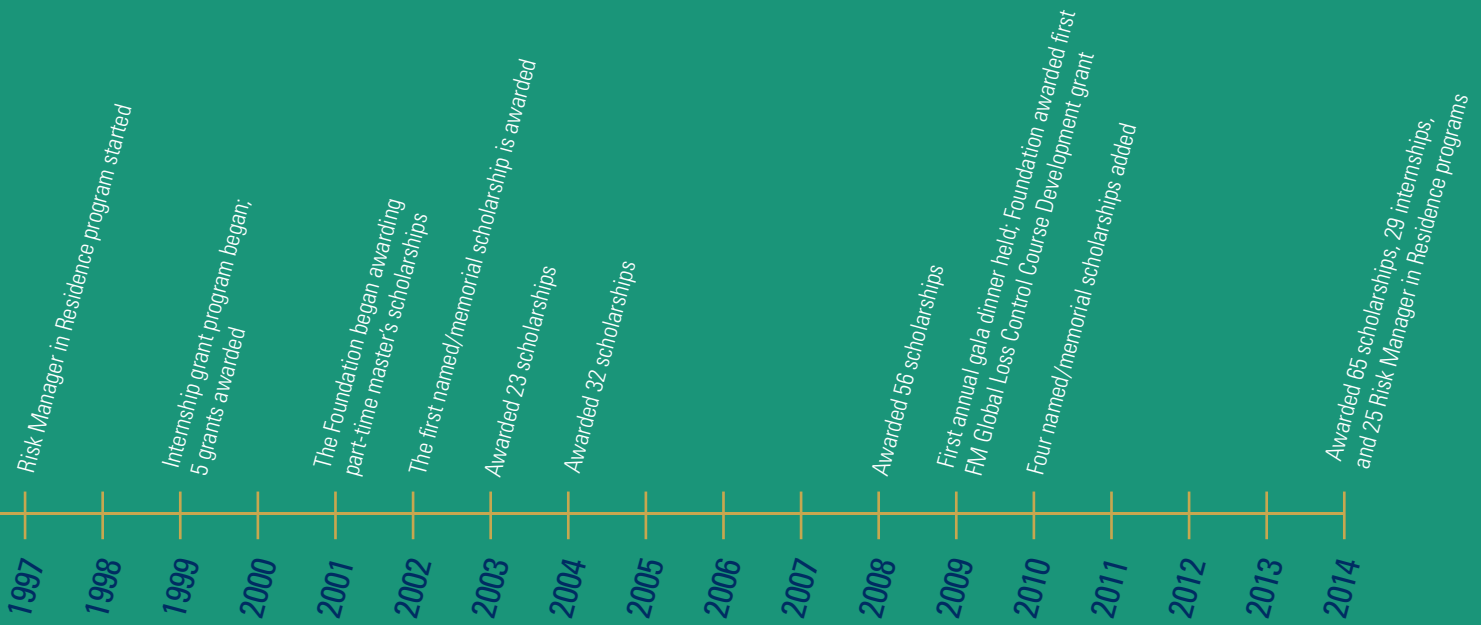
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SECRETARY

Marya J. Propis Senior Vice President & Head of Distribution Management, Lexington Ins. Co., AIG US & Canada Property Group

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- Matthew Schneider** Americas Chief Operating Officer, Aon Inpoint, Aon Risk Solutions
- Craig M. Van der Voort** Vice President, Market Relations, Arthur J. Gallagher & Co.
- Paul D. Winston** Associate Publisher & Online General Manager, Business Insurance

**Immediate Past Chairperson*

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- P. Richard Hackenburg**
- James C. Newton**
- B. Scott Rich**
- Anne M. Zug**

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- J. Ruffin Branham, Jr.** Managing Director (retired), Sales & Marketing, Markel Specialty
- Donna Galer** Consultant
- Dr. Robert E. Hoyt** Department Head, Moore Chair, and Professor of Risk & Insurance Management, University of Georgia
- Pamela G. Rogers** Vice President, Enterprise Risk and Insurance Management Weight Watchers International, Inc.

SCHOLARSHIPS

Over the last 35 years, the Foundation has awarded 757 scholarships to students at more than 100 universities. In 2014, the Foundation was able to award 65 scholarships totaling \$394,500. The Foundation thanks our corporate and RIMS chapter donors who donated amounts ranging from \$100,000 - \$500,000 towards the establishment of memorial or named scholarships.

Getting that scholarship is just a boost of encouragement to continue to excel in your academics and continue to keep learning and diving into this industry... Thank you for donating and providing the financial support and also for opportunities outside this financial support. I'm able to continue to find my passion in the industry, and also continue the legacy of my family and be the fifth generation of the Rosenberg family in this industry.

– Ali Rosenberg,

2014 Spencer Scholar and
University of Iowa student

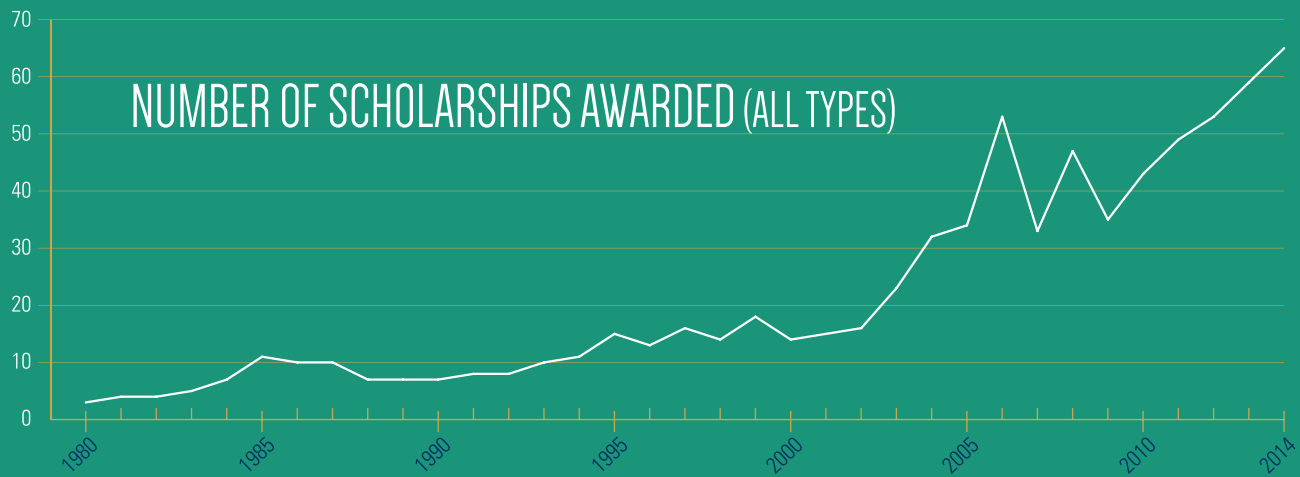
2014 SPENCER SCHOLARS

Unless noted all undergraduate scholarships are \$5,000

NAMED AND MEMORIAL SCHOLARSHIPS

Silas C. Adams	Temple University	Douglas Barlow Memorial \$7,500
Ameera S. Agha	University of Wisconsin – Madison	John T. Lockton Memorial
Christopher B. Alexander	St. Joseph's University	Allied World Assurance Co.
Angelica A. Aquino	British Columbia Institute of Technology	John T. Lockton Memorial
Marc Baliatico	Temple University	RIMS New Jersey Chapter
Evan P. Barnes	Temple University	FM Global
Frederick L. Barnes, III	Temple University	Robert E. and John P. Gallagher Memorial (Arthur J. Gallagher)
Michael T. Beneventano	St. John's University	Thomas Regan Memorial (RIMS NY Chapter)
Courtney D. Clark	Temple University	John T. Lockton Memorial
Mackenzie J. Colburn	Temple University	FM Global
Aubrey M. Colyer	Ball State University	Liberty Mutual Group
Steven J. Costa	Temple University	John T. Lockton Memorial
Ryan S. Curran	Illinois State University	RIMS Chicago Chapter
Eric M. Dawdy	Olivet College	Liberty Mutual Group
Britain L. Dooley	Florida State University	John T. Lockton Memorial
Michelle K. Godbey	Illinois State University	John T. Lockton Memorial
Rogelio C. Hernandez	St. Mary's University	Gabriel Lugo/RIMS Dallas/Ft. Worth Chapter
Patrick C. Landwehr	Indiana State University	Risk & Insurance Management Society, Inc.
Melanie S. Lowrance	Appalachian State University	September 11th Memorial
Leah L. Lupu	Olivet College	John T. Lockton Memorial
Wesley M. McDaniel	Appalachian State University	John T. Lockton Memorial
Michael T. McGuire	Temple University	Zurich Financial Services
Philip Maniscola	Temple University	Liberty Mutual Group
Swapna Namburi	Indiana State University	Liberty Mutual Group
Bailey C. Noone	St. John's University	Dante Petrizzo Memorial RIMS NY Chapter
Nathan Ortiz	St. John's University	William J. Clagnaz Memorial ACE USA
Alexis A. Ramiro	Illinois State University	John T. Lockton Memorial
Jennifer M. Richey	Missouri State University	John T. Lockton Memorial
Rachel A. Roberts	Indiana State University	John T. Lockton Memorial
Ali Marie Rosenberg	University of Iowa	Ian R. Heap Memorial/XL Capital Group
Brittany A. Sakson	St. John's University	Ellen Thrower

Sub-Total Named and Memorial Scholarships Awarded | \$ 157,500



GENERAL FUND SCHOLARSHIPS (UNDERGRADUATE)

Unless noted all undergraduate scholarships are \$5,000

Giovanni Adiletta	Temple University
Lindsey G. Bunch	Virginia Commonwealth University
Alexandra D. Fierszt	University of South Carolina-Columbia
Thomas P. Fiorello	St. John's University
Thomas P. Fitzgerald	Illinois State University
Alberto A. Francese	Virginia Commonwealth University
Vincent M. Galasso	Temple University
Brianna M. Gatto	Illinois State University
Kassie Jo Grooms	Indiana State University
Ethan T. Hall	Indiana State University
Zachary T. Hritz	Temple University
Roy B. Ju	Drake University
Cameran J. McCarty	Indiana State University
Brandon J. Nettrouer	Indiana State University
Nam Thai Phan	St. John's University
Kathleen M. Snajder	University of Connecticut
Francesca R. Waddington	Temple University
Blayne S. White	Olivet College
Haley R. Willett	Olivet College

Sub-Total General Fund Scholarships Awarded | \$ 95,000

FULL-TIME MASTER/GRADUATE SCHOLARSHIPS

All scholarships are for \$10,000

Milos Pavlovic	Indiana State University
Xia Qian **	University of Wisconsin-Madison
Kelsey L. Redman	Southern Methodist University
Allison M. Swett	Missouri State University
Sheri A. Robinson	Georgia State University

** Anita Benedetti Memorial Scholarship (Spencer Sponsored Scholarship)

Sub-Total Graduate Scholarships Awarded | \$ 50,000

FULL-TIME PRE-DISSERTATION SCHOLARSHIP

Following scholarship is for \$10,000

Courtney B. Bass	Florida State University
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PART-TIME MASTER SCHOLARSHIPS

(awards of up to \$10,000)

Melissa A. Agresta	Florida State University
Stephanie M. Hilliard	Florida State University
Kevin M. Johnson	St. Joseph's University
Randy F. Jouben	Brenau University
Jon M. Raftis	University of Iowa
David B. Shluger	New York University
Amy J. Templeton	Lake Forest Graduate School of Management
Margaret K. Warden	New York University
Carla C. Wynn	Temple University

Sub-Total Part-Time Master Scholarships Awarded | \$82,000

GRAND TOTAL FULL-TIME SCHOLARSHIPS AWARDED \$ 312,500

GRAND TOTAL FULL-TIME AND PART-TIME MASTER SCHOLARSHIPS AWARDED \$ 394,500

INTERNSHIP GRANTS

The Foundation offers grants to risk managers, which enable them to provide experience to students by offering summer internships. As the chart below shows this program has been building momentum. Over time, the Foundation has awarded 247 internship grants totaling \$869,000. In 2014, 31 grants were awarded to 29 companies and totaled \$106,500.

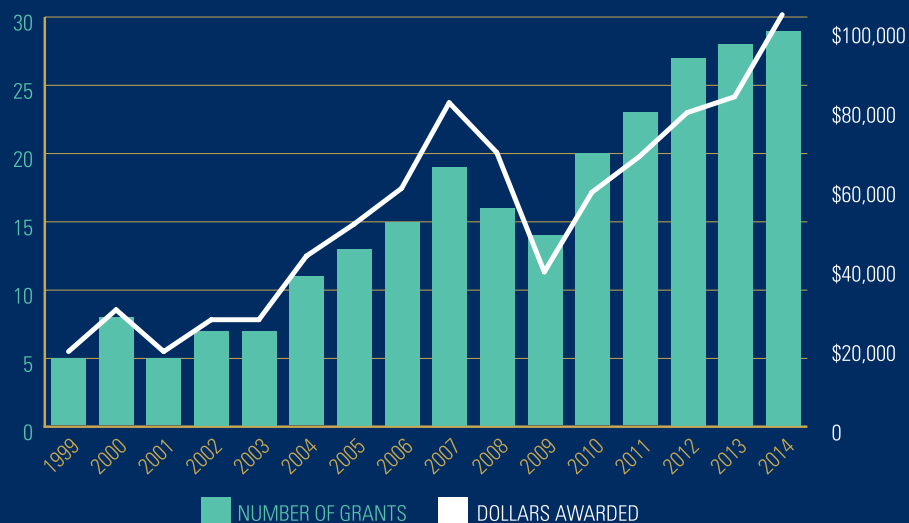
“The internship can be a good experience for the student and for the risk manager. In our case, we both learned from the experience and we thank Spencer for the financial support to make it possible,” internship grant recipient Robin Joines, the risk manager for Sedgwick, said. “In an industry where many seek out broker and carrier internships, the internships provided by Spencer’s grants allow students to see a different view of risk management.”

Robin said that because of the internship, management saw how much was accomplished which led to the creation of a full-time position. Anna applied for the position, was hired and began working there full-time in May. Robin said, “We owe Spencer Educational Foundation for the job itself.”

2014 GRANT RECIPIENTS

Aramark (2 internships)	\$7,000	Lennox International	\$3,500
AT&T	\$3,000	Leviton Manufacturing Co.	\$3,000
Big 5	\$3,500	Meadowbrook Meat Co. (MBM Corporation)	\$3,500
City of Boynton Beach	\$3,500	Orbital Sciences Corporation	\$3,500
Clear Channel Communications	\$3,500	Oregon University System	\$3,500
Columbia University Risk Management	\$3,500	Pacific Coast Companies, Inc.	\$3,500
Covance, Inc.	\$3,500	Parsons Corporation (2 internships)	\$7,000
Dean Foods	\$3,500	SAS Institute	\$3,000
Education Management Corporation	\$3,500	Southern Methodist University (Risk Management Dept.)	\$3,500
Ensign-Bickford Industries	\$3,500	Starbucks Coffee Company	\$3,500
Goldman Sachs (Corporate Insurance Dept.)	\$3,500	Sun Trust Banks, Inc.	\$3,500
Holly Frontier Corporation	\$3,500	Taylor Morrison, Inc.	\$3,500
Holman Automotive Group	\$3,500	Tiffany & Co.	\$3,500
Ingram Micro, Inc.	\$3,500	Unisource Worldwide	\$3,500
		Veolia Environment North America	\$3,000

INTERNSHIP HISTORY



RISK MANAGER IN RESIDENCE PROGRAM

Since 1997, our Risk Manager in Residence program has been praised by both risk managers and universities as a rewarding educational experience and a chance to give back to the profession. The Foundation awards grants of up to \$3,500 to college and universities to cover transportation, housing, and incidental costs for a lecturing risk manager. Since the program began, more than 230 Risk Manager in Residence programs have informed thousands of students about the opportunities that risk management careers hold for them.

Appalachian State University

selected Pamela G. Rogers, Weight Watchers International

Ball State University

selected Tim East, The Walt Disney Company

California State University at Fullerton

selected Mark DeLillo, Taylor Morrison Company

Eastern Kentucky University

selected Mari-Jo Hill, SAS Institute

Florida State University

selected David Williams, California Pizza

Illinois State University

selected Jeffrey R. Strege, Chuck E. Cheese (CEC Entertainment)

Indiana State University

selected Gordon Adams, Tri-Marine International, Inc.

LaSalle University

selected Dylan Lauzon, Big 5 Sporting Goods

Mississippi State University

selected J. Gary Meggs, Southern Companies

Missouri State University

selected Shari Natovitz, Silverstein Properties, Inc.

Mount Royal University (Canada)

selected Mark Robertson, Nexen Inc.

New Mexico State University

selected Geraldine Santos, Parsons

Seneca College (Canada)

selected John Bell, Union Bank of California

St. Francis College

selected Pamela Rogers, Weight Watchers International

Temple University

selected Jeffrey Vernor, Russell Investments

Troy University

selected Robin Joines, Sedgwick Risk Management Department

University of Akron

selected Timothy East, The Walt Disney Company

University of Central Arkansas

selected Richard Roberts, Ensign-Bickford Industries, Inc.

University of Dayton

selected James Hughes, Conoco Phillips

University of Hartford

selected Debra Rodgers, Aramark Corp.

University of Houston-Downtown

selected Roger Andrews, ED Bullard

University of Minnesota

selected Chris Mandel, Sedgwick, Enterprise Risk Management

University of Louisiana

selected Randy Jouben, Five Guys Enterprises

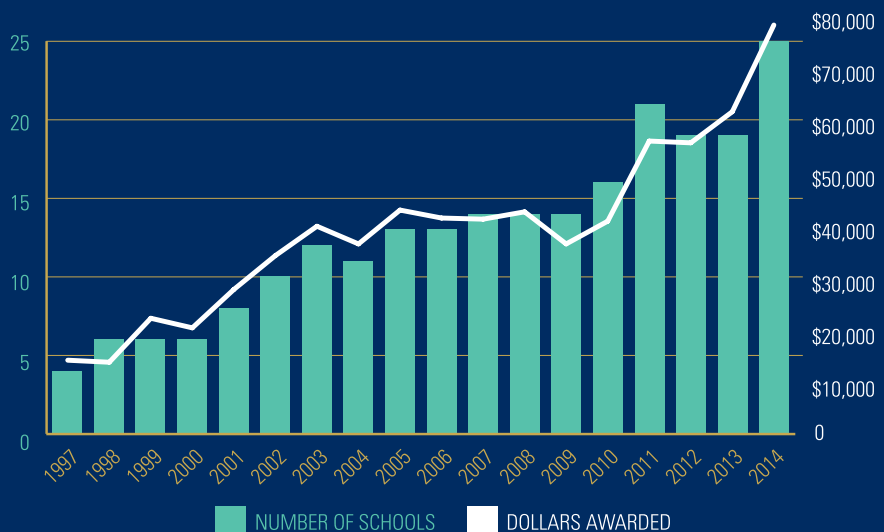
University of Rhode Island

selected Tracy Hwang, EBay

University of Wisconsin-Oshkosh

selected Pam Rogers, Weight Watchers International

RISK MANAGER IN RESIDENCE PROGRAM HISTORY



“What I noticed is that, while class gave me the basic knowledge I needed to understand the sessions, the content was able to give me a more in depth view of risk management. Class is mainly about theoretical, while the sessions gave specific examples.”

—James Iovine, a St. John’s University student, asked about the how what he experienced at the ERM Conference differed from classwork.

GENERAL EDUCATION GRANTS

In addition to the Foundation’s scholarships and program grants, the Foundation awards grants for industry education initiatives:

SPENCER/RIMS RISK MANAGEMENT CHALLENGE | \$20,000

Student teams from nine schools put their knowledge to the test on a complex risk management problem in the first Spencer/RIMS Risk Management challenge. The event, held at the RIMS conference, helps to elevate the visibility of the study of risk management and insurance.

GAMMA IOTA SIGMA CONFERENCE | \$10,000

This student organization promotes, encourages, and sustains student interest in insurance, risk management, and actuarial science as professions. Spencer supported its 43rd Annual International Conference in Dallas in October, 2014.

ANITA BENEDETTI STUDENT INVOLVEMENT PROGRAM | \$40,000

The Foundation awarded a \$40,000 grant to RIMS in support of this program, which has been in existence since 1978. Spencer’s grant allowed 30 students to attend the 2014 RIMS Annual Conference & Exhibition in Denver.

ERM CONFERENCE GRANT | \$5,000

Through a grant to RIMS for the Enterprise Risk Management Conference, four St. John’s University ERM master’s students attended the 2014 Conference in Miami. The four individuals enjoyed the conference and agreed that it added to their experience, network and knowledge.



2014 Spencer/RIMS Risk Challenge

RIMS RISK MANAGEMENT COURSE DEVELOPMENT GRANT

The first RIMS Risk Management Curriculum Development Grant was awarded to St. Francis College. Through the grant, St. Francis College’s School of Business will create eight risk management modules. The first four modules are targeted for the school’s entry-level management course and will: introduce the concept of insurance and risk management and its importance to an enterprise; highlight careers in the industry; deal with sophisticated concepts in regard to types of insurance, providers and regulation; discuss how the financial performance of insurers is measured and the scope of insurance operations including marketing, underwriting and claims. A second set of four modules will be developed following the successful completion of the first set. The latter set will target upper level management and finance courses and focus on: insurance contracts and loss exposures; advanced risk management; an introduction to life and personal lines insurance; and an introduction to commercial insurance.

“ I think to anyone who has not been engaged with Spencer, I would tell them to take a hard look at what the foundation is doing for students and risk managers... If you love the industry and want to support your profession, this is a perfect place to make your mark.”

—Dan Kugler, Director,

Center for Insurance and Risk Management
University of Wisconsin, Oshkosh

FUNDRAISING AND DONOR SUPPORT

2014 was a record year for the Foundation and we are grateful to all of our donors. Our 6th annual Gala Dinner in September, which honored Warren J. Mula (Aon) and John Q. Doyle (AIG), was the first to surpass \$1 million. In addition to the Gala Dinner, the Foundation held its 2nd annual online auction and held its first Annual Fund Campaign, which received significant support from former RIMS presidents. In 2014, 34 RIMS Chapters contributed in excess of \$125,000 to support industry education.

The generosity of our donors allows us to reach higher and fund more scholarships and programs. We appreciate the continued support of the industry, chapters and individuals.

* = denotes multi-year donations.

◆ = Denotes 2014 Gala Dinner Supporter.

Italics indicates donors who have funded scholarships.

CHAIRMAN'S CIRCLE (\$500,000 - \$999,999)

*Liberty Mutual**

TRUSTEE'S ROUNDTABLE (\$100,000 - \$499,999)

*RIMS New Jersey Chapter**

*RIMS New York Chapter**

*Risk and Insurance Management Society, Inc.** ◆

EDUCATOR'S CIRCLE (\$25,000 - \$99,999)

ACE Group of Companies ◆

American International Group, Inc. ◆

Aon Risk Solutions ◆

Arthur J. Gallagher & Co. ◆

The Chubb Corporation ◆

D'Amato & Lynch LLP ◆

Lockton Companies ◆

Marsh, Inc. ◆

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Foundation ◆

R-T Specialty ◆

Willis North America ◆

Zurich North America Foundation ◆

DEAN'S FELLOW (\$15,000 - \$24,999)

Allied World Insurance ◆

Arch Insurance Group ◆

Berkshire Hathaway Specialty Insurance ◆

Ernst & Young U.S., LLP ◆

FM Global ◆

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McKinsey & Company ◆

PNC Financial Services Group ◆

RIMS Atlanta Chapter

RIMS Delaware Valley Chapter

Sedgwick, Inc. ◆

FACULTY CLUB (\$10,000 - \$14,999)

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All Risks Ltd. ◆

Allianz Global Corporate & Specialty ◆

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Axis Insurance ◆

Cahill Gordon & Reindel LLP ◆

Catlin Insurance Company, Inc. ◆

Corporate Risk Solutions ◆

Crawford & Company ◆

Credit Suisse First Boston ◆

Crum & Forster ◆

Crystal & Company ◆

Cunningham Lindsay North America ◆

Deloitte ◆

Endurance Insurance ◆

EXL Service Holdings, Inc. ◆

General Reinsurance ◆

Grant Thornton ◆

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R. Dan Peed ◆

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RIMS Carolinas Chapter ◆

RIMS Dallas/Ft. Worth Chapter

RIMS Greater Kansas City Chapter

Safety National ◆

Starr Underwriting Agencies, LLC ◆

Swiss Re Corporate Solutions ◆

The Navigators Group, Inc. ◆

The Travelers ◆

US Bank ◆

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Wells Fargo Insurance Services USA, Inc. ◆

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CG3

CNA Foundation ◆

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P. Richard and Linda Hackenburg ♦
*and also in memory of William Baxter,
Sr., Timothy Gaetano, Henry Good and
Kevin Labayen* ♦

The Hartford ♦

Irwin Siegel Agency, Inc. ♦

National Financial Partners ♦

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RIMS Fairfield/Westchester Chapter

RIMS Houston Chapter

RIMS Memphis Chapter

RIMS Northeast Ohio Chapter

RIMS Potomac Chapter

RIMS San Diego Chapter

RIMS St. Louis Chapter

RIMS Utah Chapter

York Risk Services Group, Inc. ♦

HONOR ROLL

(\$1,500 – \$4,999)

ARC Excess & Surplus, LLC ♦

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BNY Mellon ♦

Jeanne Braun

BWD Group LLC ♦

Brion Callori

Vicent Capasso

The Graham Company ♦

Hartan Brokerage Inc. ♦

HCC Insurance Holdings ♦

Carl Heck

International Risk Management Institute

In memory of Gary E. Bird

Dan Kugler

Maple Technologies LLC ♦

Ralph Mucerino

North Family Foundation

Partner Reinsurance Co. of US ♦

Pietragallo Gordon Alfano ♦

Platinum Underwriters Re ♦

Marya Propis

Scott Rich

RIMS Central Penn Chapter

RIMS Connecticut Valley Chapter

RIMS Golden Gate Chapter

RIMS Oregon Chapter

RIMS Palm Beach Chapter

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Teresa Black

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WTC Bush

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Richard Denning

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Erie Indemnity

Everest Re Group, Ltd. ♦

Lance Ewing

Jennifer & Will Fahey

Rusty Faircloth

Pamela Ferrandino

Stephen Fier

Peter Flores

Carol Fox

in memory of Cheri Hawkins and

Don Malecki

FTI Consulting ♦

Donna L. Galer

Kevin Geloff

Peter Gilbertson

Glatfelter Insurance Group ♦

Berry Griffin

GSU Risk Management Foundation ♦

John Hammond

Peter and Beth Heard

HUB International NE ♦

Jeremy Johnson

Katie School of Insurance ♦

Brian Kawamoto

Karen & Michael Kerner

Christine LaSala

James Lawler

Lou Ann Layton

Cila Lewis

Debbi Little

Christopher Mandel

Kathleen McCullough

Cathy McKeon

Timothy Meacham

Bill Mecklenburg

Brandon Miller

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Prologis Foundation ♦

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RIMS Iowa Chapter

RIMS Long Island Chapter

RIMS Massachusetts Chapter

RIMS Ozarks Chapter

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Debra Rodgers

Thomas Ruggieri

Joan Schmit

in honor of Leslie Lamb

Michael Schoenbach

Ruth Steinberg

Brian Taylor

The Brookside Group, Inc. ♦

Ellen Thrower

Joselito Tubianosa

Craig Van Der Voort

Ellen Vinck

Daniel Wadley

Raymond Werth

Stephen Wilder

Ron Willett

Ronald Winans

in memory of John Ballard, James

Bruce, David Bush, Stephen Canning,

John Dahl, Henry Good, Evelyn Everts,

Sam Grayson, Russ Horn, Lynda

Lasswell, Eleanor Llitas, Dr. Lynn

McGlothlin, Richard Maley, William

Nelson, F. Edward Osborne, Mary

Rolfing, H. Glen Scott, Gus Shade,

Gordy Williamson

Zero Accident Consulting LLC ♦

M. Michael Zuckerman

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Jennifer Reno
Danielle Roth
Ron Stasch
Michael Tannenbaum
Nancy Walker
Paul Winston
Claire Younker Moe
Anne Zug
Julie Alig
Dennis Alumbauqh
Sherry Ardito
in honor of Debra Rodgers
Paul Atkinson
Jack Baier
Monique Barkett
Carol Barton
Alessandro Barzizza
Alexander R. Bauqh
Salil Bhalla
Vesela Bikova
Jill Bisco
Arthur P. Bostwick
Brian E. Botkin
John Brogan
Jan Brucker
Richard Bryan

Fabio Cabral
Laurie J. Champion
Damon Coppola
Grace Crickette
Devin Derstine
Colleen Dixon
Rohan Dixon
Maria Virginia Echenique
Anthony Feenick
Michael P. Fiscella
Brian J. Ford
Louis Frascotti
Kevin B. Frawley
Brad Galiney
Matthew Gallagher
John D. Gambale
Carlos M. Garcia
Kristy George
Roberto A. Glogau
Aurelio Gonzalez
Stephen J. Grabek
Thomas A. Grandmaison
Ron Gray
Suseela Gupta
Cathy Hampton
Lanette Hanson
Daniel Harbison
Tricia Hartke
Toru Hirose
R. Will Hoover
Michael Hopkins
Bryan Howell
Lisa M. Jacobs
Nihal Joag
Richard Johanson
Stan Johnson
Robin Joines
James R. Jones
Donna Keene
John C. Kline
Deyan Kozhuharov
Hristo Kozhuharov
Christopher Kramer
Steven Kuuskvere
Greg Lamarche
Emanuel V. Lauria Jr.
Karren Lawson
Muffadal Lokhandwala
Cristina Lombardi-Ford
David Lynders
Michael MacCroy
Jarrod Magan
R. Eric Martinez, Jr.
Jan Mattingly
Thomas McLaughlin
Bill McParland
Joel McVey
Warren Meigs
Philip Merry, Jr.
Andrew Miller

David Mistick
Alison Moncur
Christopher Mulvey
Sandra Myhro
Sandy Nagler
Michael A. Nardiello
Esequiel Nathal
Carlos Nieto
Mark O'Brien
Curtis W. Olson
Jorge Pecci
Steve Penman
Katie Pickler
Jason Pircher
Mike Reeves
Debra Richardson
Gabriel Rico
Steve Riley
Art Ringwald
John A. Rudolf
Chikara Sakoda
John Schломann
J.J. Schmidt
David Schraub
Juan Segura
Lori Seidenberg
Michael Silchuck
Andrew Simmons
Shaun Sinclair
T. Ignacio Sinclair
Michael Skweres
Softerware, Inc.
Richard Stamets
George R. Stratts
Jacob Timmins
Scott H. Toland
Aimee Velez-Weiss
Jason Wallace
Valerie Walters
Martina Wegner
Robert Weyand
Wayne C. Wickham
Mark T. Willis
Alex Yanev
Janet Zeaiter

"I'm more closer to my career dream. It's not just for the money... you can have a sense of the people inside this industry. They really want to help you succeed.

— Xia Qian, University of

Wisconsin—Madison Master's student and 2014 Spencer Scholar and recipient of the Anita Benedetti Memorial Scholarship

GALA DINNER

REACHING HIGHER FOR INDUSTRY EDUCATION

In September 2014, the Foundation honored John Q. Doyle, CEO, Global Commercial Insurance at AIG, and Warren J. Mula, CEO, Aon Broking, Aon Risk Solutions. More than 740 industry executives attended the event that raised a record \$1 million for the Foundation's general fund.

In addition to the honoring Warren Mula and John Doyle, the gala also featured remarks by:

- St. Francis College's Academic Dean, Allen Burdowski, spoke about the Foundation's \$50,000 grant that has helped to fund the development of the school's risk management and insurance curriculum;
- Debra Rodgers, SVP – Global Risk Management for Aramark, spoke about her participation in the internship program and how the grant she receives from the Foundation allows her to secure resources to train future risk management leaders; and
- St. John's University senior and 2014 Spencer Scholar Bailey Noone shared her inspirational story of how the Spencer Educational Foundation has impacted her life.

I feel privileged to have received the scholarship twice and furthermore, to have been chosen as the student speaker at this year's gala. You see, it's easy for me to speak so passionately about the Spencer Educational Foundation because I am genuinely excited, impressed, and humbled by how it has made a difference in my life, and the lives of so many other students like me.

– Bailey Noone,

2014 Spencer Scholar and
St. John's University student



RIMS CHAPTER SUPPORT

The Foundation is very appreciative to the 34 RIMS Chapters that donated in excess of \$125,000 in 2014. We would like to recognize the following chapters for their consistent and ongoing support – contributing each year for the last 15 years: Atlanta, San Diego and St. Louis. We also would like to thank those chapters who have invested in industry education through our named scholarship program: Atlanta, Chicago, Dallas/Ft. Worth, New Jersey and New York.

2014 ONLINE CHARITY AUCTION

The Foundation held its second annual online charity auction last May in conjunction with the RIMS conference and raised more than \$16,000 to help fund industry education opportunities. We are thankful to the many donors who provided items to our online auction catalogue: ACE Group, Allied World Assurance Corporation, Aon Risk Solutions, ARAMARK, Arcade Publishing, Big 5 Sporting Goods, Calvin Klein, Inc., Ron & Lauren B. Davis, Donna Galer, FM Global, Gamma Iota Sigma – Sigma Chapter (Temple University), The Hershey Company, Liberty Mutual Insurance, Mark A. DeLillo, Marsh, Inc., National Financial Partners Corporation NHL, Orbital Sciences Corporation, OuterWall, Inc., Pamela Rogers, RIMS, RIMS NJ Chapter, Safety National, Sedgwick, Snap-On Incorporated, The Travelers, Turner Broadcasting System, Inc., The Walt Disney Company, U.S. Olympic Committee, Visit Denver, XL Insurance, and Zurich Insurance Group.

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

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REPORT OF INDEPENDENT AUDITORS



TO THE BOARD OF DIRECTORS OF SPENCER EDUCATIONAL FOUNDATION, INC.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Spencer Educational Foundation, Inc. (the "Foundation"), which comprise the balance sheet as of December 31, 2014 and 2013, 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 financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 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, 2014 and 2013, 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.

OTHER MATTER

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses on page 24 is presented for 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 to 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 cursive script that reads "Schall & Ashenfarb".

Schall & Ashenfarb
Certified Public Accountants, LLC
307 Fifth Avenue, 15th Floor
New York, New York 10016
Tel: (212) 268-2800 | Fax: (212) 268-2805
www.schallandashenfarb.com

March 26, 2015

BALANCE SHEET

AT DECEMBER 31, 2014 AND 2013

	12/31/14	12/31/13
Assets		
Current assets:		
Cash and cash equivalents	\$511,185	\$368,906
Contributions receivable, current portion (Note 2)	216,798	192,082
Prepaid expenses	28,050	35,075
Total current assets	<u>756,033</u>	<u>596,063</u>
Non-current assets:		
Investments (Note 3)	6,863,734	6,729,093
Contributions receivable, net of current portion (Note 2)	243,755	591,738
Property and equipment, net (Note 4)	23,887	0
Total non-current assets	<u>7,131,376</u>	<u>7,320,831</u>
Total assets	<u><u>\$7,887,409</u></u>	<u><u>\$7,916,894</u></u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$10,269	\$96,348
Total current liabilities	<u>10,269</u>	<u>96,348</u>
Net assets:		
Unrestricted:		
Undesignated	6,054,584	5,749,756
Board designated - Anita Benedetti Fund	2,391	12,391
Total unrestricted	<u>6,056,975</u>	<u>5,762,147</u>
Temporarily restricted (Note 5)	1,820,165	2,058,399
Total net assets	<u>7,877,140</u>	<u>7,820,546</u>
Total liabilities and net assets	<u><u>\$7,887,409</u></u>	<u><u>\$7,916,894</u></u>

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

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET ASSETS

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	December 31, 2014			December 31, 2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues, gains and other support:						
Contributions	\$170,945	\$16,766	\$187,711	\$221,434		\$221,434
Contributions - restricted (Note 5)			0		\$348,819	348,819
Fundraising events (net of direct expenses)	901,884		901,884	737,561		737,561
Investment income (Note 3)	239,656		239,656	698,153		698,153
Miscellaneous income	4,454		4,454	14,495		14,495
Net assets released from restrictions	255,000	(255,000)	0	240,000	(240,000)	0
Total revenues, gains and other support	<u>1,571,939</u>	<u>(238,234)</u>	<u>1,333,705</u>	<u>1,911,643</u>	<u>108,819</u>	<u>2,020,462</u>
Expenses:						
Program services:						
Scholarship and other programs	670,908		670,908	664,902		664,902
Student involvement	170,000		170,000	141,000		141,000
Total program services	<u>840,908</u>	<u>0</u>	<u>840,908</u>	<u>805,902</u>	<u>0</u>	<u>805,902</u>
Supporting services:						
Management and general	120,358		120,358	98,147		98,147
Fundraising	315,845		315,845	308,659		308,659
Total supporting services	<u>436,203</u>	<u>0</u>	<u>436,203</u>	<u>406,806</u>	<u>0</u>	<u>406,806</u>
Total expenses	<u>1,277,111</u>	<u>0</u>	<u>1,277,111</u>	<u>1,212,708</u>	<u>0</u>	<u>1,212,708</u>
Change in net assets	294,828	(238,234)	56,594	698,935	108,819	807,754
Net assets - beginning of year	<u>5,762,147</u>	<u>2,058,399</u>	<u>7,820,546</u>	<u>5,063,212</u>	<u>1,949,580</u>	<u>7,012,792</u>
Net assets - end of year	<u>\$6,056,975</u>	<u>\$1,820,165</u>	<u>\$7,877,140</u>	<u>\$5,762,147</u>	<u>\$2,058,399</u>	<u>\$7,820,546</u>

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

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>12/31/14</u>	<u>12/31/13</u>
Cash flows from operating activities:		
Change in net assets	\$56,594	\$807,754
Adjustments to reconcile change in net assets to net cash provided by/(used for) operating activities:		
Net realized and unrealized (gain)/loss on investments	(112,912)	(559,081)
Depreciation expense	3,413	893
(Increase)/decrease in assets:		
Contributions receivable	323,267	(413,728)
Prepaid expenses	7,025	(7,075)
Increase/(decrease) in liabilities:		
Accounts payable and accrued expenses	(86,079)	(69,657)
Total adjustments	<u>134,714</u>	<u>(1,048,648)</u>
Net cash provided by/(used for) operating activities	<u>191,308</u>	<u>(240,894)</u>
Cash flows from investing activities:		
Proceeds from sales of investments	4,800,624	7,506,543
Purchases of investments	<u>(4,849,653)</u>	<u>(7,660,961)</u>
Net cash used for investing activities	<u>(49,029)</u>	<u>(154,418)</u>
Net increase/(decrease) in cash and cash equivalents	142,279	(395,312)
Cash and cash equivalents - beginning of year	368,906	764,218
Cash and cash equivalents - end of year	<u>\$511,185</u>	<u>\$368,906</u>
Supplemental disclosures of cash flows information:		
Non-cash investing activities:		
Cash paid during the year for interest and taxes	<u>\$0</u>	<u>\$0</u>

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization

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 funding the education of tomorrow’s risk management and insurance industry leaders.

b. Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting which is the process of recording revenue and expenses when earned or incurred, rather than when received or paid.

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. The Foundation has elected to display board designated net assets which represents unrestricted donor contributions that have been restricted by the Board of the Foundation to be used towards the Anita Benedetti Scholarship.
- *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 that the contribution was received 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, 2014 or December 31, 2013.

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 held at financial institutions that management deems to be creditworthy. The Foundation maintains its cash and investment balances in accounts which, at times, may exceed the federal insurance limits. Investments are subject to market fluctuations and principal is not guaranteed. The Foundation has not experienced any losses in the account due to failure of any of these financial institutions and 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, 2014 and 2013, the Foundation has no significant concentration of credit risk.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

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 using a risk adjusted discount rate of return. 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, 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 services that require specialized skills, and would typically need to be purchased if not provided by contributions or which create or enhance non-financial assets are reported at fair value.

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

j. Functional Allocation of Expenses

The costs of providing various program and supporting activities have been summarized on a functional basis in the financial statements. 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 material, uncertain tax positions. Tax filings for periods ending December 31, 2011 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 26, 2015, 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.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

NOTE 2 - CONTRIBUTIONS RECEIVABLE

Contributions receivable can be summarized as follows:

	<u>12/31/14</u>	<u>12/31/13</u>
Unconditional promises to give		
before discount to fair value	\$476,798	\$811,831
Less: fair value discount	<u>(16,245)</u>	<u>(28,011)</u>
Net unconditional promises to give	460,553	783,820
Less: current portion	<u>(216,798)</u>	<u>(192,082)</u>
 Noncurrent portion	 <u>\$243,755</u>	 <u>\$591,738</u>
	12/31/14	12/31/13
Amounts due in:		
Less than one year	\$216,798	\$192,082
One to five years	<u>260,000</u>	<u>619,749</u>
 Total	 <u>\$476,798</u>	 <u>\$811,831</u>

NOTE 3 - INVESTMENTS

Investments consist of the following at:

	<u>12/31/14</u>	<u>12/31/13</u>
Stock funds	\$4,727,102	\$3,735,397
Bond funds	1,050,386	1,671,685
Blended funds	477,588	611,103
Diversified mutual funds	359,618	517,599
Money market	<u>249,040</u>	<u>193,309</u>
 Total	 <u>\$6,863,734</u>	 <u>\$6,729,093</u>

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

Investment income consists of the following at:

	<u>12/31/14</u>	<u>12/31/13</u>
Dividend and interest income	\$149,091	\$164,547
Net realized and unrealized		
gain on investments	112,912	559,081
Less: investment advisory fees	<u>(22,347)</u>	<u>(25,475)</u>
 Total	 <u>\$239,656</u>	 <u>\$698,153</u>

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at:

	12/31/14	12/31/13
Computer software	\$47,100	\$19,800
Less: accumulated depreciation	(23,213)	(19,800)
Net	<u>\$23,887</u>	<u>\$0</u>

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:

	1/1/14	Contribution	Released From Restriction	12/31/14
FM Global Fund	\$152,500	\$0	\$10,000	\$142,500
John T. Lockton Memorial Scholarship Fund	212,150	0	55,000	157,150
Zurich Financial Services Scholarship Fund	75,000	0	5,000	70,000
Dr. E.J. Leverett Memorial Scholarship Fund-RIMS Atlanta Chapter	75,000	0	0	75,000
RIMS Chicago Chapter Scholarship Fund	75,000	0	5,000	70,000
RIMS Dallas-Ft. Worth Chapter Fund	75,000	0	5,000	70,000
XL Ian Heap Memorial Scholarship Fund	72,500	0	5,000	67,500
Ellen Thrower Scholarship Fund	70,080	0	5,000	65,080
Thomas M. Regan Memorial Scholarship Fund	62,500	0	5,000	57,500
September 11th Memorial Scholarship Fund	58,180	0	5,000	53,180
RSA Douglas Barlow Scholarship Fund	17,500	0	7,500	10,000
Robert E. & John P. Gallagher Scholarship Fund	80,000	0	5,000	75,000
RIMS Atlanta Chapter Scholarship Fund	76,500	2,500	5,000	74,000
William J. Clagnaz ACE Memorial Scholarship	65,000	0	5,000	60,000
RIMS Scholarship Fund	70,000	0	5,000	65,000
RIMS Course Development	160,000	0	55,000	105,000
RIMS Risk Management in Residence	45,000	0	15,000	30,000
Liberty Mutual Scholarship Fund	340,000	0	20,000	320,000
Allied World Scholarship Fund	85,000	0	5,000	80,000
RIMS New York Chapter Scholarship Fund	75,000	0	5,000	70,000
Allied World Internship Program	17,500	0	10,500	7,000
RIMS Atlanta Chapter Internship Program	11,000	2,500	0	13,500
RIMS Internship Program	36,000	0	12,000	24,000
RIMS NJ Chapter Scholarship Fund	80,000	0	5,000	75,000
Unamortized discount on multi-year contributions receivable	(28,011)	11,766	0	(16,245)
	<u>\$2,058,399</u>	<u>\$16,766</u>	<u>\$255,000</u>	<u>\$1,820,165</u>

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

	1/1/13	Contribution	Released From Restriction	12/31/13
FM Global Fund	\$212,500	\$0	\$60,000	\$152,500
John T. Lockton Memorial Scholarship Fund	267,150	0	55,000	212,150
Zurich Financial Services Scholarship Fund	80,000	0	5,000	75,000
Dr. E.J. Leverett Memorial Scholarship Fund-RIMS Atlanta Chapter	80,000	0	5,000	75,000
RIMS Chicago Chapter Scholarship Fund	80,000	0	5,000	75,000
RIMS Dallas-Ft. Worth Chapter Fund	80,000	0	5,000	75,000
XL Ian Heap Memorial Scholarship Fund	77,500	0	5,000	72,500
Ellen Thrower Scholarship Fund	74,840	240	5,000	70,080
Thomas M. Regan Memorial Scholarship Fund	67,500	0	5,000	62,500
September 11th Memorial Scholarship Fund	63,180	0	5,000	58,180
RSA Douglas Barlow Scholarship Fund	25,000	0	7,500	17,500
Robert E. & John P. Gallagher Scholarship Fund	85,000	0	5,000	80,000
RIMS Atlanta Chapter Scholarship Fund	80,000	5,000	8,500	76,500
William J. Clagnaz ACE Memorial Scholarship	70,000	0	5,000	65,000
RIMS Scholarship Fund	75,000	0	5,000	70,000
RIMS Course Development	0	160,000	0	160,000
RIMS Risk Management in Residence	0	45,000	0	45,000
Liberty Mutual Scholarship Fund	360,000	0	20,000	340,000
Allied World Scholarship Fund	90,000	0	5,000	85,000
RIMS New York Chapter Scholarship Fund	80,000	0	5,000	75,000
Allied World Internship Program	5,000	17,500	5,000	17,500
RIMS Atlanta Chapter Internship Program	16,000	5,000	10,000	11,000
Allied World – 2013 ABSIP	9,000	0	9,000	0
RIMS Internship Program	0	36,000	0	36,000
RIMS NJ Chapter Scholarship Fund	0	80,000	0	80,000
Unamortized discount on multi-year contributions receivable	(28,090)	79	0	(28,011)
	<u>\$1,949,580</u>	<u>\$348,819</u>	<u>\$240,000</u>	<u>\$2,058,399</u>

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

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 Foundation also awards scholarships to risk management professionals pursuing master's degrees part-time. The Risk Manager in Residence Program provides universities the opportunity to host risk managers and expose students to risk management through formal lectures and informal discussions. Risk managers can lecture for up to three days on college and university campuses in the United States and Canada.

Student Involvement Program

These programs provide opportunities outside of the typical college setting. The RIMS Anita Benedetti Student Involvement Program enables selected risk management students to attend the RIMS Annual Conference and Exhibition. The Spencer/RIMS Risk Management Challenge is a competition in which student teams from different colleges submit solutions to a risk management case study. The finals are held at the RIMS Annual Conference and Exhibition. The Student Internship Program provides grants for summer internships in the risk management field. Students work with professional risk managers and receive an in-depth, firsthand learning experience.

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"). Significant funds are raised through the membership of RIMS. The Foundation received contributions of \$134,600 and \$160,000, respectively, for the years ended December 31, 2014 and 2013, from several RIMS chapters. Included in contributions receivable at December 31, 2014 and 2013, are \$10,000 and \$120,000, respectively, due from those chapters.

During 2013, the Foundation received a \$300,000 unconditional pledge from RIMS. The balance is due over a three year period with \$100,000 included in pledges receivable at December 31, 2014.

The Foundation paid fees to RIMS of \$369,645 and \$342,258 for the years ended December 31, 2014 and 2013, respectively for program assistance, fundraising, and administrative services provided. While the Foundation had no amounts due to RIMS at the end of 2014, \$85,565 was due at December 31, 2013.

SCHEDULE OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	December 31, 2014					December 31, 2013				
	Supporting Services				Total Expenses	Supporting Services				Total Expenses
	Program Services	Management and General	Fundraising	Total Supporting Services		Program Services	Management and General	Fundraising	Total Supporting Services	
Scholarships/grants	\$540,843			\$0	\$540,843	\$553,150			\$0	\$553,150
Student involvement	170,000			0	170,000	141,000			0	141,000
RIMS fees	130,065	\$43,991	\$195,589	239,580	369,645	111,752	\$30,608	\$199,898	230,506	342,258
Marketing			22,009	22,009	22,009			8,286	8,286	8,286
Accounting		17,069		17,069	17,069		16,500		16,500	16,500
Postage and shipping			3,681	3,681	3,681			2,592	2,592	2,592
Conferences and meetings		16,619		16,619	16,619		2,838		2,838	2,838
Bad debts expense				0	0				0	0
Equipment rental		9,424		9,424	9,424		11,012		11,012	11,012
Miscellaneous		10,466		10,466	10,466		6,987		6,987	6,987
Printing				0	0		321		321	321
Supplies		2,012		2,012	2,012		603		603	603
Travel		9,003		9,003	9,003		21,834		21,834	21,834
Bank fees		8,361		8,361	8,361		6,551		6,551	6,551
Depreciation		3,413		3,413	3,413		893		893	893
Indirect gala expenses			94,566	94,566	94,566			97,883	97,883	97,883
Total expenses	\$840,908	\$120,358	\$315,845	\$436,203	\$1,277,111	\$805,902	\$98,147	\$308,659	\$406,806	\$1,212,708

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



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