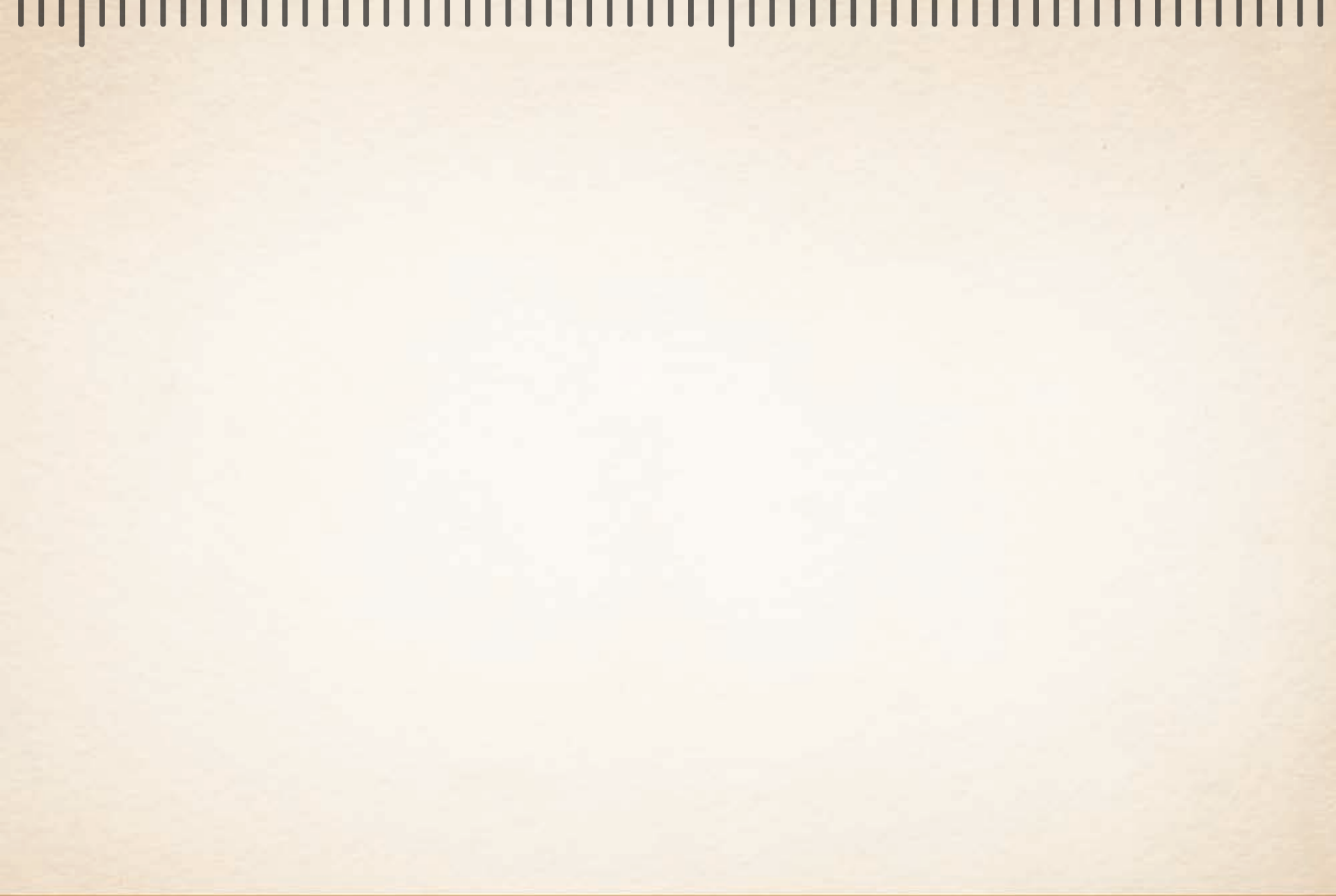




2014 | A JOURNEY

the university of nebraska foundation annual report





2014 | A JOURNEY

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Vision | To be recognized as the trusted partner of those wishing to support the University of Nebraska.

Mission | We advance the University of Nebraska by building relationships, connecting the philanthropic visions of donors with the goals of the university, and providing responsible stewardship of gifts from those passionate about the university and its mission.

2014 | A JOURNEY

leadership message

In reflection, the 2014 fiscal year was an amazing journey. Thanks to the amazing and generous support of our benefactors, and the tireless leadership of our trustees and campaign volunteers, we experienced a record year with \$258.1 million committed between July 1, 2013, and June 30, 2014. This represents a 9 percent increase over the \$236.7 million raised in 2013, and a full 50 percent more than our third best year of \$172.1 million in 2011.

On the following pages, you will see a sampling of the highlights from our 2014 journey – new gifts announced, new university recruitments that resulted from private support, new facilities dedicated and more. Collectively, the net result of your support is nothing short of tremendous impact on students and faculty at the University of Nebraska. In turn, the university has a tremendous impact on our state and the people it serves. Thank you for your generosity.

Along our journey, we encountered the departure of longtime NU President James B. Milliken and the arrival of new UNMC Chancellor Jeffrey Gold. And, within the ranks of the foundation staff, we endured the tragic loss of two team members, Bettina Baker and Doug Cook. Such changes remind us of the many great and talented individuals who serve the university and foundation each and every day. Thank you for your service.

At the foundation, we believe that private gifts have the power to transform higher education and that higher education transforms lives and communities. We continue to see and experience that firsthand through the gifts provided by 40,570 benefactors in 2014. Every gift

makes a difference, and the strong 2014 fiscal year enabled us to approach the end of Campaign for Nebraska, which ends December 31, with tremendous momentum.

On behalf of the board of directors and the entire staff, thank you for your continued confidence and generous support. It is a privilege to be the trusted partner of those who support the University of Nebraska.



Tonn M. Ostergard
Chairman of the Board of Directors

Brian F. Hastings
President and CEO

JULY 2013

Charting our course

Every great journey has clearly defined mile-markers that allow you to gauge how far you've traveled, how much you have accomplished and the distance between you and your destination. The next few pages chart our course, demonstrating your generosity in action. Thank you for openly and eagerly joining our journey.



A \$5.5 million gift allows math faculty to work with Omaha Public Schools' math educators to improve math education. More than 250 teachers will be reached over a three year-period.

Gifts to the Buffett Early Childhood Institute helped recruit national experts to the university, including Founding Executive Director Samuel J. Meisels, who began July 1. Meisels said the institute's goal is to make sure Nebraska is the best place to be a baby.

AUGUST 2013

Private gifts help make construction possible for the UNO/Community Arena. The arena is scheduled to open in 2015 for use by the community and university.



Alumnus Glenn Korff provides an \$8 million gift for the UNL music program, providing scholarships, faculty awards and funds for concerts, recitals, tours and competition. He died just a few weeks after announcing his gift.



SEPTEMBER 2013

The Biomechanics Research Building at UNO is dedicated. Built with private funds, researchers there have since attracted a \$10.1 million grant from the National Institutes of Health — the largest research grant in UNO's history.



Eight one-room school teachers were honored at UNK during the 2014 One Room, One Teacher Wall of Honor ceremony. Funds raised through the program will create up to six scholarships a year for UNK students who want to be teachers.



OCTOBER 2013



UNO celebrated a new professorship in biology created to honor the mother and aunt of UNO alumnus Ginter Kahn, who discovered a drug that eventually was manufactured as Rogaine. William Tappich, chair of UNO's department of biology, received the professorship and has mentored numerous UNO undergraduate students and inspired them to pursue careers in medicine, science and education.



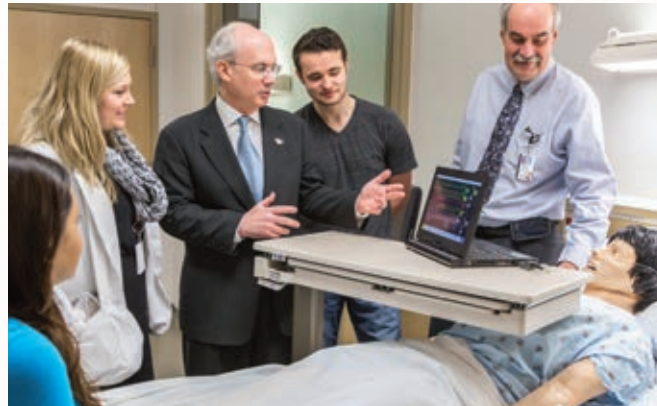
Trucking company owner Robert P. Sahling creates a permanent scholarship at UNK. The result is several additional students will receive scholarships every year, including eight this year.

NOVEMBER 2013

Lester Krogh, a 3M executive and alumnus from UNL's class of '45, leaves an estate gift to UNL resulting in \$15,000 available every year for undergrads or graduates in chemical and biomolecular engineering.



Chancellor Jeffrey Gold named to lead UNMC

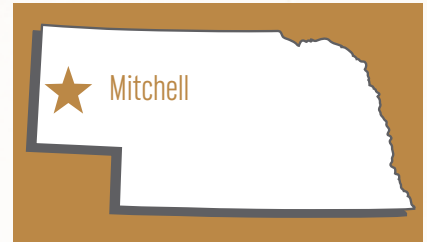


DECEMBER 2013

JANUARY 2014

FEBRUARY 2014

Gloria Tye, a former nurse and director of UNK's student health center, is honored with a gift in her name. The gift is helping to help build the new Health Science Education Complex at UNK, scheduled to open in August 2015.



An auction is held in Gering to sell land owned by David Schlegel, a Mitchell farmer. Schlegel requested his estate benefit UNL; the gift will be used for construction on campus.

MARCH 2014

A \$1 million gift for Love Library at UNL will help create the Love Library Learning Commons, a technology-rich, informal space for students scheduled to open in 2016.



Ground is broken on the Henry J. Stumpf International Wheat Research Center near Grant, thanks to a gift from local farmer Marvin Stumpf to support UNL's agricultural research and extension services.

APRIL 2014

Barkley Speech Language and Hearing Clinic

An open house at the Barkley Speech Language and Hearing Clinic showcases services made possible through private gifts, including hearing aids for children. The aids, which run about \$4,000, are critical for children ages 1 to 3, when language development is critical.



The privately funded Barbara Weitz Community Engagement Center at UNO is dedicated. The center greatly expands the scope of UNO's community engagement efforts by housing 29 community and university partner organizations.



The Fred & Pamela Buffett Cancer Center's goal to recruit 125 of the very best scientists and clinical physicians receives a boost from Ruth and Bill Scott, who make a gift in honor of UNMC physician James O. Armitage.

MAY 2014



Sarah Thayer, M.D., Ph.D., an internationally recognized physician-scientist from Harvard Medical School, is named associate director for clinical affairs and physician-in-chief for the Fred & Pamela Buffett Cancer Center. Thayer said the center, currently under construction, represents hope and a commitment to cancer care.



Troy Plumb, M.D., is named to a faculty chair created through a gift from Dennis Ross, M.D. Plumb is working on a partnership between UNMC and private companies who are on the leading edge of home dialysis treatments.



William Bauhard provides a gift for the student managed investment program at UNK. The result is students have real dollars to invest and real experience before graduation.



Major gifts support construction of the new College of Business Administration building at UNL, which will help the college compete with its Big Ten business school peers.

JUNE 2014



Marv Welstead helps form the Fremont, Nebraska Area Alzheimer's Committee in honor of his wife, Jeannie. A \$25,000 gift from the committee is helping UNMC with a research study focused on preventing Alzheimer's disease and slowing its advance. UNMC is one of 60 sites in three countries participating in the study.



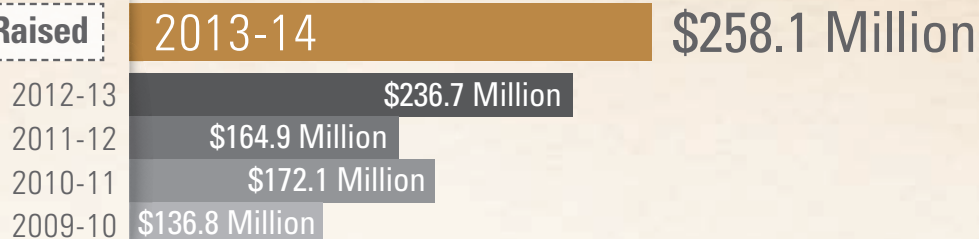
Law student Daniel Gutman of Omaha has a summer internship with the NAACP in New York, thanks to a gift from Nebraska law firms who created a public interest law fund at the Nebraska College of Law. Many students do not seek public interest internships because they are typically unpaid.



Class offerings in innovation, entrepreneurship and franchising at UNO are up 200 percent, thanks to the work of Dale Eesley, the first appointee to a chair created by UNO alumnus John Morgan.

IN REVIEW

Gifts Raised



Gifts Came From

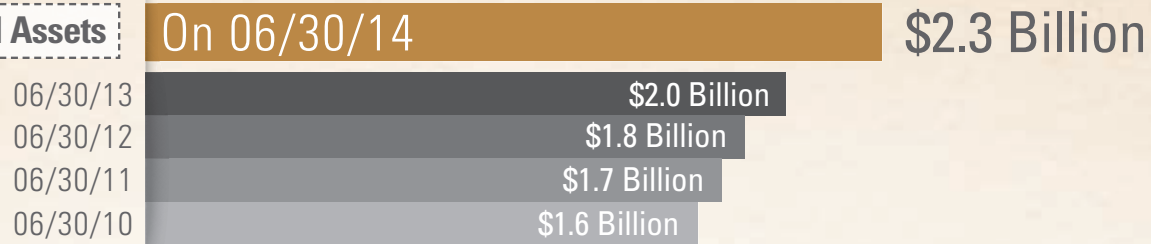
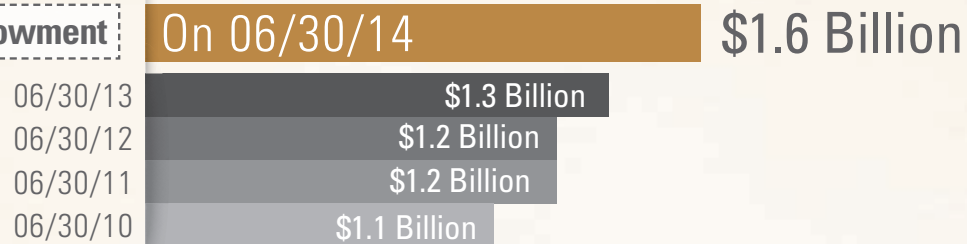
Individuals: **45.1%**, Foundations: **44.9%**, Corporations: **7.3%**, Other Organizations: **2.7%**

Funds Transferred to the University

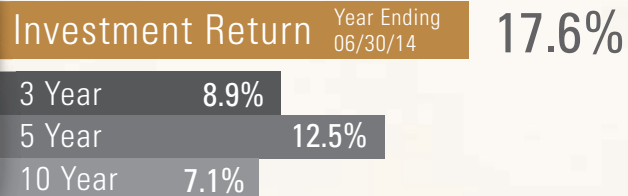
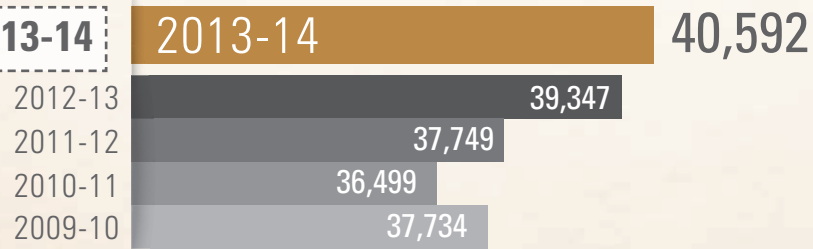


Funds transferred were used as follows:

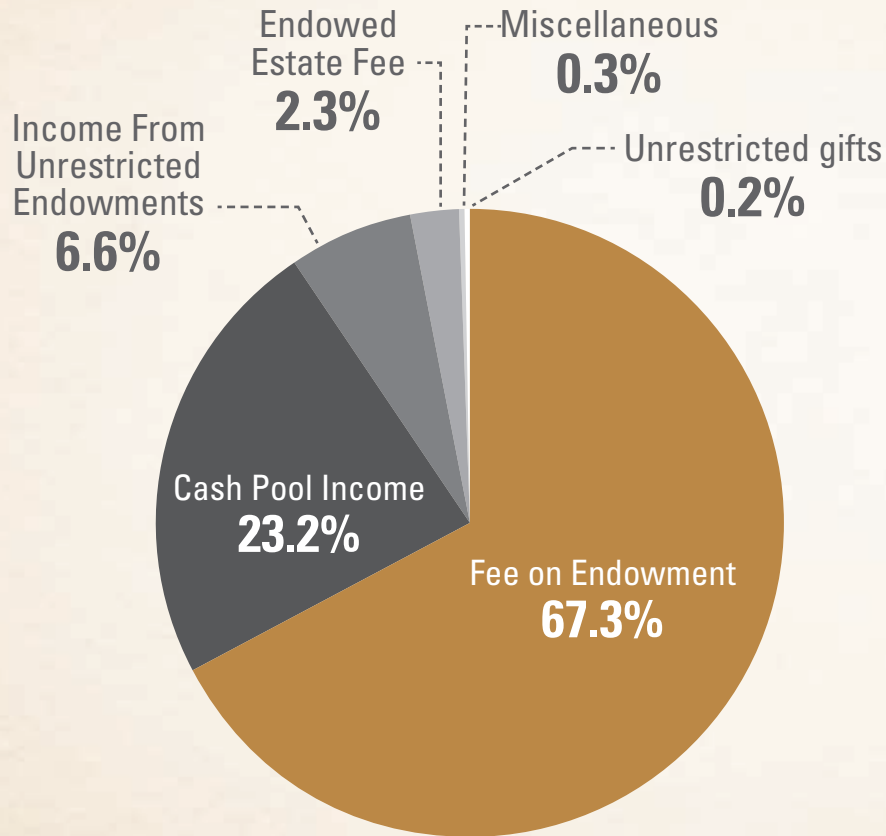
\$92.7 million for campus construction or renovation projects
\$37.7 million for academic programs
\$27 million for student scholarships
\$7.3 million for research
\$5.5 million for faculty support
\$2.2 million for museums, libraries and fine arts
\$0.9 million for alumni associations

Total Assets**Total Endowment****Main Endowment**

(a portion of the total endowment)

**Number of Donors 2013-14**

Funding Sources for Foundation Operations



Of the \$258.1 million received in fiscal year 2014, only 24 percent, or \$62 million, is committed to the endowment.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

ASSETS

	JUNE 30 2014	JUNE 30 2013	JUNE 30 2012
Cash and cash equivalents.....	\$8,452,000	\$314,000	\$6,380,000
Temporary investments.....	373,607,000	353,132,000	321,310,000
Pledges receivable.....	252,387,000	214,128,000	179,780,000
Other receivables.....	11,591,000	3,950,000	3,651,000
Investments.....	1,606,298,000	1,384,210,000	1,252,566,000
Property and equipment, net of depreciation	4,696,000	5,585,000	6,068,000

Total assets	\$2,257,031,000	\$1,961,319,000	\$1,769,755,000
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LIABILITIES

Accounts payable and accrued liabilities.....	\$1,035,000	\$909,000	\$852,000
University of Nebraska benefits payable	2,520,000	2,940,000	3,078,000
Scholarships, research, fellowship and professorships payable	3,111,000	4,883,000	5,128,000
Deferred annuities payable.....	21,424,000	20,966,000	20,824,000
*Deposits held in custody for others.....	336,036,000	297,714,000	270,021,000
**Deferred revenue.....	3,450,000	3,516,000	3,580,000

Total liabilities.....	\$367,576,000	\$330,928,000	\$303,483,000
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NET ASSETS

Unrestricted	\$26,598,000	\$3,226,000	\$(15,574,000)
Temporarily restricted	\$1,037,947,000	\$857,029,000	\$738,242,000
Permanently restricted.....	\$824,910,000	\$770,136,000	\$743,604,000

Net assets	\$1,889,455,000	\$1,630,391,000	\$1,466,272,000
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Total liabilities and net assets.....	\$2,257,031,000	\$1,961,319,000	\$1,769,755,000
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* Gifts given to other entities and managed by the University of Nebraska Foundation.

** Prepaid ground leases at Nebraska Technology Park.

INVESTMENTS

INVESTMENTS STATED AT FAIR VALUE

JUNE 30
2014

JUNE 30
2013

JUNE 30
2012

ASSETS

Certificates of deposit, savings and money funds	\$24,514,000	\$23,576,000	\$25,133,000
U.S. government securities and sovereign debt	36,750,000	34,952,000	9,629,000
State government securities	419,000	804,000	1,589,000
Local government securities	870,000	1,079,000	1,475,000
International bonds	29,507,000	28,279,000	31,241,000
Corporate bonds	65,497,000	63,984,000	97,147,000
Common stock	466,183,000	374,396,000	301,109,000
Mutual funds - Equity	111,775,000	118,817,000	68,522,000
Mutual funds - Fixed income	141,126,000	138,354,000	159,257,000
Real estate	3,191,000	4,780,000	5,379,000
Limited partnerships	658,090,000	530,660,000	494,240,000
Preferred stock	2,253,000	1,411,000	167,000

Subtotal	\$1,540,175,000	1,321,092,000	\$1,194,888,000
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INVESTMENTS STATED AT OTHER THAN FAIR VALUE

Real estate	\$55,644,000	\$53,727,000	\$47,828,000
Real estate mortgage and contracts	4,449,000	2,418,000	3,075,000
Other	3,226,000	4,132,000	3,862,000
Cash value of life insurance	2,646,000	2,683,000	2,755,000
Annuity contracts	158,000	158,000	158,000

Subtotal	\$66,123,000	\$63,118,000	\$57,678,000
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TEMPORARY INVESTMENTS STATED AT FAIR VALUE

Certificates of deposits, savings and money funds	\$1,539,000	\$6,029,000	\$6,329,000
U.S. government securities	173,503,000	193,864,000	244,290,000
State government securities	38,935,000	23,345,000	4,754,000
Local government securities	45,701,000	38,008,000	14,765,000
Corporate bonds	111,969,000	90,611,000	46,280,000

TEMPORARY INVESTMENTS STATED AT OTHER THAN FAIR VALUE

Real Estate	1,960,000	1,275,000	4,892,000
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Subtotal	\$373,607,000	\$353,132,000	\$321,310,000
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Total investments	\$1,979,905,000	\$1,737,342,000	\$1,573,876,000
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STATEMENT OF ACTIVITIES

REVENUES AND GAINS

	FOR FISCAL YEAR ENDING JUNE 30 2014	JUNE 30 2013	JUNE 30 2012
Gifts, bequests and life insurance proceeds	\$258,109,000	\$236,741,000	\$164,964,000
Investment income	35,935,000	36,912,000	31,157,000
Change in value of split-interest agreements	(499,000)	564,000	1,629,000
Realized and unrealized gain (loss) on investments	169,804,000	94,641,000	(2,510,000)

Total	\$463,349,000	\$368,858,000	\$195,240,000
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EXPENSES – BENEFITS TRANSFERRED TO THE UNIVERSITY

Student assistance	\$ 26,952,000	\$ 21,440,000	\$17,960,000
Faculty assistance	5,453,000	4,712,000	4,645,000
Research	7,297,000	6,650,000	7,298,000
Academic programs	37,731,000	44,760,000	38,410,000
Museum, libraries and fine arts	2,247,000	2,384,000	3,062,000
Campus and building improvements	92,707,000	93,929,000	51,348,000
Alumni associations	868,000	838,000	978,000
Deferred compensation	9,000	10,000	17,000

Total benefits transferred	\$173,264,000	\$174,723,000	\$123,718,000
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EXPENSES–OPERATIONS

Management and fundraising	\$21,015,000	\$20,472,000	\$21,878,000
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EXPENSES–OTHER

Investment and property management	6,195,000	5,466,000	6,801,000
Paid to beneficiaries	3,208,000	3,170,000	3,093,000
Depreciation	603,000	908,000	1,111,000

Total operations and other	\$31,021,000	\$30,016,000	\$32,883,000
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Total expenses	\$204,285,000	\$204,739,000	\$156,601,000
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Increase (decrease) in net assets	259,064,000	164,119,000	38,639,000
Plus: beginning net assets	1,630,391,000	1,466,272,000	1,427,633,000

Ending net assets	\$1,889,455,000	\$1,630,391,000	\$1,466,272,000
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BOARD OF DIRECTORS

2013-14

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Deryl F. Hamann

Thomas J. Henning

Karen L. Himle

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Gregory D. Stine

Barbara V. Weitz

Peter J. Whitted

Brian F. Hastings, President and CEO, ex officio

James Linder, Interim President, University of Nebraska, ex officio

Howard Hawks, Chair, Board of Regents, ex officio

EXECUTIVE TEAM



Brian F. Hastings, President and CEO

Lori A. Byrne, Senior Vice President, Development

Jason Kennedy, Senior Vice President, Chief Financial Officer, Treasurer

Joe Selig, Senior Vice President, UNL Development

Amy Volk, Senior Vice President, UNMC Development

Michael Bird, Vice President, UNO Development

Lucas Dart, Vice President, UNK Alumni Relations & Development

Dorothy Endacott, Vice President, Marketing Communications

Keith Miles, Vice President, General Counsel

Connie Soucie, Vice President, Talent, Culture and Human Resources

Larry Hartley, Assistant Vice President, Chief Information Officer


Ben Storck, Senior Director, Operations and Special Projects

Please visit our website to find the following information:

University of Nebraska Foundation Board Committee and Subcommittee members: nufoundation.org/about/board-of-directors

University of Nebraska Foundation Trustees: nufoundation.org/about/trustees

Independent Auditor's Report: nufoundation.org/annualreports



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