

2013 ANNUAL REPORT
UNIVERSITY *of* NEBRASKA FOUNDATION





A YEAR TO REMEMBER

GIFTS RECEIVED	\$236,741,000
FUNDS TRANSFERRED TO THE UNIVERSITY	\$174,723,000
TOTAL ENDOWMENT	\$1,338,728,000
RETURN ON ENDOWMENT	12.9%
TOTAL ASSETS	\$1,961,319,000

LEADERSHIP MESSAGE

.....

What an amazing year. The \$236.7 million committed to the University of Nebraska Foundation this year is a new record and a tribute to all the great people who have a passion for the university, pride in the state and a willingness to roll up their sleeves and get work done. Perhaps the best example of that is the Fred & Pamela Buffett Cancer Center. Gifts to the cancer center are one of the reasons for the foundation's record-setting year, and more importantly, those gifts are the reason that a world-class treatment and care center is now under construction in Omaha. A very strong motivator for donors was the fact that the state of Nebraska, city of Omaha and Douglas County were all partners in funding. That same principle has helped with several other projects this year, such as the Nebraska Veterinary Diagnostic Center on UNL's campus which is key to Nebraska's cattle industry, and the joint efforts of UNMC and UNK to offer more health science opportunities on UNK's campus, thereby addressing the shortage of health care providers across Nebraska. With all of these projects, the state of Nebraska is making a financial investment, and private donors are partnering with the state to address very real needs in Nebraska. Many other projects also contributed to the foundation having the best year ever. Some, such as the Community Engagement Center at UNO, have broken ground and are now under construction. Other projects, such as an arena for community and university use at UNO and a state-of-the-art College of Business Administration building at UNL, are off to a good start with fundraising continuing.

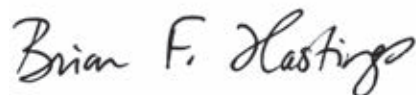
None of these projects would succeed in attracting private dollars without outstanding university leadership. We are grateful to have that at Nebraska. President James B. Milliken has led the university for nine years. Chancellor Harvey Perlman has been leading UNL for 12 years, Chancellor Hal Maurer leading UNMC for 16, Chancellor Doug Kristensen leading UNK for 11 and Chancellor John Christensen is in his sixth year at UNO. Longevity and continuity breed trust and confidence from donors. Our university leadership also has a vision to excel. In our view, they are easily among the best in public higher education.

Lastly, we have a committed board of directors, 900 foundation trustees and 300 Campaign for Nebraska volunteers who make a difference in our success every day. We could not have a record setting year without all of them, and our generous alumni and donors.

The foundation's board of directors and staff recognize that we have a great privilege and awesome responsibility to each donor and volunteer, to the university we serve, and to the state. We do not take that for granted, and we will continue to work hard each day to earn and re-earn your trust and support.



Peter J. Whitted, M.D.
Chair of the Board of Directors



Brian F. Hastings
President and CEO

A RECORD YEAR FOR GENEROSITY

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Alumni and friends gave \$236.7 million to the University of Nebraska this year, making it the University of Nebraska Foundation's best year ever for private gifts. Here is a look at a few of the projects and people who helped contribute to that success. More stories can be found at nufoundation.org.

Fred & Pamela Buffett Cancer Center

Groundbreaking for the center took place May 7, following a successful fundraising campaign led by chairs Mike and Gail Yanney. The building campaign received funds from the state, city of Omaha and Douglas County in addition to tremendous support from private donors, including a gift from the lead donor, Pamela Buffett. Her gift from the Rebecca Susan Buffett Foundation honors her late husband, Fred Buffett, who died of cancer.



Carol Cope

An estate gift from Carol Cope and her late husband Ron, has the distinction of being the largest gift ever to the University of Nebraska at Kearney. The Copes' gift, which also benefits UNL, will create about 60 scholarships a year for UNK students, provide support for high priority projects at UNK, and provide stipends to outstanding teachers in business, music and other colleges at UNK and UNL, among other areas.

University Leadership

The president and four campus chancellors have a combined 54 years of experience in leading the University of Nebraska.

54



UNK-UNMC Health Science Education Complex

This center located at UNK, will address the severe shortage of health care providers in rural Nebraska. The state of Nebraska has committed \$15 million toward construction, if private donors will contribute \$3 million. An additional \$1 million must be raised for academic program support.

UNL College of Business Administration

Several gifts were received to support UNL's goal to construct a new College of Business Administration building by 2017. Now in its 100th year, the college seeks to increase student enrollment from 3,514 to 5,000 – just one reason a new building is needed. Fundraising continues on this \$84 million building project.



John Gottschalk and Paul Sather

John Gottschalk and Paul Sather received the foundation's top awards this year. Gottschalk, former publisher of the *Omaha World-Herald*, received the foundation's award for volunteer service, the Perry W. Branch Award for Distinguished Volunteer Service. Sather, of UNO, was recognized for his outstanding support of the foundation's development mission and received the Harlan J. Noddle Distinguished Development Service Award.



Student Support

More than \$21 million was given to the university, supporting more than 10,000 scholarships, which helped students like this one attain a university degree.

Nebraska Veterinary Diagnostic Center at UNL

The center is the one and only accredited lab for veterinary diagnostics and key to keeping the state's cattle industry healthy. The state has committed \$41.5 million for the center and is asking private donors to provide \$4.15.

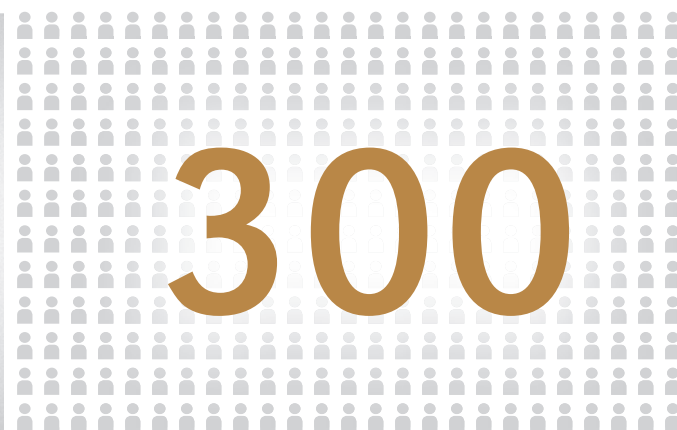


UNO Biomechanics Research Building

Donors made possible this \$6 million facility, the first building dedicated to research at UNO. Researchers in this one-of-a-kind building are working with NASA to help astronauts regain their sense of balance after long space flights, the elderly climb stairs and stroke patients improve their arm use.

Campaign for Nebraska

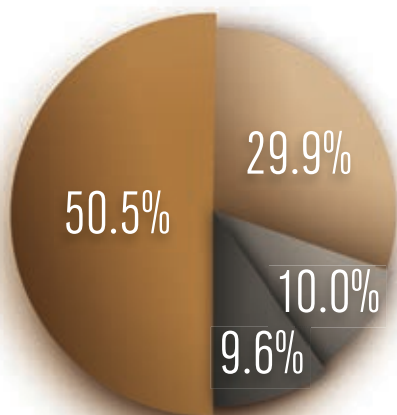
The campaign now has completed its eighth year, with one year to go. The campaign's focus on some key strategic areas important to Nebraska and the world, such as water for food, early childhood education and cancer research and care, has elevated giving to the University of Nebraska. The campaign's 300 volunteers have been the key to reaching the 90,000 donors who have now contributed to the campaign.



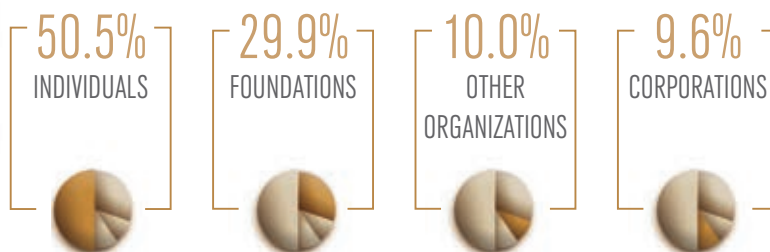
\$ TOTAL GIFTS TO THE FOUNDATION

\$236,741,000

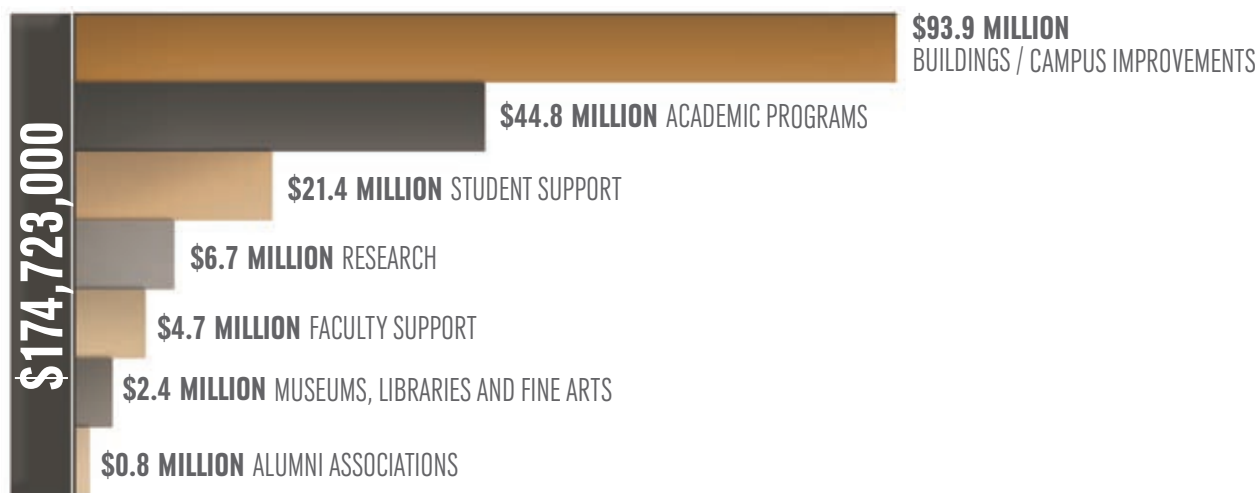
2012	\$164,965,000
2011	\$172,115,000
2010	\$136,894,000
2009	\$128,105,000

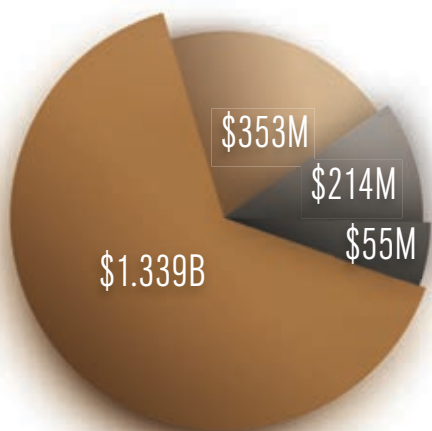


GIFTS CAME FROM



FUNDS TRANSFERRED TO THE UNIVERSITY

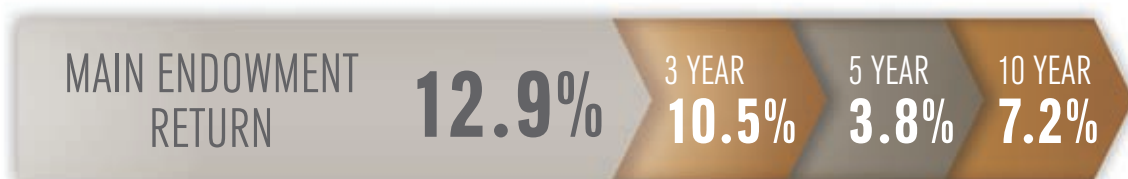




TOTAL ASSETS - **\$1.96 BILLION**



TOTAL ENDOWMENT - **\$1.3 BILLION**



NUMBER OF TAX RECEIPTS ISSUED TO DONORS IN FISCAL YEAR 2013

47,215

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

ASSETS

	2013	2012	2011
Cash and cash equivalents.....	\$314,000	\$6,380,000	\$2,055,000
Temporary investments.....	353,132,000	321,310,000	286,091,000
Pledges receivable.....	214,128,000	179,780,000	151,118,000
Other receivables.....	3,950,000	3,651,000	2,992,000
Investments.....	1,382,210,000	1,252,566,000	1,300,445,000
Property and equipment, net of depreciation.....	5,585,000	6,068,000	6,830,000
Total assets.....	\$1,961,319,000	\$1,769,755,000	\$1,749,531,000

LIABILITIES

Accounts payable and accrued liabilities.....	\$909,000	\$852,000	\$901,000
University of Nebraska benefits payable.....	2,940,000	3,078,000	2,837,000
Scholarships, research, fellowship and professorships payable.....	4,883,000	5,128,000	10,666,000
Deferred annuities payable.....	20,966,000	20,824,000	22,848,000
*Deposits held in custody for others.....	297,714,000	270,021,000	281,001,000
**Deferred revenue.....	3,516,000	3,580,000	3,645,000
Total liabilities.....	\$330,928,000	\$303,483,000	\$321,898,000
Net assets.....	\$1,630,391,000	\$1,466,272,000	\$1,427,633,000
Total liabilities and net assets.....	\$1,961,319,000	\$1,769,755,000	\$1,749,531,000

* Gifts given to other entities and managed by the University of Nebraska Foundation.

** Prepaid ground leases at Nebraska Technology Park.

INVESTMENTS STATED AT FAIR VALUE

	On June 30, 2013	On June 30, 2012	On June 30, 2011
Certificates of deposit, savings and money funds	\$23,576,000	\$25,133,000	\$13,911,000
U.S. government securities and sovereign debt	34,952,000	9,629,000	7,113,000
State government securities	804,000	1,589,000	1,424,000
Local government securities	1,079,000	1,475,000	1,310,000
International bonds	28,279,000	31,241,000	34,025,000
Corporate bonds	63,984,000	97,148,000	13,320,000
Common stock	374,396,000	301,109,000	390,692,000
Mutual funds - Equity	118,817,000	68,522,000	72,679,000
Mutual funds - Fixed income	138,354,000	159,257,000	148,807,000
Real estate	4,780,000	5,379,000	5,770,000
Limited partnerships	530,660,000	494,240,000	550,121,000
Preferred stock	1,411,000	167,000	187,000
Subtotal	\$1,321,092,000	\$1,194,888,000	\$1,239,359,000

INVESTMENTS STATED AT OTHER THAN FAIR VALUE

Real estate	\$53,727,000	\$47,828,000	\$47,516,000
Real estate mortgage and contracts	2,419,000	3,075,000	4,508,000
Other	4,132,000	3,862,000	4,154,000
Cash value of life insurance	2,683,000	2,755,000	4,699,000
Annuity contracts	158,000	158,000	208,000
Subtotal	\$63,119,000	\$57,678,000	\$61,085,000

TEMPORARY INVESTMENTS

Certificates of deposits, savings and money funds	6,029,000	\$6,329,000	\$4,900,000
U.S. government securities	193,864,000	244,290,000	281,191,000
State government securities	23,345,000	4,754,000	0
Local government securities	38,008,000	14,765,000	0
Corporate bonds	90,611,000	46,280,000	0
Real Estate	1,275,000	4,892,000	0
Subtotal	\$353,132,000	\$321,310,000	\$286,091,000
Total investments	\$1,737,343,000	\$1,573,876,000	\$1,586,535,000

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDING JUNE 30, 2013

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REVENUES AND GAINS

	2013	2012	2011
Gifts, bequests and life insurance proceeds	\$236,741,000	\$164,964,000	\$172,115,000
Investment income	36,912,000	31,157,000	30,041,000
Change in value of split-interest agreements	564,000	1,629,000	236,000
Realized gain (loss) on investments	32,868,000	22,030,000	48,959,000
Unrealized gain (loss) on investments	61,773,000	(24,540,000)	120,659,000
Total	\$368,858,000	\$195,240,000	\$372,010,000

EXPENSES—BENEFITS TRANSFERRED TO THE UNIVERSITY

Student assistance	\$ 21,440,000	\$17,960,000	\$23,570,000
Faculty assistance	4,712,000	4,645,000	5,069,000
Research	6,650,000	7,298,000	7,125,000
Academic programs	44,760,000	38,410,000	30,355,000
Museum, libraries and fine arts	2,384,000	3,062,000	5,100,000
Campus and building improvements	93,929,000	51,348,000	57,877,000
Alumni associations	838,000	978,000	1,028,000
Deferred compensation	10,000	17,000	34,000
Total benefits transferred	\$174,723,000	\$123,718,000	\$130,159,000

EXPENSES—OPERATIONS

Management and fundraising	20,472,000	21,878,000	\$20,861,000
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EXPENSES—OTHER

Investment and property management	5,466,000	6,801,000	6,247,000
Paid to beneficiaries	3,170,000	3,093,000	3,483,000
Depreciation	908,000	1,111,000	1,347,000
Total operations and other	\$30,016,000	\$32,883,000	\$31,938,000

Total expenses	\$204,739,000	\$156,601,000	\$162,097,000
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Increase (decrease) in net assets	164,119,000	38,639,000	209,913,000
Plus: beginning net assets	1,466,272,000	1,427,634,000	1,217,720,000

Ending net assets	\$1,630,391,000	\$1,466,273,000	\$1,427,633,000
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BOARD OF DIRECTORS

FOR THE FISCAL YEAR ENDING JUNE 30, 2013

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Peter Whitted, Chair

Tonn Ostergard, Chair-elect

Mark Chronister

Timothy Daugherty

Sid Dinsdale

Kenneth Green

Deryl Hamann

Thomas J. Henning

Karen Himle

William Jackman

Nancy Keegan

Terry Kroeger

Robert Krohn

Kathryn LeBaron

JoAnn Martin

John Massey

James Pittenger, Jr.

Gregory Stine

Barbara Weitz

Brian F. Hastings, ex officio, President and CEO, University of Nebraska Foundation

Tim Clare, ex officio, Chairman, Board of Regents

James B. Milliken, ex officio, President, University of Nebraska

Please visit our website to find the following information

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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

Executive Team

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Brian F. Hastings, President and CEO

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

Keith Miles, Vice President, General Counsel

Lori A. Byrne, Vice President, UNO Campus Director of Development

Pete Kotsiopulos, Vice President, UNK Campus Director of Development

Joe Selig, Vice President, UNL Campus Director of Development

Amy Volk, Vice President, UNMC Campus Director of Development

Dorothy Endacott, Assistant Vice President, Director of Communications

Connie Soucie, Director of Human Resources

Ben Storck, Senior Director, Operations and Special Projects

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Corporate Officers

Brian F. Hastings, President and CEO

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

Keith Miles, Vice President, General Counsel

Susan Crotteau, Assistant Vice President, Corporate Secretary

Kimberly Peschka Bilder, Associate General Counsel and Assistant Corporate Secretary

Chet Poehling, Associate General Counsel and Assistant Corporate Secretary

*Thank
You!*



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