

Supporting Innovation through Education



Spencer's Heritage and Mission



Robert Spencer was a visionary 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 practices of captives in the domestic and international reinsurance markets, and created a workers' compensation self-retention program adopted by 31 U.S. states. In addition, Robert was a leader in the Risk and Insurance Management Society (RIMS), serving as president of the Atlanta Chapter in 1973, and as vice president (1974 – 1977) and then as president (1977 – 1978) of the RIMS 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 Educational 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 by providing opportunities for those in the risk management and insurance industry to grow their knowledge of the business and their careers.

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2018-19 BOARD OF DIRECTORS



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* Ex officio

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



2018 Chairperson Zakia Phillips (left), and President Marya Propis (right)

The Spencer Educational Foundation (Spencer) had a stellar 2018! In keeping with our mission noted above, we continued to award scholarships and grants to many qualified individuals and organizations, and expanded our charge to increase awareness of the insurance and risk management industry.

This year Spencer awarded a record \$501,100 in merit-based scholarships: \$390,000 was awarded to 70 full-time undergraduate and graduate scholars and the remainder was awarded to 12 employed risk professionals seeking their Master Degree. Our recipients attend both American and Canadian institutions, and come to us from numerous countries around the globe. We consider it mission critical to support the growing multinational and global nature of our business.

In addition, we awarded 37 internship grants, amounting to \$185,000, which provided students with summer jobs in risk management. Spencer also awarded 25 grants to various colleges and universities to cover the costs of visiting risk managers and brokers, and encouraged creative and experiential education through our Risk Manager in Residence Program.

Another key focus in 2018 was to foster and support industry innovation. We achieved this by awarding our first ever InsurTech course development grant as well as six other grants to colleges and universities to develop and offer their first ever insurance and risk management courses! Our partnerships with RIMS, colleges and universities, and other associations such as Gamma Iota Sigma (GIS), have enabled us to create more awareness about the industry by supporting student attendance at multiple industry conferences in partnership with these leading industry organizations.

Through these various activities, we touched the lives of over 45,000 students since our founding.

We could not have accomplished any of this without the generous support of our donors, many of whom have supported Spencer since our inception. We thank you and invite you to read this annual report to see how your donation is funding the education of tomorrow's insurance and risk management leaders.

Thank you again for your support and generosity.

Sincerely,


C. Zakia Phillips
2018 Chairperson



2018 Board President
and Incoming 2019 Chairperson

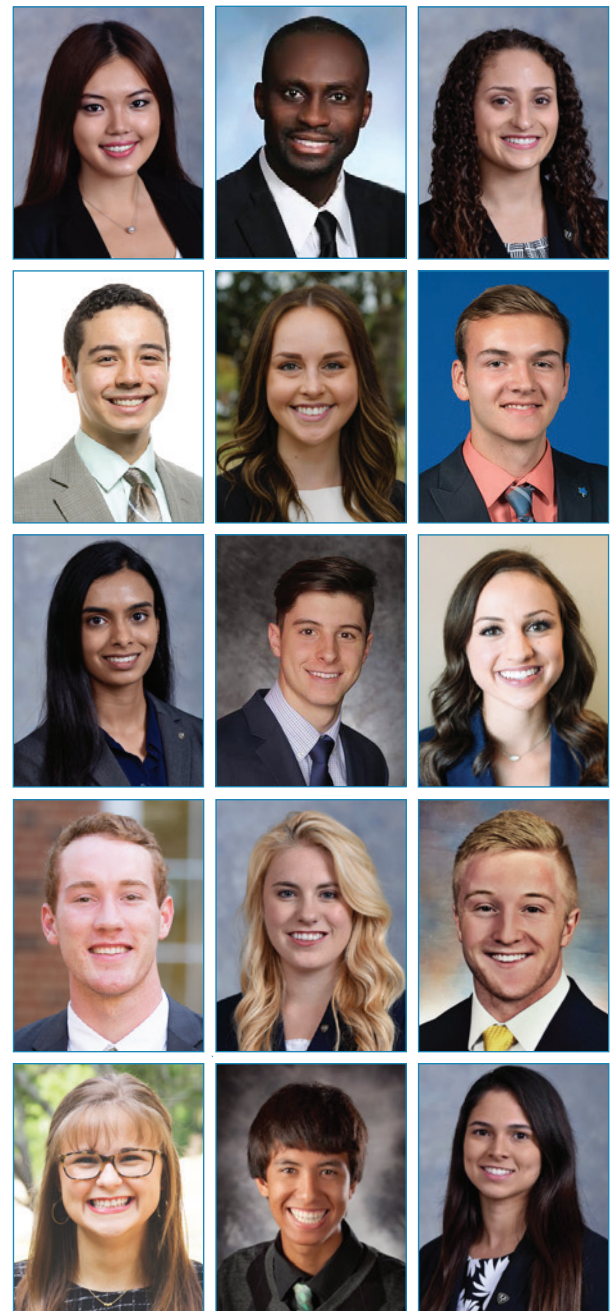
Scholarships

The Foundation's commitment to innovation begins with attracting talented students to our industry, and supporting risk practitioners in advanced studies. Scholarships are awarded to Risk Management, Actuarial, Underwriting, Engineering, Finance, Business Administration and Enterprise Risk Management students in the United States and Canada. In 2018, the Foundation awarded 82 scholarships, totaling \$501,000, to full-time undergraduate and graduate students, pre-dissertation Ph.D. candidates, and working risk professionals pursuing MBA degrees. Selection is based upon academic excellence and the overall character of the student: leadership on campus, community service, working/intern experience, career goals and their commitment to the Risk Management and Insurance industry.

2018 UNDERGRADUATE FULL-TIME NAMED AND MEMORIAL SCHOLARSHIPS RECIPIENTS

(\$5,000 scholarships)

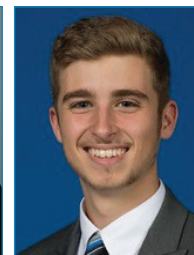
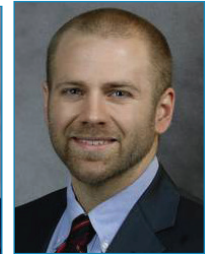
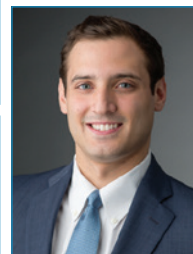
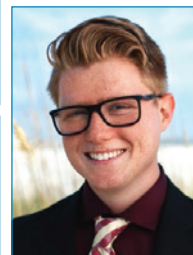
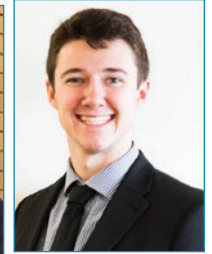
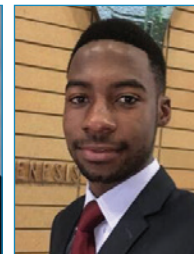
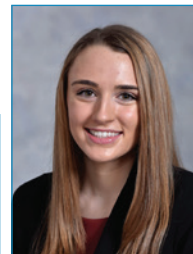
Daniel L. Baker, Missouri State University, John T. Lockton Memorial
Kaltra Bani, Pennsylvania State University, John T. Lockton Memorial
Kristen M. Blackman, St. Joseph's University, Ian Heap Memorial/XI Catlin
Alessandra Bruno, St. John's University, Thomas Regan Memorial (RIMS NY Chapter)
Torrent T. Cannon, St. John's University, WM. Clagnaz Memorial/Chubb
Jeremy Crabb, University of Central Arkansas, Risk & Insurance Management Society
Nicholas A. Esty, University of Southern Maine, John T. Lockton Memorial
Sal P. D'Acquisto, Illinois State University, RIMS Chicago Chapter Scholarship
Devon F. Goolsby, Appalachian State University, John T. Lockton Memorial
Christopher J. Graman, Indiana State University, John T. Lockton Memorial
Grace Hagerty, University of Georgia, E.J. Leverett Memorial (RIMS Atlanta Chapter)
Hannah Jo Hamilton, Drake University, September 11th Memorial
Melanie Keusch, Olivet College, John T. Lockton Memorial
Sean Kirwan, University of Texas-Dallas, Gabriel Lugo Memorial (Dallas/Ft. Worth Chapter)
James A. Kroll, University of St. Thomas, Liberty Mutual Group Scholarship
Matthew Manzo, Temple University, Allied World Assurance Co. Scholarship
Kristen Marshall, Illinois State University, Robert E. and John P. Gallagher Memorial
Jennie Lynn Martino, St. John's University, Dr. Ellen Thrower Scholarship
Lauren M. Morell, La Salle University, Liberty Mutual Group Scholarship
Ashley B. Myers, St. Joseph's University, RIMS New Jersey Chapter Scholarship
Daniel B. Osborne, Appalachian State University, FM Global Scholarship
Antonio J. Perciavalle, St. John's University, Dante Petrizzo Memorial (RIMS NY Chapter)
Nitai J. Patel, Temple University, FM Global Scholarship
Nicole Putre, University Of Alabama, Liberty Mutual Group Scholarship
Varun Sivakumar, Temple University, Steven Penman Memorial/Sedgwick
Carlie Stoy, St. Joseph's University, Liberty Mutual Group Scholarship
Eric Sutdiff, University Of Georgia, RIMS Atlanta Chapter
Alana Vicale, Temple University, John T. Lockton Memorial
Jessica D. Zimmerman, Temple University, Zurich Scholarship



UNDERGRADUATE FULL-TIME GENERAL FUND SCHOLARSHIP RECIPIENTS

(\$5,000 scholarships)

Sam Charles Belkowitz, Temple University
Madison Bemis, University Of St. Thomas
Lauren E. Briskey, Butler University
Allie N. Buchanan, Troy University
Rebecca Cacioppo, University Of Wisconsin-Madison
Parker Chalmers, Butler University
Gregory Darling, Indiana State University
Michael Di Rienzo, St. Joseph's University
Nicholas G. Duesberry, Temple University
Avery Fink, Appalachian State University
Travis Freytag, Butler University
Brian D. Fritz, Temple University
Anna R. Geist, Butler University
Katherine M. Holtz, Butler University
Danielle M. Kerrigan, Temple University
Vandana Khatri, Temple University
James A. Kramer, Indiana State University
Evan Leitch, University Of Wisconsin-Madison
Zachary Lew, Illinois State University
Michael McGovern, St. Joseph's University
Stewart Manges, Olivet College
Rachel Mermelstein, Temple University
Emily J. Pancoast, Temple University
Nicholas J. Patnode, University Of Wisconsin-Madison
Mufaro Pazvakawambwa, Walla Walla University
Evan M. Rogers, Indiana State University
Thomas Rosenbaum, Temple University



New in 2019:

Through a generous donation by *Spencer Scholar Elizabeth Lisle* in 2018, the Foundation will award a new scholarship in 2019 for undergraduates studying Risk Management and Information Technology/Business Analytics.



Scholarships

Harrison N. Rudolph, Florida State University

Anqi Song, Temple University

Lauren Tibbets, Butler University

Andrew J. Todd, Olivet College

Nicolas Vilov, Temple University

Dustin W. Winston, University Of Idaho

FULL-TIME MASTER SCHOLARSHIP RECIPIENTS

(\$10,000 Scholarships)

Eric Agyemang, Illinois State University

Albert Appouh, Columbia University

Jenna C. Herr, University of Wisconsin-Madison, Anita Benedetti Memorial

Jenny Le, Columbia University

Scott A. Monaco, University of Pennsylvania

PRE-DISSERTATION PH.D. AWARD RECIPIENTS

(\$10,000 Scholarships)

Joshua D. Frederick, University of Georgia

Steven Irlbeck, University of Iowa

Kate Manthey, University of Wisconsin-Whitewater

PART-TIME MASTER SCHOLARSHIP RECIPIENTS

(Awards of up to \$10,000 based on tuition and employer's tuition reimbursement policy)

Aaron Bartlett, Georgia Tech University, Associate Underwriter/Chubb

Jean-Christophe Beugre, New York University, Sr. Underwriter/Zurich

Sandra Del Guercio, New York University, ERM Mgr./QBE North America RIMS New York Chapter Scholarship

Twane Duckworth, Florida State University, Risk Manager/City of Jacksonville, RIMS Scholarship

Sean Hushon, St. Joseph's University, Underwriter II/Philadelphia Ins. Cos.

Jacquelyn Kamstra, Concordia University, Mgr. - Global Environmental, Health and Safety

Amber Kersjes, Olivet College, Asst. Actuary/Auto-Owners Ins. Co.

Chul Hyung Lee, St. John's University, Risk Analyst/Western World Ins. Group

Rumbidzai Masamvu, Univ. of Connecticut, ERM Risk Mgr./XL Catlin

Nicholas Miller, Franklin University, Sr. Risk Analyst/NiSource, Inc.

Luljeta Muslic-Djonovic, Hofstra University, Risk Management Analyst/Henry Schein, Inc.

Alexander Schwartz, New York University, Sr. Underwriter/Liberty Mutual Ins. Co.

TOTAL AMOUNT AWARDED FULL-TIME AND PART-TIME: \$501,100



Gaining Experience..... Internships

The Foundation creates new opportunities for innovation and experiential learning, with \$5,000 grants to risk managers to fund summer internships. Spencer Interns are selected from universities across the United States, including schools that may not offer a risk management program. Since its creation in 1997, the Foundation's internship program has introduced fundamentals of managing risk to many students who had never taken a risk management course, but gained the skills to stay with the same company or in the industry after graduation. In 2018, the Foundation awarded internship grants to 41 RIMS Professional Member companies totaling \$205,000.

2018 STUDENT INTERNSHIP PROGRAM

Employer

Aetna
 Auburn University
 CBIZ, Inc.
 City of Portland
 Clark Equipment Co.
 Columbia Sportswear Co.
 Con Am Management
 CWS Capital Partners
 Dean Foods
 DFW Airport
 Dollar Tree
 G6 Hospitality LLC
 GROWMARK, Inc.
 Henry Schein
 Holly Frontier Corp.
 Holman Automotive Group
 KHS&S Contractors
 LSG Sky Chefs
 McKesson Corporation
 Matson Navigation
 MIT
 NuStar Energy
 NYC Economic Development
 Oregon Health & Sciences
 Oregon State University
 Parsons Corporation
 Port of Portland
 Portland General Electric
 Prologis, Inc.
 Retail Properties of America
 REV Group
 SAS Institute, Inc.
 Sedgwick-RM Dept.
 SP Plus Corp.
 Tiffany & Co.
 University of Cincinnati
 Vistra Energy

Contact:

Scott Margol
 Melissa Agresta
 Kristen Peed
 Debora Leopold-Hutchins
 Wayne Naylor
 Cameron Williams
 Cindy Steele
 Shanna Berrien
 Jo Harris
 Patrick Juren
 Lindsay Harris
 Diana Hess Jones
 Faith Cring
 Lilly Muslic-Djonovic
 Kyle Rogers
 Maria Murray
 Cynthia Garcia
 Christina Peterson
 William White
 Meaghan Argentieri
 Sandra Mitchell
 Stephanie Malish
 Sara Zhu
 Cassandra Forbess
 Christina McKnight
 James Evans
 Edward K. McDonald III
 Dylan Lauzon
 Radu Demian
 Theresa Severson
 Dan Kugler
 Jorie Dickerson
 Robin Joines
 Timothy Nickerson
 Jo-Ann Schott
 Amanda Bill
 Shirley Barbour

Intern

Nancy Woo
 Jeremy Ross
 Tyler Vaughan
 Laura Henry
 Carlton Beasley
 Thomas Homand
 Zaid Mansuri
 Leah Johnson
 Adrian Chapa
 Daniel Kinas
 Timothy Crumbly
 Tarah Valenta
 Max Johnson
 Leandra Gallina
 Ryan Decuir
 Charlotte Ronan
 Monika Gustilo
 Schuyler Holder
 Hongyang Zhong
 Matthew Orzech
 Leah McFarland
 Samantha Sheldon
 Tianyu Yu
 Julianna Peters
 Nicholas Hanset
 Kristopher Lundberg
 Cynthia Elodimo
 Cameron Stanish
 Jared Dolan
 Daniel Hyde
 Katie Myczek
 Rachel Pleasants
 Sawyer Phillips
 Sean Powers
 Tiraza Bhote
 Bryan L. Felix
 Seth Walls

University

Harvard University
 Auburn University
 University of Akron (CD)
 Portland State University
 Georgia State University
 Univ. of Massachusetts-Amherst
 Univ. of California-San Diego
 Texas A&M University
 Univ. of Texas at Dallas
 DePauw University
 Virginia Commonwealth
 Univ. of North Texas
 Illinois State University
 St. John's University
 Univ. of Texas at Dallas
 St. Joseph's University
 Univ. of California, Irvine
 Univ. of North Texas
 Univ. of Georgia
 California State East Bay
 University of Georgia
 St. Mary's University
 St. John's University
 University of Oregon
 Oregon State University
 California State - Fullerton
 Temple University
 Yale University
 Univ. of Colorado – Denver
 Northern Illinois University
 Butler University
 East Carolina University
 Mississippi State University
 Illinois State University
 Rutgers University
 University of Cincinnati
 Univ. of Texas - Dallas



“Overall, the experience was valuable and broadened the scope through which I viewed Risk Management. I learned that risk encapsulates almost everything a business does.”
 —Cameron Stanish
 Spencer intern at Portland General Electric attending Yale University

41 GRANTS TOTALING \$205,000



left to right: Jo-Ann Schott, Supervisor-Risk Management, Tiraza Bhote, Spencer Intern-Rutgers University, Tiffany Team Matylda Spataro, and Brian Lee.

Risk Manager in Residence

The Risk Manager in Residence program inspires students by bringing risk managers and their brokers into the university classroom to share real-world challenges and opportunities. With grants of up to \$4,000, the Foundation has sponsored over 300 programs since 1997, reaching thousands of students. Risk managers are invited to speak about specific risks at their company, advise students on career directions and give back to the industry. These visits also raise awareness of the importance of risk management to universities who currently offer few or no insurance courses on campus.

2018 RISK MANAGER IN RESIDENCE

Ball State University

Audrey Rampinelli, Loews Hotel (formerly)

California State-Northridge (N)

Chris Mandel, Sedgwick Institute

East Carolina University

Lance Ewing, Cotton Holdings

Illinois State University

Gail Kiyomura, City of Stockton

Indiana State University

Rich Johanson (SS), General Dynamics

La Salle University

Al Gorski, OCTA

Mississippi State University

Steven Jones, Occidental Petroleum

Missouri State University

Jeffrey Strege, Sysco Corp.

New Mexico State University

Dan Kugler, REV Group

Ohio Dominican University (N)

Sandra Mitchell (IP), MIT

Ohio State University

Lawanda Hall, BMW Manufacturing Co.

Old Dominion University

Randy Jouben*, County of Fairfax, VA

Portland State University (N)

Andrew Bent, Sage Group plc

St. John's University

Robin Joines (SS) (IP), Sedgwick (RM Dept.)

Temple University

Shari Natovitz, Silverstein Properties

University of Akron

Pamela Rogers (AC), Estee Lauder

University of Calgary-Alberta

Radu Demian (IP), Prologis, Inc.

University of Central Arkansas

Dan Kugler, REV Group, Inc.

University of Dayton

Stephanie Hyde, Morgan Stanley

University of Louisville (N)

Andrew Baillie, The AES Corp.

University of Louisiana-Lafayette

Robert Nighan, Travelers (RM Dept)

University of Louisiana-Monroe

Michael Phillipus, Occidental Petroleum

University of Missouri-Kansas City (CD)

Randy Jouben *, County of Fairfax, VA

University of North Texas

Mark Baker, Hyatt Hotels

University of Rhode Island

Kristy Coleman, Turner Broadcasting

TOTAL AMOUNT AWARDED: \$94,400



“It was an absolutely wonderful and inspiring opportunity to see such engagement and passion from these students!”

—Mari-jo Hill,
former Director of Risk Management,
SAS Institute, Inc.

Grants and Course Development

The Foundation continues to receive new and innovative grant proposals to develop introductory and advanced RMI courses for InsureTech, Enterprise Risk Management, Cyber Risk and Business Analytics, and ways to promote Risk Management to high school and first-year college students. Our grants also support Risk Management curriculum development at universities and colleges that have not previously offered risk or insurance courses. Spencer is also a strong supporter of funding student attendance at industry conferences such as the RIMS Annual Conference, Gamma Iota Sigma and other industry events.

IN 2018, GRANTS WERE AWARDED TO:

- University of Akron – \$48,000 to promote RMI careers to high school and incoming freshman students. Advanced course development towards a degree program.
- University of Hartford – \$50,000 to develop an InsureTech course for undergraduate and graduate students.
- RIMS – \$95,000 to fund the Anita Benedetti Student Involvement Program at the RIMS Annual Conference & Exhibition and to fund student attendance at the RIMS Cyber Risk and ERM conferences.
- Risk Management Challenge – \$35,000 Platinum Sponsorship to help fund this competition that is held at the RIMS Annual Conference & Exhibition. University teams compete to present creative and comprehensive risk solutions to a company's case study.
- Gamma Iota Sigma – \$10,000 to support career events for this student association at its annual International Conference.



Spencer awards Risk Management and Insurance Course Development grants to universities and colleges who do not currently offer Risk Management courses. The grants support development, faculty support and promotion of the courses on campus. In 2018, we awarded \$150,000 in grants to:

- Canisius College (Buffalo, NY)
- Eureka College (Eureka, IL)
- Northern Arizona University (Flagstaff, AZ)
- University of Missouri (Kansas City, MO)



Since 2014, we have awarded course development grants to the following universities and colleges:

- St. Francis College (Brooklyn, NY)
- University of Missouri (Springfield, MO)
- Roger Williams University (Bristol, RI)
- University of Southern California (Los Angeles, CA)

The above grants were made possible by a generous donation from RIMS, *the* Risk Management Society, Inc.



Gala Dinner

The Spencer Educational Foundation thanks its major Gala Dinner supporters, who purchased tables and/or journal ads, for making our Gala Dinner a successful one! In 2018, we raised almost \$1 million dollars for scholarships and innovative grant programs:

2018 ANNUAL GALA SUPPORTERS

AIG
Alliant Insurance Services, Inc.
Allied World
All Risks Ltd.
AmWins Group, Inc.
Aon
Arch Insurance Group
Argo Group
Aspen Insurance US Services, Inc.
Assured Partners, Inc.
Beazley
Berkshire Hathaway Specialty Insurance
Brown & Brown, Inc.
Chubb
CNA
CRC Group
FM Global
Frenkel & Co.
Gallagher
Great American Insurance Group
General Reinsurance Corporation
Heffernan Foundation
Hub International Ltd.
Integro Insurance Brokers
Ironshore Holdings (US), Inc.
JenCap Holdings LLC
JLT Specialty USA
K2 Insurance Services
Keystone Insurers Group
Liberty Mutual
Lloyd's
Markel Corporation
Marsh & McLennan Agency
Munich Reinsurance Corporation
NFP
Peed
QBE
RIMS, the Risk Management Society, Inc.
RIMS New York Chapter
RiskMatch, a Vertafore Co.
Patrick and Shirley Ryan Foundation
Ryan Specialty Group
Safety National
Sedgwick Claims Management Services, Inc.
SIAA, Inc.
Starr Companies
Swiss Re Corporate Solutions
The Hartford Financial Services Group
Travelers
XL Catlin
Zurich



Gala Dinner



Sponsored Events

SPENCER/SEDGWICK 5K FUN RUN, APRIL 17, 2018

The Foundation thanks Sedgwick and its sponsors for hosting another successful 5K Run in San Antonio, TX. A total of \$107,000 was raised for scholarships!

Co-Sponsors:

Advisen
AXA XL
Best Doctors
Concentra
FM Global
Genex Services
LegalNet, Inc.
Mitchell International
MTI Americas
Nuerointernational
One Call Care Management
Optum RX
Paul Davis National, LLC
Safety National
Trans Re
Zurich





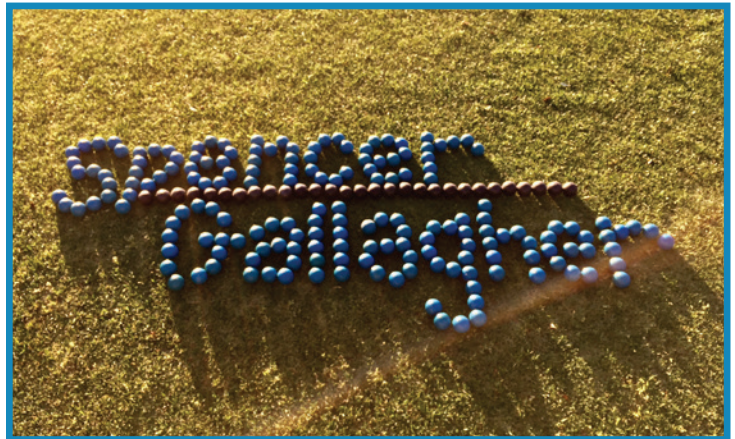
SPENCER/GALLAGHER GOLF TOURNAMENT

April 15, 2018, Hill Country Golf Club, San Antonio

Since its inception in 1992, the tournament has raised over \$1.5 million dollars for scholarships and grants. Arthur J. Gallagher (Gallagher) has sponsored this annual tournament, held during the RIMS Annual Conference and Exhibition.

Spencer and Gallagher thank the following co-sponsors:

- AIG
- Belfor Property Restoration
- BMS CAT
- Chubb
- Coventry
- Gallagher Bassett
- Health eSystems
- Interstate
- Liberty Mutual
- First MCO, Inc.
- North Star
- Safety National
- Travelers
- Tristar
- XL Catlin
- Zurich



Fundraising and Donor Support

Thank you! For your support of Risk Management scholarships, grants and innovative course development!

(GD) – Gala Dinner Supporter

(SS) – Spencer Scholar

Chair's Circle (\$100,000 or more)

RIMS, *the* Risk Management Society, Inc.

Sedgwick 5K Run/Steven Penman Memorial Scholarship

President's Circle (\$50,000 - \$99,000)

American International Group (GD)

Aon (GD)

Elizabeth Lisle/Elizabeth Lisle Scholarship (SS)

Spencer/Gallagher Golf Tournament/Gala Dinner

Liberty Mutual/Liberty Mutual Scholarships/Gala Dinner

Lockton Companies/John T. Lockton Memorial Scholarships

Marsh & McLennan Agency (GD)

RIMS Atlanta Chapter/Atlanta Chapter Scholarships

RIMS New York Chapter/Undergraduate and Part-Time Master Scholarships

Travelers (GD)

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

Allied World/Internship Grants/Gala Dinner

All Risks Ltd. (GD)

Chubb (GD)

FM Global (GD)

JenCap Holdings, LLC (GD)

RIMS Delaware Valley Chapter

Patrick G. & Shirley W. Ryan Foundation/Annual Pledge/Gala Dinner

XL Catlin (GD)

Zurich (GD)

Honors Roll (\$15,000 - \$24,999)

CRC Group (GD)

Google Adwords Grant

Keystone Insurers Group, Inc. (GD)

Markel Corporation (GD)

Woodruff Sawyer

Patron's Circle (\$10,000 - \$14,999)

Alliant Insurance Services, Inc. (GD)

AmWins Group, Inc. (GD)

Arch Insurance Group (GD)

Argo Group (GD)

Aspen Insurance US Services, Inc. (GD)

Assured Partners, Inc. (GD)

Beazley (GD)

Berkshire Hathaway Specialty Insurance (GD)

Brown & Brown, Inc. (GD)

CNA (GD)

Frenkel & Co. (GD)

General Reinsurance Corporation (GD)

Great American Insurance Group (GD)

Hub International Limited (GD)

Integro Insurance Brokers (GD)

Ironshore Holdings (US) (GD)

JLT Specialty USA (GD)

K2 Insurance Services (GD)

Munich Reinsurance America, Inc. (GD)

NFP (GD)

Peed (GD)

QBE (GD)

RiskMatch, a Vertafore Co. (GD)

Safety National (GD)

Starr Companies

Swiss Re (GD)

Donor's Circle (\$5,000 - \$9,999)

Brion Callori

Hartford Financial Services Group (GD)

Heffernan Foundation

Hilb Group (GD)

Lloyd's (GD)

Marya Propis

RIMS Carolinas Chapter

RIMS Connecticut Valley Chapter

RIMS Dallas/Ft. Worth Chapter

RIMS Fairfield/Westchester Chapter

RIMS Northeast Florida Chapter/Internships

RIMS Potomac Chapter

RIMS St. Louis Chapter

Schnitzer (GD)

SIAA (GD)

Sompo International (GD)

Supporter's Circle (\$1,000 - \$4,999)

ADP/Statewide Insurance Agencies, Inc. (GD)

Aflac (GD)

Agency Network Exchange (ANE) (GD)

ARC Excess & Surplus, LLC (GD)

Arch Reinsurance (GD)

Bari Lipp Foundation (GD)

Kristen Bessette

Teresa Black

Jeffrey Cohen

Dr. Cassandra Cole (SS)

Cross Financial Corp. (GD)

Andrea Dudek

Erie Indemnity (GD)

Georgia Agency Partners, Inc. (GD)

Glatfelter Insurance Group (GD)

Robert T. Gofourth

Stephen Grabek

Greater Hartford Community Foundation (GD)

Peter Heard

Johnell Holly

Hylant Family Foundation (GD)

IMA Financial Group

Insurance Office of America (GD)

Theana Iordanou

Brian Kawamoto

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 MJD3 Associates LLC
 Rampart Brokerage Corp. (GD)
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 RIMS Central Florida Chapter
 RIMS Golden Gate Chapter
 RIMS Oregon Chapter
 RIMS Ozarks Chapter
 RIMS Piedmont Chapter
 RIMS Western Carolina Chapter
 RIMS Sacramento Valley Chapter
 RIMS San Diego Chapter
 RIMS South Texas Chapter
 Risk Strategies (GD)
 Debra Rodgers and Paul Meyer Fund
 RoR Solutions
 Dr. Joan Schmit
 Matthew Schneider
 Shoff Darby Insurance Agency (GD)
 Signature B&B Companies (GD)
 St. John's University/College of Insurance (GD)
 Starkweather & Shepley Insurance Brokerage, Inc. (GD)
 Statesman Foundation
 Steinborn (GD)
 Tigerrisk Partners (GD)
 Joseph Tocco
 Toczydlowski Family Fund (GD)

Stern (GD)
 Wilson, Elser, Moskowitz, Edelman & Dicker LLP (GD)
 Worldwide Facilities (GD)
 David Zuercher

Friends Circle (\$100 - \$999)

Peggy Accordino (GD)
 David and Eve Adler
 Maryann E. Amici (SS)
 Debbie Babcock
 Lori Badenhop (SS)
 Mark Baker
 Donna Barron
 Andrew Bent
 Butler Bourgeois
 Gloria Brosius
 Timothy Bunt
 Joseph Cellura
 Noelle Codispoti (SS)
 Jeffrey Cohen
 Kristy Coleman
 Damon Coppola (SS)
 John Dempsey
 Duncan Ellis
 Lance Ewing
 Dr. Stephen Fier (SS)
 Sean Fitzgerald (SS)
 Carol Fox
 Donna and Howard Galer
 Rita P. Garcia
 Berry and Beverly Griffin
 P. Richard and Linda Hackenburg
 P. Richard and Linda Hackenburg, in memory of:
 *Don Browne, Gary Purvis and Joe Ben Turner
 Lanette Hanson
 Dr. Robert Hoyt

Jeanne Kahwajy (SS)
 Cynthia Kim
 Debbie Little (SS)
 Lobosco Insurance Group, Inc. (GD)
 Rumbidzai Masamvu (SS)
 James and Judy Newton
 Nutrien Co.
 Joseph Peiser (SS)
 C. Zakia Phillips
 Pamela Rogers
 James F. Sutton Agency Ltd.
 William Tallent
 Myra Leigh Tobin (GD)
 Craig Van der Voort
 Steve Wilder
 Ronald W. Winans
 Jessica Yuspeh
 Dr. Michael Zuckerman
 Anne M. Zug



Financial Statements and Supplementary Information

Year Ended December 31, 2018

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Independent Auditor's Report

MAY 13, 2019

THE BOARD OF DIRECTORS
SPENCER EDUCATIONAL FOUNDATION, INC.
NEW YORK, NEW YORK



REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Spencer Educational Foundation, Inc. (the Foundation), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flows for the year 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's 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, 2018, and the results of changes in its nets assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

REPORT ON SUMMARIZED COMPARATIVE INFORMATION

Information for the year ended December 31, 2017 is presented for comparative purposes only and was extracted from the financial statements of Spencer Educational Foundation, Inc. for that year, on which we expressed an unmodified opinion dated April 14, 2018.

BDO USA, LLP

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Statement of Financial Position

(with comparative totals for 2017)

<i>December 31</i>	2018	2017
Assets		
Current Assets		
Cash and cash equivalents	\$ 662,985	\$ 706,643
Investments, at fair value (Note 5)	6,714,657	7,596,408
Contributions receivable, current portion (Notes 4 and 7)	96,887	117,660
Prepaid expenses	52,302	31,747
Total Current Assets	7,526,831	8,452,458
Contributions Receivable , less current portion, net of discount of \$33,273 in both 2018 and 2017, respectively (Notes 4 and 7)	359,571	605,381
Equipment and Trademarks, Net (Notes 2 and 6)	6,420	5,485
Total Assets	\$ 7,892,822	\$ 9,063,324
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 10,322	\$ 85,886
Refundable advances	25,000	32,850
Total Liabilities	35,322	118,736
Net Assets (Note 7)		
Without donor restrictions:		
Undesignated	6,105,944	7,081,032
Board designated	42,391	42,391
Total Net Assets Without Donor Restrictions	6,148,335	7,123,423
Net assets with donor restrictions	1,709,165	1,821,165
Total Net Assets	7,857,500	8,944,588
Total Liabilities and Net Assets	\$ 7,892,822	\$ 9,063,324

See accompanying notes to financial statements.

Statement of Activities

(with comparative totals for 2017)

Year ended December 31,

	Without Donor Restrictions		With Donor Restrictions		Total	
					2018	2017
Support and Revenue						
Contributions	\$ 216,749	\$ 100,000	\$ 316,749	\$ 568,803		
Special events (net of direct expenses of \$210,704 and \$183,716 for 2018 and 2017, respectively)	918,723	-	918,723	982,749		
Net investment income (loss)	(554,633)	-	(554,633)	1,041,882		
Miscellaneous income	3,927	-	3,927	3,321		
Net assets released from restriction (Note 7)	212,000	(212,000)	-	-		
Total Support and Revenue	796,766	(112,000)	684,766	2,596,755		
Expenses						
Program services:						
Scholarship and other programs	866,803	-	866,803	749,295		
Student involvement	315,823	-	315,823	316,776		
Total Program Services	1,182,626	-	1,182,626	1,066,071		
Supporting services:						
Management and general	118,744	-	118,744	168,023		
Fundraising	470,484	-	470,484	405,794		
Total Supporting Services	589,228	-	589,228	573,817		
Total Expenses	1,771,854	-	1,771,854	1,639,888		
Change in Net Assets	(975,088)	(112,000)	(1,087,088)	956,867		
Net Assets , beginning of year	7,123,423	1,821,165	8,944,588	7,987,721		
Net Assets , end of year	\$ 6,148,335	\$ 1,709,165	\$ 7,857,500	\$ 8,944,588		

See accompanying notes to financial statements.

Statement of Cash Flow

(with comparative totals for 2017)

<i>Year ended December 31,</i>	2018	<i>2017</i>
Cash Flows from Operating Activities		
Change in net assets	\$ (1,087,088)	\$ 956,867
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Realized (gain) loss on investments	(165,878)	(378,360)
Unrealized gain on investments	842,496	(534,905)
Change in present value of contributions receivable	-	19,815
Depreciation expense	8,233	7,050
Increase in assets:		
Contributions receivable	266,583	(74,349)
Prepaid expenses	(20,555)	(27,588)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(75,564)	79,404
Refundable advances	(7,850)	(11,954)
Net Cash (Used in) Provided by Operating Activities	(239,623)	35,980
Cash Flows from Investing Activities		
Purchase of investments	(6,657,906)	(6,808,912)
Proceeds from sale of investments	6,863,039	7,158,921
Purchase of property and equipment	(2,748)	-
Purchase of trademark	(6,420)	-
Net Cash Provided by Investing Activities	195,965	350,009
Net (Decrease) Increase in Cash and Cash Equivalents	(43,658)	385,989
Cash and Cash Equivalents, beginning of year	706,643	320,654
Cash and Cash Equivalents, end of year	\$ 662,985	\$ 706,643

See accompanying notes to financial statements.

Statement of Functional Expenses

(with comparative totals for 2017)

Expenses	Program Services			Supporting Services			Total
	Scholarships and Other Programs	Student Involvement	Total Program Services	Management and General	Fundraising	Total Supporting Services	
	2018	2017		2018	2017		2018
Scholarships/grants	\$ 695,962	\$ -	\$ 695,962	\$ -	\$ -	\$ -	\$ 695,962
Student involvement	-	315,823	315,823	-	-	-	315,823
RIMS fees (Note 8)	162,608	-	162,608	55,001	244,538	299,539	462,147
Marketing	-	-	-	-	138,886	138,886	138,886
Postage and shipping	-	-	-	-	366	366	366
Conferences and meetings	-	-	-	7,002	-	7,002	7,002
Professional/staff training	-	-	-	19,638	-	19,638	19,638
Miscellaneous	-	-	-	834	-	834	834
Supplies	-	-	-	12,665	-	12,665	12,665
Travel	-	-	-	10,478	-	10,478	10,478
Bank fees	-	-	-	13,126	-	13,126	13,126
Depreciation	8,233	-	8,233	-	-	-	8,233
Indirect gala expenses	-	-	-	-	86,694	86,694	86,694
Total Expenses	\$ 866,803	\$ 315,823	\$ 1,182,626	\$ 118,744	\$ 470,484	\$ 589,228	\$ 1,771,854

See accompanying notes to financial statements.

Notes to Financial Statements

1. Description of Organization

Spencer Educational Foundation, Inc. (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.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States (U.S. GAAP). Management of the Foundation makes estimates and judgments in preparing financial statements in accordance with such accounting principles. Those estimates and judgments affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results may vary from the reported results.

Financial Statement Presentation

The classification of a not-for-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the classes of net assets—with donor restrictions and without donor restrictions—be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities. Income from investment gains and losses, including unrealized gains and losses, dividends and interest should be reported as increases (or decreases) in net assets without donor restrictions unless the use of the income received is limited by donor-imposed restrictions.

These classes are defined as follows:

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

Without Donor Restrictions – This class consists of the part of net assets that is not restricted by donor-imposed stipulations. A portion of the net assets without donor restrictions have been designated by the Board of Directors for the Anita Benedetti Student Involvement Program. The Board designated net assets for this program totaled \$42,391 for the year ended December 31, 2018.

Cash and Cash Equivalents

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

Notes to Financial Statements

Contributions Receivable and Provisions for Doubtful Accounts

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.

Fair Value Measurements

U.S. GAAP defines fair value, establishes a framework for measuring fair value and expands the disclosures about fair value measurements. U.S. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in a principal or most advantageous market. Fair value is a market-based measurement that is determined based on inputs, which refer broadly to assumptions that market participant's use in pricing assets or liabilities. These inputs can be readily observable, market corroborated, or unobservable. U.S. GAAP established a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value in three broad levels. The standard requires that assets and liabilities be classified in their entirety based on the level of input that is significant to the fair value measurement. Assessing the significance of a particular input may require judgment considering factors specific to the asset or liability and may affect the evaluation of the asset or liability and their placement within the fair value hierarchy. The Foundation classifies fair value balances based on the fair value hierarchy defined by U.S. GAAP as follows:

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

Level 2 – Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

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

Investment Income

Investment income is recognized when earned and consists of interest and dividends. Dividends are recorded on the ex-dividend date. Purchases and sales are recorded on a trade-date basis. Investments of the Foundation are valued at fair value in the statement of financial position.

Unrealized gains and losses, interest and dividends and realized gains are included in the statement of activities as part of net investment income. Net investment income is net of direct external investment expenses. The Foundation had no internal investment expenses for the year ended December 31, 2018.

Refundable Advances

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

Equipment and Trademarks

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

Notes To Financial Statements

The Foundation owns trademarks with an indefinite useful life. The Trademark's carrying amount is tested for impairment in accordance with Accounting Standards Codification (ASC) 350, "Intangibles-Goodwill and Other," or more frequently if events or changes in circumstances indicate that the asset might be impaired. The impairment test consists of a comparison of the fair value of the indefinite-lived intangible asset with its carrying amount. If the carrying amount of the indefinite-lived intangible asset exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess. There were no impairment losses recognized in 2018.

Impairment of Long-Lived Assets

The Foundation reviews long-lived assets, including equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. As of December 31, 2018, there have been no such losses.

Revenue Recognition

Contributions and promises to give are recorded as revenue when either unsolicited cash is received or when donors make a promise to give. Contributions and promises to give are classified as support either with or without donor restrictions. Special events income is reported net of the cost of direct donor benefits. Income and expense are directly attributable to a fundraising activity or event held by the Foundation to raise additional funds other than contributions.

In-Kind Contributions

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of services that require specialized skills and would typically need to be purchased if not provided by contributions or which create or enhance non-financial assets are reported at fair value. In 2018, there were no in-kind contributions. 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.

Accounting for Uncertainty in Income Taxes

The Foundation is qualified as a charitable organization which is exempt from tax under Section 501(c)(3) of the Internal Revenue Code (the Code) and, therefore, has made no provisions for income taxes in the accompanying financial statements. The Foundation has been determined by the Internal Revenue Service (IRS) to not be a "private foundation" within the meaning of Section 509(a) of the Code. There was no unrelated business income for the year ended December 31, 2018.

Under U.S GAAP an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not that the position will be sustained upon examination by a taxing authority. The Foundation does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. The Foundation has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Foundation has filed IRS Form 990 information returns, as required, and all other applicable returns in jurisdictions where so required. For the year ended December 31, 2018, there were no interest or penalties recorded or included in the statement of activities. The Foundation is subject to routine audits by a taxing authority. As of December 31, 2018, there were no examinations being performed.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Notes To Financial Statements

Credit Risk Concentration

Financial instruments that potentially subject the Foundation to significant concentrations of credit risk consist principally of cash and cash equivalents 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 deposit 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 the 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, 2018, the Foundation has no significant concentration of credit risk.

Programs and Supporting Service Description

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

Scholarships and Other Programs

Scholarship programs include general fund scholarships in undergraduate, graduate and predissertation doctorate categories. There are also various named scholarship programs that are described in Note 6. 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 Programs

These programs provide opportunities outside 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.

Functional Allocation of Expenses

The costs of providing the various programs 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.

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Foundation. Those expenses include depreciation and amortization, the corporate office, communications department, and information technology department. Depreciation is allocated based on square footage, the corporate office is allocated based on estimates of time, certain costs of the communications department are allocated based on estimates of time and effort, and the information technology department is allocated based on estimates of time and costs of specific technology utilized.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information. With respect to the statement of financial position, statement of activities, statement of functional expenses and statement of cash flows, the prior-year amounts are presented on a combined basis rather than by affiliate. With respect to the schedule of functional expenses, the prior-year expenses are presented by expense classification in total rather

Notes To Financial Statements

than functional category. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

Reclassifications

Certain prior-year balances have been reclassified to be consistent with the current-year financial statement presentation.

Recently Adopted Accounting Pronouncement

Financial Statements of Not for Profits

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14 to improve the presentation of financial statements of not-for-profit entities. ASU 2016-14 impacts all not-for-profit entities in the scope of Topic 958, as well as health care entities subject to the nonprofit guidance in Topic 954. This is the first major change to the nonprofit financial statement model in over 20 years, which is intended to provide more useful information to donors, grantors, and other users. The ASU has been applied retrospectively to all periods presented.

Recently Issued Accounting Pronouncements

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, "Revenue from Contracts with Customers," which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five-step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP.

The standard is effective for annual periods beginning after December 15, 2018, and interim periods therein, using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients, or (ii) a retrospective approach with the cumulative effect of initially adopting ASU 2014-09 recognized at the date of adoption (which includes additional footnote disclosures). The Foundation is currently evaluating the impact of the pending adoption of ASU 2014-09 on its financial statements.

Notes To Financial Statements

3. Liquidity and Availability of Resources

The Foundation's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

December 31, 2018

Cash and cash equivalents	\$	662,985
Investments, net		6,714,657
Pledges receivable, current portion		96,887
Total		7,474,529
Less: amount unavailable for general expenditures within one year, due to donor-imposed restrictions:		(1,709,165)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$	5,765,364

The Foundation's investment portfolio consists, in part, of donor-restricted amounts, including a donor-restricted scholarship fund. Income from the donor-restricted scholarship fund is restricted for a specific purpose and, therefore, is not available for general expenditure.

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

4. Contributions Receivable

Contributions receivable are summarized below:

December 31, 2018

Unconditional promises-to-give before fair value discount	\$	489,731
Discount on contributions receivable		(33,273)
Net Unconditional Promises-to-Give		456,458
Less: amounts due in less than one year		(96,887)
	\$	359,571

5. Investments and Fair Value Measurements

The Foundation's assets recorded at fair value have been categorized based upon a fair value hierarchy, in accordance with U.S. GAAP. See Note 2 for a discussion of the Foundation's policies regarding this hierarchy. A description of the valuation techniques applied to the Foundation's major categories of assets measured at fair value are as follows:

Money Market Funds

Money market funds are valued at cost, which approximates fair value due to the short-term maturity of the instruments.

Notes To Financial Statements

Mutual Funds

The Foundation has investments in mutual funds, which are invested primarily in investment-grade bonds and equity securities. For these investments, the Foundation has ownership interest in the mutual fund but not in the individual securities held by the fund. The assets of each mutual fund consist primarily of shares of the underlying holdings. Each mutual fund's net asset value (NAV) is the value of a single share that is actively traded on national securities exchanges. The mutual funds are valued on a daily basis at the close of each business day. These funds are valued primarily on the basis of market quotation or on the basis of information furnished by a nationally recognized pricing service based on observable market data and are classified as Level 1 within the fair value hierarchy.

Publicly Traded Limited Partnership

The Foundation has a holding in a publicly traded limited partnership, which are determined by quoted market prices. These investments can be liquidated daily. The valuation of these investments is based on Level 1 inputs within the hierarchy used in measuring fair value.

The following table shows, by level within the fair value hierarchy, the Foundation's financial assets that are accounted for at fair value on a recurring basis as of December 31, 2018. The financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy levels. There were no transfers between levels during the year ended December 31, 2018.

December 31, 2018

Asset Category	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Money market funds	\$ 292,958	\$ -	\$ -	\$ 292,958
Domestic equity mutual funds	3,246,883	-	-	3,246,883
International equity mutual funds	1,439,556	-	-	1,439,556
Fixed income mutual funds	1,439,544	-	-	1,439,544
Publicly-traded limited partnership	295,716	-	-	295,716
	\$ 6,714,657	\$ -	\$ -	\$ 6,714,657

Notes To Financial Statements

6. Equipment and Trademarks, Net

Equipment, net, consist of the following:

December 31, 2018

Computer software	\$	52,596
Trademarks		6,420
Less: accumulated depreciation		(52,596)
	\$	6,420

Depreciation expense for the year ended December 31, 2018 was \$8,233.

7. Net Assets with Donor Restrictions and Net Assets Released from Restriction

Net assets with donor restrictions are restricted for the following purpose:

December 31, 2018

Allied World Internship Program	\$	22,000
Allied World		65,000
Atlanta		54,000
Chicago Chapter		50,000
Clagnaz ACE		40,000
Dallas/Ft Worth		50,000
EJ Leverett – Atlanta Chapter		55,000
Elizabeth Lisle Scholarship		40,000
Ellen Thrower		45,080
FM Global		102,500
John T. Lockton		177,150
Liberty Mutual		240,000
NJ Chapter		55,000
NY Chapter		23,755
RIMS Internship Program		75,000
RIMS NJ Chapter Internship Grants		40,000
RIMS Risk Manager in Residence		42,895
RIMS Scholarship Fund		50,000
Robert & John Gallagher		50,000
RSA/Doug Barlow		2,500
September 11th		33,180
Thomas Regan		37,500
XL Ian Heap Temp Rest		47,500
XL Ian Heap		50,000
Atlantic Chapter Internship Program		8,500
RIMS Part Time Masters		137,605
North East Florida		15,000
New NY Part Time Masters		30,000
Sedwick S. Penman Memorial		70,000
	\$	1,709,165

Notes To Financial Statements

The amounts of net assets released from restriction are as follows:

December 31, 2018

Allied World	\$	5,000
Atlanta		5,000
Chicago Chapter		5,000
Clagnaz ACE		5,000
Dallas/Ft Worth		5,000
EJ Leverett - Atlanta Chapter		5,000
Ellen Thrower		5,000
FM Global		10,000
John T. Lockton		35,000
Liberty Mutual		20,000
NJ Chapter Rest.		5,000
NY Chapter /Dante Petrizzo Scholarship		5,000
RIMS Internship Program		35,000
RIMS Risk Manager in Residence		12,000
Robert & John Gallagher		10,000
September 11th		5,000
Thomas Regan		5,000
XL Ian Heap		5,000
Zurich Financial Services		5,000
RIMS Part Time Masters		10,000
New NY Part Time Masters		10,000
Sedwick S. Penman Memorial		5,000
	\$	212,000

8. Related-Party Transactions

The Foundation and RIMS have a management agreement in place. Significant funds are raised through the membership of RIMS. The Foundation received contributions of \$101,520 for the year ended December 31, 2018, from several RIMS chapters.

During 2016 the Foundation received a \$450,000 conditional pledge from RIMS. The pledge was payable over a three-year period. The final installment of \$150,000 was received during the year ended December 31, 2018.

The Foundation paid fees to RIMS of \$462,147 for the year ended December 31, 2018 for program assistance, fundraising and administrative services provided. The Foundation had no amounts due to RIMS at the end of 2018.

9. Subsequent Events

The Foundation's management has performed subsequent events procedures through May 13, 2019, which is the date the financial statements were available to be issued, and there were no subsequent events requiring adjustment to the financial statements or disclosures as stated herein.





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