

Financial Reporting to Donors: The “Ideal” Report

Kate Jankowski

Director, Stewardship and Donor
Relations

Albany Medical Center Foundation

All About Me (My favorite topic)

- My History with preparing financial reports
 - College degree in psychology and accounting.
 - Started in stewardship reporting in 1997 when Albany Med had no formal program.
(Combined with my management of prospect research.)
 - 200 endowments with about 100 living donors.
 - 2000 – 2004: CAMPAIGN—added 135 endowments with mostly all living donors.
 - 2005: Board member complaint. Current use funds added to list.

Financial Report Samples—Early Attempts

My earliest financial report:

Dear Donor:

I am writing today to provide an update regarding the Dr. XXXXXX Library Endowment Fund. I am pleased to report that the market value of the fund was \$231,899 as of December 31, 2001. It is estimated that a total of \$9,051 will be generated from this fund for use by the Schaffer Library during 2002.

As you know, during 2001, XXXXXXXXX, Director of the Schaffer Library, used the fund to help pay for an internet based database product from Gold Standard Multimedia (GSM) which the Library first purchased last year. Since the GSM product contains several modules related to Anatomy, Ms. XXXXXX will also put this year's Wolfe Fund money toward the Library's subscription to that product. The total cost for the program is \$22,000 for this year's subscription.

The GSM product is comprised of two modules...

WILLIAM JONES MEMORIAL SCHOLARSHIP

Stewardship Report

April 2007

Albany Medical College proudly exists as one of the premier medical schools in the country...However, as the study of medicine becomes more technologically advanced, and costs continue to rise, our students are burdened by increases in tuition and high debt – graduates average debt loads of \$150,000. Thanks to the generosity of individuals and alumni, we were able to partially ease this burden in 2006 by offering \$700,000 in scholarship support to our students. This support, in combination with our efforts to increase our overall endowment, will ensure the College's ability to succeed in graduating highly skilled and compassionate medical professionals...

FINANCIAL OVERVIEW

As of December 31, 2006, the principal balance of the William Jones Memorial Scholarship was \$131,551. During the 2006-2007 academic year, a total of \$3,600 was awarded to two students.

STUDENT PROFILES

Financial Report Samples (Cont.)

ENDOWED CHAIR IN NEUROLOGY

As of March 31, 2007

Donations Received for Fund	\$1,012,109
Principal Balance as of March 31, 2007	\$1,231,657
Total Income Generated for the Neuroscience Chair during 2006	\$59,127
Estimated Income for the Neuroscience Chair during 2007	\$61,597

ENDOWED CHAIR IN NEUROLOGY GENERATED INCOME FUND SUMMARY

January 1 – December 31, 2006

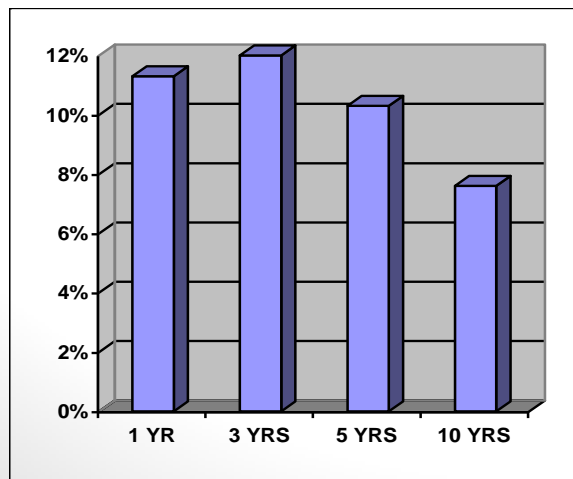
Beginning Balance, as of January 1, 2006	\$932
Income from Endowment	<u>59,127</u>
Amount Available for Expenses	60,059

Less: Expenses:

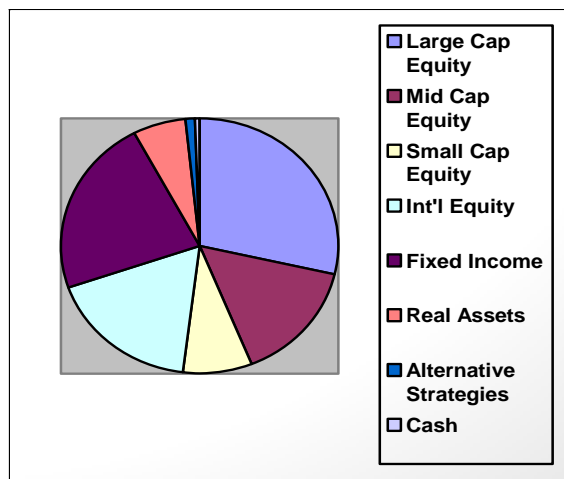
Salary and Fringe Benefit Support for the Chairholder	53,892	
Minor Equipment	690	
Purchased Services	109	
Dues and Subscriptions	289	
Capital Equipment	4,147	
Total Expenses		<u>(\$59,127)</u>
Ending Balance, as of December 31, 2006		<u>\$932</u>

TOTAL ENDOWMENT PERFORMANCE STATISTICS

Albany Medical Center
Endowment Return as of 3/31/2007



Albany Medical Center
Asset Allocation as of 3/31/2007



Financial Report Samples (Cont.)

LIBRARY LEARNING CENTER FUND
SUMMARY OF ACTIVITY
January 1 – December 31, 2005

Beginning Balance, as of January 1, 2005	\$123,976
New Donations	<u>\$0</u>
Amount Available for Expenses	\$123,976

Expenses:

Minor Equipment	\$14,595
Other Purchased Services	70
Capital Equipment	82,648
Dues and Subscriptions	5,000
Teaching Supplies	5,565
Maintenance Contracts	864
Miscellaneous Room Decorations	<u>150</u>
Total Expenses	<u>(\$108,892)</u>
Ending Balance, as of December 31, 2005	<u>\$15,084</u>

Expense Description:

All expenses to the fund to date have been related to the outfitting of the Library Learning Center located on the first floor of the Schaffer Library at the Albany Medical College. During 2005, the director of the Schaffer Library had a room in the Library remodeled, purchased computer equipment for several student study stations as well as subscribed to software designed to assist students with their academic and research pursuits. A scanner has also been purchased for use in the room. The director plans to continue to use the remaining funds to add resources and equipment to the Library Learning Center.

Financial Report Samples (Cont.)

My most recent financial report:

Albert A. Johnson, MD '65 Endowed Fund for Classroom Renovation and Technology Support at Albany Medical College

February 2013

Endowed Fund Performance Report

Date Fund Established	June 20, 2008
Market Value as of September 30, 2012	\$101,807
Contributions received and invested in the Johnson Endowment as of September 30, 2012	\$90,250
Gains/(Losses) on Principal Invested	<u>(828)</u>
Principal (Book) Value as of September 30, 2012	<u>\$89,422</u>

Fund Use Update

January 1, 2009 – December 31, 2012

Income generated for classroom renovation/technology support

2009	\$736
2010	3,183
2011	3,570
2012	<u>4,131</u>
Subtotal Income generated	\$11,620

Classroom Renovation Expenses

2009	\$0
2010	0
2011	0
2012	<u>(5,811)</u>
Subtotal Classroom Renovation expenses	(\$5,811)

Balance as of December 31, 2012 **5,809**

Expense Description

During 2012, a significant renovation project for two classroom suites—MS 103 and MS 134—was initiated by the Dean's office. Dean Verdile used support from the Johnson Endowment to fund a portion of this renovation. Each of the suites is approximately 1,000 square feet and they are used for small group teaching sessions. The total cost for this project including audio-visual equipment will be \$163,000.

The Dean plans to continue using the income from this endowment to support this classroom update. He says, "This is an exciting project which will benefit all Albany Med students."

Financial Report Samples (Cont.)



Scholarship Report 2011-12

The John Doe Family Scholarship

The John Doe Family Scholarship was established in 2008 by John and Sally to celebrate their son, Tom's, 2008 graduation and daughter, Alice's, acceptance into the Class of 2012 at Siena College. Preference will be given to students who are residents of Loudonville, New York.

Endowment Financial Summary

Balance 5/31/11	\$99,000
+ Net Gifts Received	\$25,000
+ Total Investment Return	(\$6,247)
Awards	(\$1,000)
Balance 5/31/12	\$116,753

2012-13 Scholars

Recipient	Class	City, State	Major	Award *
Student Name	2013	Loudonville, NY	Accounting BS	\$ 2,500
			Scholarship Funds Available	2,500**
			Scholarship Funds Awarded	\$ 2,500

*Student awards are based on individual endowment funds.

**The award amount is approximately 5% of the three-year rolling average market value lagging one year.

February 14, 2013

Financial Report Samples (Cont.)



The Scott M. McGovern '87 Memorial Scholarship

History and Purpose

The Scott M. McGovern '87 Memorial Scholarship was established by the family and friends of Scott McGovern, to recognize his tragic loss on 9/11/01.

This fund provides a scholarship award to an incoming freshman who demonstrates financial need and who graduate from high school with a minimum 3.3 GPA (B average). Preference is given to students from one of the five boroughs of New York City, with first preference given to students from Staten Island. This scholarship is renewable for the student's first four years, provided the recipient maintains a minimum GPA of 3.1.

Value of the Fund as of 6/30/2012

Endowment	\$	X
Spending Account	\$	X
Total	\$	X

The Scott M. McGovern '87 Memorial Scholarship Recipients:

- 2011-2012: *Student Names*
- 2012-2013: *Student Names*

Financial Report Samples (Cont.)

The University at Albany Foundation
Consolidated Statement of Account
July 30, 2012

Account Name The Scott M. McGovern '87 Memorial Scholarship

Account Number XXXXX

	Total	Endowment Account	Spending Account
Balance, July 1, 2011	X	X	X
Contributions	X	X	X
Investment income, net of management fee	X	X	X
Spending allocation	X	X	X
Scholarships and awards	X	-	X
Other expenses	-	-	-
Transfers	-	-	-
	X	X	X
Balance, June 30, 2012	X	X	X

Other Information

Annual investment return*	X
Three year average annual investment return	X
Management fee charged to the endowment	X
Historic gift value (original gift plus additional gifts)	X

The spending allocation is based on the five year moving average market value of the fund. If the endowment is above historic gift value, the spending rate is 4%.

*The investment return for current year contributions varies based on the date of contribution.

*****CONSOLIDATED STATEMENT OF ACCOUNT FOR THE FUND OF THE UNIVERSITY AT ALBANY FOUNDATION*****

Financial Report Samples (Cont.)

ANNUAL REPORT



Jane I. Smith Memorial Scholarship

This scholarship was established in 1984 by Richard Smith, Class of 1927, in memory of his wife, Jane Smith, for deserving students in the Department of Civil Engineering.

RECIPIENT INFORMATION

Susan Jones '11 from Granby, MA, was a recipient of the Jane I. Smith Memorial Scholarship for the 2010-2011 academic year. Susan graduated in May 2011 with a B.S. in Civil Engineering, and you may contact her at anymail@rpi.edu.

John Jones '12 from Croton-on-Hudson, NY, also was a recipient of the Jane I. Smith Memorial Scholarship for the 2010-2011 academic year and will continue to benefit from your generous support for the 2011-2012 academic year. John is a civil engineering major, and you may contact him at anymail@rpi.edu.

FINANCIAL SUMMARY AS OF JUNE 30, 2011

Opening Book Value	\$	XXX,XXX.XX	Opening Market Value	\$	XXX,XXX.XX
Additions to the Fund	+ \$	XXX.XX	Change in Market Value	+ \$	XXX.XX
Closing Book Value	\$	XXX,XXX.XX	Closing Market Value	\$	XXX,XXX.XX

INCOME SUMMARY AS OF JUNE 30, 2011

Beginning Balance	\$	X,XXX.XX
Income from Endowment Fund	+ \$	XXX.XX
Expenditures	- \$	X,XXX.XX
Ending Balance	\$	XX.XX

Financial Report Samples (Cont.)

A Note of Thanks

The following is the annual report on the performance of Skidmore's endowment. The College's endowment continues to be an essential pillar of strength for Skidmore and is a primary reason that we continue to garner a solid A1 rating from Moody's Investors Service. It also provides us with a reliable and significant source of funding for core College activities. This is particularly important as it allows us to do multi-year planning, which is essential for maintaining the College's momentum and long-term success.

Your support of the endowment has made a real and positive impact on the quality of the experience for our students, enabling them to pursue their passions and dreams. On behalf of our current students and those who will follow in the years to come, please accept our warmest thanks for your generosity and vision. You are, indeed, helping to make creative thought happen!



Michael T. Casey
Collyer Vice President for Advancement

Skidmore's endowment continues to be an essential pillar of strength for the College.

Giving to the endowment is a permanent gift. Skidmore's endowment allows donors to give generously and establish permanent funds to support a particular area of interest. The endowment is carefully invested and managed to use the annual investment earnings to support the College and to protect the principal.

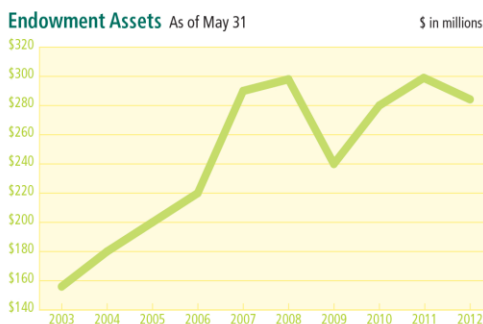
The total endowment was \$283.1 million as of June 30, 2012. Our total endowment return for the year ending June 30 was -1.7 percent, and for the five year period ending June 30 was 1.0 percent, or approximately the median of a group of similarly invested college and university endowments for these same time frames. And to provide a somewhat longer view, our endowment today is nearly twice what it was ten years ago (\$156 million).

It's not just one endowment. The Skidmore endowment is composed of 553 individual funds, each established by a dedicated and generous donor or group of donors for a specific purpose. The money is invested as a single pool but tracked and allocated separately. Endowed funds support scholarships, professorial chairs, student opportunity funds, student internship opportunities, student/faculty collaborative research projects, facilities, commencement awards, book awards, and so on.

The asset allocation of the endowment portfolio as of June 30, 2012 was 35.2 percent in equity (16.8 percent in U.S. and 18.4 percent in international), 27.1 percent in low correlative, 18.2 percent in fixed-income investment, 17.9 percent in private equities and other, and 1.6 percent in short-term investments.

Skidmore's operating budget for fiscal year 2012 (June 1, 2011 through May 31, 2012) was \$129.8 million. The amount of the operating budget funded by endowment (FY 2012) was \$14.8 million. Income from the endowment fund provided the College with roughly 11.4 percent of its operating budget.

The Skidmore endowment is overseen by the College Investment Committee composed of alumni, parents, and friends who collectively have more than a century and a half of experience investing and managing institutional funds.



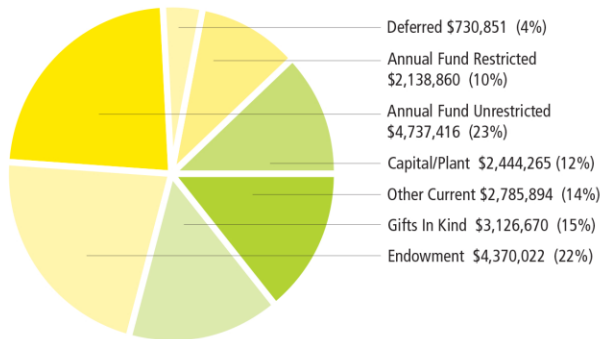
SKIDMORE
C O L L E G E

815 North Broadway, Saratoga Springs, New York 12866-1632 www.skidmore.edu

Financial Report Samples (Cont.)

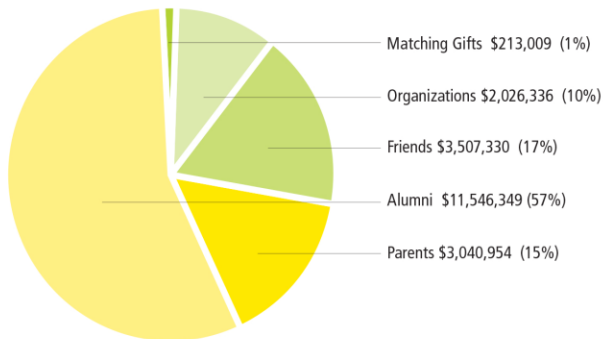
Total Gifts in Fiscal Year 2012

Purpose of Gift	Dollars	Percent of Total Gift
Annual Fund Unrestricted	\$4,737,416	23%
Endowment	\$4,370,022	22%
Gifts In Kind	\$3,126,670	15%
Other Current	\$2,785,894	14%
Capital/Plant	\$2,444,265	12%
Annual Fund Restricted	\$2,138,860	10%
Deferred	\$730,851	4%
TOTAL	\$20,333,978	100%



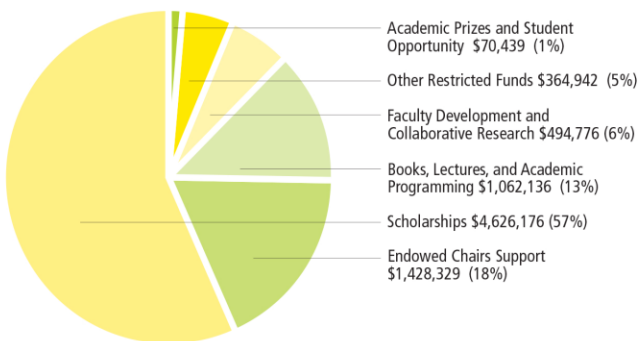
Who Gave in Fiscal Year 2012

Source of Gift	Dollars	Percent of Total Gift
Alumni	\$11,546,349	57%
Friends	\$3,507,330	17%
Parents	\$3,040,954	15%
Organizations	\$2,026,336	10%
Matching Gifts	\$213,009	1%
TOTAL	\$20,333,978	100%



Endowment Take-Out in Fiscal Year 2012 (Restricted Funds Only)

Source of Spending	Dollars	Percent of Total Spending
Scholarships	\$4,626,176	57%
Endowed Chairs Support	\$1,428,329	18%
Books, Lectures, and Academic Programming	\$1,062,136	13%
Faculty Development and Collaborative Research	\$494,776	6%
Other Restricted Funds	\$364,942	5%
Academic Prizes and Student Opportunity	\$70,439	1%
TOTAL	\$8,046,798	100%



Creative Thought Matters

Financial Report Samples (Cont.)

ALBANY MEDICAL CENTER 2011 ANNUAL REPORT STATISTICS

HOSPITAL/PATIENT CARE

Licensed beds (includes SCC)	551
Licensed bassinets	20
Patient admissions (includes SCC)	33,913
Patient days (includes SCC)	194,528
Outpatient visits (includes SCC)	535,515
Average length of stay	6.8
Percent occupancy	82.6%
Average daily census	533
Surgical cases (includes SCC)	27,315
Emergency department visits	68,171

EMPLOYEES (FULL-TIME EQUIVALENTS) 6,700

FACULTY

Full-time physicians	326
Voluntary physicians	600
Residents	420
Basic Science Faculty:	
Full-time	83
Part-time	8
Volunteer	26

GRADUATE STUDIES

Graduate students (total enrollment) 187

MEDICAL COLLEGE

Medical Students (total enrollment)	568
Freshmen	133
Average GPA (all incoming freshmen)	3.8
Medical school applications	7,905

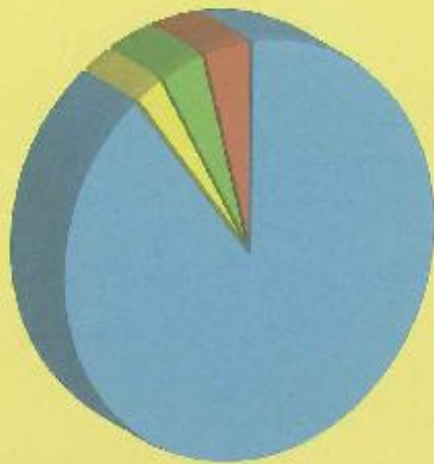
RESEARCH FUNDING (\$ MILLIONS)

Total sponsored research	\$74.2
Basic science	\$12.5
Clinical science	\$9.7
Research facility construction	\$8.2
Awards applied for	320
Active awards	219
Peer reviewed publications	186

SCC - South Clinical Campus

Financial Report Samples (Cont.)

— UNRESTRICTED REVENUES — (IN MILLIONS)



Blue	Patient/Service	\$803.7	...	89.6%
Red	Other Revenue	\$36.1	...	4.0%
Green	Tuition and Fees	\$33.8	...	3.8%
Yellow	Gifts/Grants	\$23.5	...	2.6%

— UNRESTRICTED EXPENSES — (IN MILLIONS)



Blue	Salaries + Benefits	\$505.8	...	57.7%
Yellow	Supplies/Purchased Services	\$280.1	...	32.0%
Green	Depreciation + Interest	\$54.6	...	6.2%
Red	Bad Debt	\$22.7	...	2.6%
Orange	Other Expenses	\$12.8	...	1.5%

What is the “Ideal” Report?

Albert A. Johnson, MD '65 Endowed Fund for Classroom Renovation
and Technology Support at Albany Medical College

February 2013

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The Dean plans to continue using the income from this endowment to support this classroom update. He says, “This is an exciting project which will benefit all Albany Med students.”

The Answer: My most recent version, of course!

What is the “Ideal” Report?

The REAL Answer is:

1. What is meaningful to your donor?
2. What information can you get in a reasonable time frame?
3. What is necessary for your donor’s to feel confidence in your institution and the management of “their” fund?

Questions?

Suggested questions:

- How can we make our reports as beautiful as yours?
- How did you ever come up with such amazing formats?
- How did you get finance to work so well with you?

Just kidding...I would welcome any questions you have at this time.

Should you have further questions after the conference, I can be reached at:

Kate W. Jankowski
Director, Stewardship and
Financial Operations

Albany Medical Center Foundation
43 New Scotland Avenue, MC-119
Albany, NY 12208

jankowk@mail.amc.edu

(518) 262-8634