A RIPPLE THROUGHOUT TIME

UNIVERSITY of ALASKA FOUNDATION ANNUAL REPORT
As the state of Alaska turns 50, it’s a time for both reflection, and looking forward. Four decades before statehood, the University of Alaska began a tradition of educating, enriching and enlightening generations of students who have gone on to make significant achievements and contributions in this great state. Thanks to the generosity of many, this legacy will continue for years to come, and the ripple will go on and on…
2008 was a year of unparalleled generosity at the University of Alaska. This annual report captures only a few of the many stories about those who took action to place opportunity within the reach of others.

You’ll read the story of Ruth Danner, who never dreamed of earning a college diploma, let alone establishing a university scholarship. This report also highlights the Mellon Foundation’s creation of the Dissertation Fellowship Program. You’ll read the story of Chick and Carolyne Wallace, who asked friends to contribute to a scholarship for spouses of active duty soldiers in recognition of their 50th wedding anniversary. You’ll also learn of the largest single corporate gift in the university’s history, which will create the university’s largest endowment in support of science and engineering.

Generosity like this enables UA to make possible the impossible. Last year more than 6,400 contributors committed $31 million for the benefit of Alaska’s university and its students. Numerous donors designated these gifts to a specific purpose, while others gave unrestricted gifts, allowing the university to use those contributions in priority areas. This giving helps create the margin of excellence that is impossible without private support.

In the years ahead the university will continue focusing on areas of relevance to our state and our nation: K-12, energy, engineering and construction management, climate, health programs, workforce development and campus programs. But we can’t reach our true potential without you – our amazing supporters. Whether you’re interested in supporting students through scholarships; faculty through chairs; or specific programs, capital or equipment through direct support – you can play a positive role in our future.

Your support demonstrates your personal commitment to making Alaska the best it can possibly be. Thank you for your generosity and vision.
Alaska’s 50th anniversary may only last one year, but the celebration will continue through UA’s multi-faceted project, “Eight Stars of Gold: Fostering a Spirit of Civic Engagement in Modern Alaska.”

The goal of Eight Stars of Gold, which focuses on developing youth leadership, encouraging civic engagement and supporting historic preservation, is to commemorate the 50th anniversary of Alaska’s statehood and create legacy projects that persist long after the anniversary year ends.

“Ultimately, the Eight Stars of Gold project is about the power of remembrance and the courage it takes to face the unknown of tomorrow,” said UA’s Karen Perdue, who is overseeing the project. “Eight Stars of Gold is dedicated to the proposition that genuine strength and humility comes from a greater knowledge of the past.”

Inspired by Alaska’s state flag, designed by the late Benny Benson, and the state song, “Alaska’s Flag,” by the late Marie Drake, UA undertook eight separate initiatives as part of the project:

• At the UAA Student Constitutional Convention last April, 70 student delegates gathered to craft, debate and vote on 14 proposed resolutions.

• The October 2008 Alaska Historical Society Conference looked back at 50 years of statehood, while also discussing current issues and Alaska’s next 50 years.

• The Forum of Young Alaskans in October encouraged hundreds of youth to appreciate Alaska’s history and heritage and help plan for Alaska’s future.

• The Conference of Young Alaskans in January 2009 will bring together 55 young delegates from across the state to consider and provide recommendations on important state issues.

• The life of E.L. “Bob” Bartlett, Alaska’s first senator, was commemorated in an hour-long documentary, which aired on KUAC/AlaskaOne in December.

• The Statehood Book Series, being published by the University of Alaska Press and featuring top Alaska writers, will serve as a permanent record of Alaska’s past and hopes for the future.

• The Oral History Series seeks to collect and preserve oral and written histories from prominent Alaska pioneers, politicians, business and civic leaders.

• The Traveling Statehood Exhibit provided an opportunity for Alaskans to learn about the struggles and triumphs of the journey to statehood.

The inspiring effort to commemorate Alaska’s 50th anniversary through a series of lasting projects was made possible by the contributions of several generous companies and organizations.

A special thank you to the Alaska Humanities Forum and ConocoPhillips for their support of the UAA Student Constitutional Convention, BP Exploration (Alaska) Inc. for underwriting the Alaska Historical Society Conference, AT&T Alascom and the AT&T Foundation for funding the Forum of Young Alaskans, Northrim Bank for sponsoring the Conference of Young Alaskans; and New York Life and the New York Life Foundation for investing in the Bartlett documentary.

“These companies and organizations, along with most Alaskans, believe in a state whose future shines as brightly as the eight stars on our state flag,” said UA president Mark Hamilton. “This project wouldn’t have been possible without their commitment.”

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Did you know the UA Foundation owns the copyright for the state song, “Alaska’s Flag”? The copyright was given to the Foundation by songwriter Marie Drake and composer Elinor Dusenbury, who gave their musical gift as a testament of their belief in the UA mission.

To request permission to use the song in print, please contact Tami Choquette at 907.786.1169 or tami.choquette@alaska.edu.

Music by Elinor Dusenbury Words by Marie Drake

Eight stars of gold on a field of blue, Alaska’s flag, may it mean to you: The blue of the sea, the evening sky, The mountain lakes, and the flow’e near by; The gold of the early sourdough dreams, The precious gold of the hills and streams, The brilliant stars in the northern sky, The “Bear,” the “Dipper,” and shining high, The great North Star with its steady light, O’er land and sea a beacon bright, Alaska’s flag to Alaskans dear, The simple flag of the last frontier.

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Eight Stars of Gold
A Lasting Celebration of Alaska’s 50th Anniversary

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Words by Marie Drake

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April 2008 was a historic month for the university and the state. ConocoPhillips Alaska, Inc. pledged an unprecedented $15 million to UAA, marking the largest single corporate gift the university has ever received, as well as the largest gift the company has ever made in Alaska.

“This gift is an excellent example of university/community partnerships. ConocoPhillips knows that the university’s mission to provide education, training and research helps to develop Alaska’s economy. Our efforts to expand the number of engineers and scientists will help employers hire locally,” said UAA chancellor Fran Ulmer.

In honor of this pledge, and in recognition of the company’s generous past support, UAA’s new integrated science Building will carry ConocoPhillips’ name when it opens its doors in the fall of 2009. Like ConocoPhillips’ momentous gift, the new building will offer many benefits to the university community – both today and well into the future.

“One of the great advantages of the Integrated Science Building will be the co-localization of science faculty in order to foster collaboration and communication between us and our students. It will also make sharing of equipment much more convenient,” said Jocelyn E. Krebs, PhD, an associate professor in UAA’s department of biological sciences.

Of the $15 million gift, $4 million will be used to purchase equipment for the new building, while the remaining $11 million will establish the ConocoPhillips Arctic Science and Engineering Endowment, which will be used to help increase understanding of engineering and natural sciences in northern climates and communities. When fully funded in 2016, the endowment is expected to generate at least $500,000 in distributions annually.

“By creating the ConocoPhillips Arctic Science and Engineering Endowment, ConocoPhillips is ensuring the impact of this gift will last forever,” said Mark Hamilton, UA president.

“With this endowment we can expand our program here at UAA, purchase equipment if needed, and provide other necessary support for UAA’s science and engineering students and faculty,” Hamilton added. “It’s an incredibly generous gift that will go a long way toward meeting the needs of our state.”

ConocoPhillips Alaska, Inc., the number one producer of oil and gas in the state, has a tradition of strong community support – including a long-standing commitment to supporting the university. In addition to the historic $15 million pledge made to UAA in 2008, ConocoPhillips has also provided $20 million in unrestricted support to the university system since 1999.

“This pledge to the University of Alaska continues our tradition of investing in quality training and education opportunities in Alaska,” said Jim Bowles, president of ConocoPhillips Alaska. “Our company is investing in the university’s arctic science and engineering programs to create the scientists and engineers of tomorrow. We hope that funding these programs at the University of Alaska Anchorage will encourage students to stay in Alaska, work in Alaska and foster innovative thought in our state.”
Brian and Carolyn Brundin Set Example for Service

This year UA said farewell to two of its staunchest supporters: UA Foundation founding trustee Brian Brundin and his wife, Carolyn, who both passed away in 2008.

The Brundins shared a long history with the university. In 1957 Brundin enrolled at UAF, where he met his future wife during his senior year. After graduation the couple moved to Boston where Brundin completed his law degree at Harvard. He then joined the Army and was stationed at Fort Richardson in Anchorage. Following his discharge, Brundin joined an Anchorage law firm and began teaching at UAA.

In 1969, at the age of 30, Brundin joined the UA Board of Regents – becoming the youngest regent ever appointed. In 1974 he was responsible for establishing the UA Foundation and served on the Foundation board from its inception.

In 2008, following the passing of his wife Carolyn, Brundin stepped down from the Foundation board. At the same time, Brundin was elected to the UA Board of Trustees. Throughout his service Brundin and his wife demonstrated their dedication to the university, providing both personal and financial support.

“In 1969, at the age of 30, Brundin joined the UA Board of Regents – becoming the youngest regent ever appointed. In 1974 he was responsible for establishing the UA Foundation and served on the Foundation board from its inception. “Brian enriched the Foundation through his service, personal energy and financial support,” said Ann Parrish, UA Foundation chair. “Brian and Carolyn’s warm regard for the university shone through in their long association with the institution. As UA students, as a faculty member, regent, trustee and as supporters, Brian and Carolyn Brundin set an example for service that will not soon be duplicated.”

The debt we owe to the many fine men and women for the sacrifices they have made for our country is beyond measure.”

Chick and Carolyne Wallace

Chick and Carolyne Wallace celebrated their 50th wedding anniversary in a unique way – by gathering friends and family to raise money to establish the Chick and Carolyne Wallace Scholarship. The scholarship will support UA students who are spouses of active duty soldiers.

“The debt we owe to the many fine men and women in uniform and their dependents, for the sacrifices they have made and are making every day for our country and our way of life is beyond measure. We are working to grow this scholarship to contribute to the education of those serving or their dependents,” the couple said.

The scholarship is the latest way the Wallaces have shown their support of the university and the military community. For the past 30 years they have volunteered their time and opened their hearts and home to a multitude of good causes.

The couple also demonstrated their commitment through their long careers at the university. Chick retired as the UAF director of facilities services, while Carolyne retired after 29 years with UAF’s College of Natural Resources Management.

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UA FOUNDATION CHAIR

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The late Alan B. Christopherson, a well-known civil engineer in Alaska, understood the importance of maintaining a strong engineering education program and dedicated his personal and professional efforts to making a difference in the state.

Christopherson, who was born in Seattle, Washington, earned a bachelor’s degree in civil engineering from the University of Washington and, later, a master’s degree in civil engineering from UAA. He came to Alaska in 1975 to begin his career at Alyeska Pipeline Service Company. He then worked for R&M Consultants before joining PND Engineers in 1981.

During his career, Christopherson played a role in many noteworthy projects, including the Alaska Sealife Center, Whittier Access Tunnel, Kuparuk River Bridge, and Alyeska’s spill response facility in Valdez.

Throughout his career Christopherson also strove to improve engineering education and encourage engineering students in Alaska. He was a dedicated donor and an active UAA alumnus who consistently participated in the university’s annual engineering week, which is designed to introduce young people to the engineering profession while providing educational opportunities to aspiring engineers.

It was this deep-seated commitment that motivated Christopherson and his wife, Mary, to create the endowed Alan B. Christopherson Civil Engineering Scholarship Fund to help civil engineering students complete their education.

Christopherson, who was diagnosed with cancer, passed away on Feb. 1, 2008, at the age of 55.

“Giving back was always important to Alan,” his wife said. “He was especially committed to young engineers, so the scholarship fund is an ideal way to honor his life and continue his legacy of mentoring and encouraging engineering students.”

ENGGINEERING A STRONG FUTURE

Scholarship Remembers Husband, Father, Engineer

The Christopherson family’s support of engineering education at UA comes at an optimal time. The need for Alaska-grown engineers is high—and continues to increase—due to general industry growth, a soon-to-be retiring workforce, and the possibility of massive new projects, such as the Alaska natural gas pipeline, on the horizon.

Responding to the needs of Alaska’s engineering industry, the university recently made a commitment to double the number of engineering graduates by the year 2012, bringing the total number of UA graduates to at least 200 per year.

While the effort is still in its early stages, the university is already seeing a positive upward trend. For example, enrollment in UAA’s engineering programs has grown 20 percent a year for the past three years and UAF saw an 85 percent increase in incoming freshman engineering students during the fall 2007 semester alone.
For our Lifetime Giving donors, supporting education is a way of life, a promise made for the long term. This sort of dedication is the perfect demonstration of how one life, one gift, can make a profound difference in the lives of many.

**LIFETIME GIVING RECOGNITION**

**BUNNELL SOCIETY**
Recognizes those individuals and organizations who made gifts or pledges of $100,000 over their lifetime.

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- Terris Moore
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- Robert L. Lathrop
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- Robert E. and Mary O’Hanlon
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- CARAS/Selway
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- Flint Hills Resources Alaska
- IBM
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- Providence Alaska Medical Center
- Siemens Building Technologies
- Tokon Marine Technologies (TOTE)
- Tr 주장 Naviagation

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**SOURDOUGH SOCIETY**
Recognizes those individuals who made gifts or pledges of $10,000 to $49,999, and those organizations who made gifts or pledges of $15,000 to $49,999 over their lifetime.

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- Allen Foundation for the Arts
- Alaska Railroad
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- Council for Better Corporate Citizenship
- Dr. Walt and Martha Rubel
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- Dr. D. Michael and Ginger Carroll
- Edward and Alice Christiansen
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- Emerson J. Coller
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- Leonard and Tammy Hyde
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- James and Barbara Matthews
- Frances McMurdo
- Jean McPherson
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- W. F. Meek
- Harry M. Mikans
- Tyne McSporan
- Horse Willard Nagley, II
- Lee Naves
- Jack O’Brien
- Donna and Arminna Parcase
- Lance and Karen Parrot

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- Alaska Aerospace Development Corporation
- Alaska Kidney Foundation
- Alaska Native Tribal Health Consortium
- Alaska Railroad
- Allen Foundation for the Arts
- Alaska Natural Gas
- Arco Alaska
- Arctic Slope Regional Corporation
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- ARHC Energy Services
- Association of Performing Arts Presenters
- AT&T Alaska
- Bartlett Regional Hospital
- Boston Run Lions Club
- Blurred Booster Club
- Bob Bartlett Memorial Foundation
- Cenega Corporation
- Lise Clasen and Art Orzen Foundation
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**PRIVATE SUPPORT FOR THE UNIVERSITY OF ALASKA**

**ALASKA SOCIETY**
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- John B. Halal
- Ruth Hower
- Mary K. Hughes and Andrew Elcik
- Leonard and Tammy Hyde
- Dorothy Johnson
- William P. Johnson, Jr.
- James and Mary Lou King
- Duval Lauen
- Robert L. Lathrop
- Seng Tze Lee
- Howard L. Mackay
- James and Barbara Matthews
- Frances McMurdo
- Jean McPherson
- Barry and Dorik McWayne
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- Harry M. Mikans
- Tyne McSporan
- Horse Willard Nagley, II
- Lee Naves
- Jack O’Brien
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- Lance and Karen Parrot

**ORGANIZATIONS**
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- Bentley Family Trust
- Helen M. Bentley Trust
- BP Exploration of Alaska
- Chevron
- ConocoPhillips Alaska
- Council for Better Corporate Citizenship

**PRIVATE SUPPORT FOR THE UNIVERSITY OF ALASKA**

**CONsolidated endowment fund annual total return**

- FY04: 14.24%
- FY05: 11.82%
- FY06: 12.32%
- FY07: 18.05%
- FY08: -2.41%

**5-YEAR AVERAGE**

- 10.39%

**Consolidated fund asset allocation**

- 22% Fixed income
- 27% Domestic equities
- 5% Global equities
- 12% Foreign equities
- 5% Real estate
- 29% Alternative investments

**Consolidated fund total value as of 6/30/08:** $259,292,685
If one gift can have such significance, imagine the magnitude of many donors joining together to support a common purpose. Our FY08 donors have done just that – and the result is nothing short of inspiring.

LEADERSHIP CIRCLE
Recognizes those individuals who made gifts or pledges of $10,000 to $19,999, and those organizations that made gifts or pledges of $10,000 to $49,999 in FY08.

Helga and Bill Watterson tabachki
Ann and Al Parrish
Laura Milner and Barbara Brooks
Leonard and Tannie Hyde
Alex Hills
Henry and Lorijane Hilbert
E. R. Dolly Dieter

INDIVIDUALS
Edward and Alene Christiansen

INDIVIDUALS

DONORS FY08

William G. Stroecker
Mary Louise Rasmuson

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INSTITUTIONS

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AsrC Energy Services

Alaska Sales & Service*

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Dinner Family

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Alex Hills

Bartlett Regional Hospital

Bartlett Development Association

Nana Development Corporation

Andrew W. Mellon Foundation

Luther Hess Trust

Icicle Seafoods

Highland Light

Glacier Fish Company

Highlander Trust

Candace G. Waugaman

Joe and Ann Tremarello

*Denotes deceased

+ Includes contributions to ELUCS. Donations to AlaskaOne are recognized by that organization, outside the UA Foundation.

Due to publication space limitations, the list of Jade Club, Forget-Me-Not Club and University Club can be found on the Foundation’s website: www.alaska.edu/foundation/donor_relations/recognition/club

Donations to AlaskaOne are recognized by that organization, outside the UA Foundation.

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**DONORS FY08**

**CHANCELLOR’S CIRCLE**

includes contributions to Kuac. Donations to alaskaOne are recognized by that organization, outside the UA Foundation.

recognizes those individuals and organizations who made gifts or pledges of $1,000 to $2,499 in FY08.

CHANCELLOR’S CIRCLE

salvatore B. De leonardis

John and Anthea Craven

Carol and Dennis Comeau

terrence Cole and Gay salisbury

Janice P. Chen

* richard and Anne Caulfield

Anne Caston

renee Carter-Chapman

Barbara and Jerry Burnett

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Georgiana W. Brennen

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kenton and kathleen Braun

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* Carole and Bruce Jaffa

* roland and elaine Hulstein

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Cathleen s. Hahn

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* Steve and Jane smith

* roger and isabella Smith

* Cary and tabitha sinnett

ed and Jennifer simeonoff

kevin J. silver

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Herbert P. Schroeder

Angela schmidt and Chris Miller

Giorgio Chrimat and Amanda saxton

* Jack and Martha roderick

George and Amy rhyneer

(Gardman) rand

sarah e. ramuglia

nina e. prockish

Anton and Herta Prechtel

* Victoria l. Pohl

Jim and Anne Picard

elizabeth Anne Pettit

Greg and laura Petrowich

Guy and Jayne Patterson

lance and karen Parrish

* Mike and Evelyn sfraga

* Janie and Matt Brown

* Relti Danner never dreamed she would earn a college diploma, much less be responsible for raising her grandchildren. "I am lucky to be able to share, in a small way, in the successes of these bright and dedicated people," Danner said.

"By the time i realized i really needed a degree, i had children at home," Danner said. "I am lucky to be able to share, in a small way, in the successes of these bright and dedicated people."
PLANTING SEEDS OF SUCCESS

New $1 Million Estate Gift Benefits Accounting Students

Alaska gardening expert Lenore Hedla educated and inspired countless gardeners through her book, magazine articles, newspaper columns and appearances. Yet it was her gift to UA that planted a seed for many years to come – leaving a truly lasting legacy.

Prior to her passing in 2006 at the age of 91, Hedla created a $1 million estate gift in memory of her late husband, George, a certified public accountant. The gift, which will benefit UAA’s College of Business and Public Policy, will create the George M. Hedla Endowment to support accounting professorships, as well as provide educational opportunities and support academic excellence.

THE EDUCATION TAX CREDIT
The Ultimate Return On Investment

Gifts to the University of Alaska can reduce your state taxes. Taxpayers who pay any of the following taxes to the state of Alaska are eligible to claim a credit on their state tax for a portion of cash contributions made to UA:

- Alaska Income Tax
- Oil and Gas Property Tax
- Oil and Gas Production and Transportation Tax
- Fisheries Business Tax
- Fisheries Landing Tax
- Mining License Tax
- Insurance Premium Tax/Title Insurance Premium Tax

The Education Tax Credit provides an opportunity to make cash contributions to the UA and claim a tax credit for up to 50 percent of the first $100,000 of your gift, and 100 percent of the next $100,000 of your gift.

For example, suppose your business owes the state of Alaska a tax of $200,000 and you make a contribution to the UA. The company can claim the credit against its tax liability of $150,000 (50 percent of the first $200,000 and you make a contribution to the UA. The company can claim the credit against its tax liability of $150,000 (50 percent of the first $100,000, plus 100 percent of the next $100,000 of the gift – $150,000).

Thus, the company has benefited the university with a $200,000 gift and the tax bill has been reduced from $200,000 to only $50,000. There simply isn’t any better return on investment than the Education Tax Credit.

For more information
Contact Jennifer Simeonoff, corporate & foundation relations manager, at 907.786.1146 or snjs@email.alaska.edu.
THE EASIEST GIFT YOU CAN MAKE
Providing for the University through your Estate Plan

One of the easiest ways to make a significant and lasting gift to the University of Alaska is to provide for the university in your will or estate plans. You can specify that a certain sum can come from your estate to the university (a specific bequest), or that a percentage of your estate, after other specific bequests have been made, comes to UA (a residual percentage bequest). Either type of bequest can be done very simply by adding language similar to that provided below when the will or trust is being drafted by your attorney. You may also decide whether you wish your bequest to be used to establish a perpetual endowment or a fund to be fully expended by the university. In making this decision, the size of the bequest becomes important as there is a minimum amount (currently $25,000) needed to establish perpetual endowment funds.

Your attorney may find the following language helpful when drafting bequest provisions to accomplish your estate gift to the UA:

“I hereby give to the University of Alaska Foundation, a tax-exempt organization as described under Subsection 501(c) (3) of the Internal Revenue Code, located in Fairbanks, Alaska, (for a specific bequest) the sum of $____ (or for a residual percentage bequest “____ percent of my residual estate”), to be used (if for the establishment of an endowment), should the size of this bequest be sufficient, to establish an endowment, (remaining language for all types of bequests) in support of (Department or College or other purpose) at the University of Alaska (Fairbanks, Anchorage, Southeast or leave blank to apply to the entire University System).”

Donors should always consult with their attorney when drafting wills and other legal documents, and with their financial advisers when preparing estate plans.

Bequests are not only “painless,” since they occur after your death, but they also can result in significant estate tax savings depending on your financial situation (see example scenario on next page). If the bequest is used to establish an endowment, it can also provide a bit of immortality to your name and act as a perpetual reminder to your heirs and others of your lasting support of UA.

The Legacy Society is one way we recognize and thank those individuals who provide for the university through their will or estate plans. If you have already included the university in your will or estate plans, please let the Campus Development Office know so we can thank you.

2007-2008 TAX BENEFITS

1962
100 shares of XYZ Stock (or real estate) for $10/share.

1963–2006
Stock (or real estate) goes up in value, splits etc.

2007
Stock (or real estate) is donated to the UA Foundation. Due to appreciation, the stock or real estate is now worth $10,000.
TOTAL DONATION VALUE: $10,000

2007
A federal income tax savings of $2,800 for this gift.
(28% OF THE GIFT VALUE: $10,000 x 28% = $2,800)

2007
A federal capital gains tax savings of $1,350 for this gift, equal to 15% of gain on stock (or real estate):

Original value: $1,000
Current value: $10,000
Gain: $9,000

X 15% = $1,350

Donation amount to the university: $10,000
Cost of this donation to the donor: $5,850

Income tax savings: ($2,800)
Capital gains tax savings: ($1,350)
TOTAL: $5,850
Through a generous gift from First National Bank Alaska (FNBA) in 2008, UAS embarked on its second year of the Getting ready for College program, which is designed to help students from rural Southeast Alaska communities prepare for success after high school.

“This program, and the university’s partnership with First National Bank Alaska, enables us to reach out to our small, rural schools and assist students in preparing for post-secondary education,” said UAS chancellor John Pugh.

The $20,000 annual contribution for the Getting ready for College program is a follow-up to FNBA’s three-year College Success gift, which ended in 2006.

“We believe that helping Alaskans succeed, whether in the classroom or in business, is a key to the future of our state,” said Lloyd Johnson, vice president and southeast regional manager of FNBA.

The Getting Ready for College program includes several different initiatives, including one called Do the Math. As part of this initiative, 11th grade students are given the UAS placement test to assess their current math skills, and are encouraged to continue their math education through their senior year.

“National studies show a direct correlation between math achievement levels in high school and the likelihood that a student will complete college,” said Joe Nelson, UAS admissions director. “However, high school diploma requirements in Alaska are not aligned with college admission standards so too many of our top high school students land in developmental courses when they enter college.”

Through another initiative, a documentary titled “Alaska College Track 2” is being distributed throughout the UA system. The documentary, produced by KTOO-TV, discusses issues such as the High School Qualifying Exam, cultural differences, and the expectations gap between high schools and college educators. In addition to the university, the film has also been shown at national College Board conferences, and is the recipient of several 2008 state, regional and national awards.

Finally, through the Getting ready for College program, UAS also hosts Student Success Retreats for secondary school staff from 13 communities.

“The retreats provide much-needed opportunities for rural Southeast teachers and counselors to network, take part in professional development workshops, and reconnect with former students,” Nelson said.

“We believe that helping Alaskans succeed, whether in the classroom or in business, is a key to the future of our state.”

LLOYD JOHNSON
VICE PRESIDENT AND SOUTHEAST REGIONAL MANAGER OF FNBA

FNBA Helps Students Prepare for College

In 1922, candymaker Winfield Ervin founded First National Bank Alaska (FNBA) at the corner of Fourth Avenue and G Street in downtown Anchorage. Today, FNBA is the state’s largest Alaska-owned and operated bank, with ATMs and 30 branches in 18 communities throughout Alaska.

In addition to serving the financial needs of the communities where it does business, FNBA also offers community development services that benefit Alaskans in a variety of ways. For example, FNBA and its employees support nonprofit community groups across the state. In fact, the bank contributes more than $1 million annually to a wide variety of health, youth, educational, civic and arts organizations in the state, including UA and the Getting Ready for College program.
Alaska natives constitute nearly 20 percent of the state’s population and 16 percent of UA’s student body—but represent only three percent of the university’s faculty positions, a fact that is commonly attributed to a lack of educational credentials.

To increase the number of Alaska Native students earning doctoral degrees—and subsequently raise the number of Alaska Native faculty—the Andrew W. Mellon Foundation recently awarded a $700,000 grant to UAF to support students in the dissertation-writing phase of their doctoral programs.

“The need for programs like this is vital across the United States, where there is significant under-representation of indigenous peoples on the faculties of colleges and universities, and UAF is no exception,” said Bryan Brayboy, president’s professor of education at UAF and one of the primary grant authors. Brayboy added that eradicating disparities like this benefits the entire state, as educational attainment is closely related to economic and political prosperity for Native peoples.

The gift, which will be supplemented by additional fundraising efforts and matching funds from UAF, will support the Dissertation Fellowship Program for Alaska Native Scholars and Others Committed to the Advancement of Indigenous Alaskan History and Culture. Over the next five years, the program will fund up to four competitive graduate fellowships, which will include a $30,000 stipend, and funds for research, travel, tuition and fees. The grant will also support professional development opportunities, mentoring activities and salary support for the program’s faculty members.

The first fellowship was recently awarded to Jordan Lewis, a UAF student pursuing a PhD in cross-cultural community psychology. His thesis, titled “Successful Aging Through the Eyes of Alaska Natives,” examines the health and well-being of Alaska Native elders in five Bristol Bay-area villages.

“With the different components to the fellowship—scholarship, travel and networking—the most exciting is the chance to network and collaborate with other fellows, and receive mentoring from professors. The chance to go to a professional conference, and get feedback on my dissertation, will also be important to get established in my field,” Lewis said.

The Andrew W. Mellon Foundation, a nonprofit corporation based in New York, was formed on June 30, 1969, through the consolidation of two existing foundations—the Avalon Foundation, which was established in 1940 by Andrew W. Mellon’s daughter, Ailsa Mellon Bruce, and the Old Dominion Foundation, which was established in 1941 by Mellon’s son, Paul Mellon.

At the end of 1969, the assets of the Foundation totaled $220 million. By the end of 2007, assets totaled $6.5 billion, with annual grantmaking appropriations of approximately $286 million. The Foundation currently makes grants in six core program areas, including higher education and scholarship, scholarly communications, research in information technology, museums and art conservation, performing arts, and conservation and the environment.
The global community is benefiting from millions of dollars of scientific research into Alaska’s marine ecosystems, made possible by a partnership between the Pollock Conservation Cooperative (PCC) and UAF’s School of Fisheries and Ocean Sciences. With gifts totaling more than $9 million over the past nine years, the PCC is one of the school’s largest private contributors.

Funding from the cooperative supports the Pollock Conservation Cooperative Research Center (PCCRC). Administered by the UAF School of Fisheries and Ocean Sciences, the PCCRC provides funding to UA scientists for research of North Pacific fisheries, marine mammals and coastal ecosystems, as well as for training and education on issues important to Alaska’s fisheries.

“We believe management of fishery resources should be based on sound scientific research. UAF has a remarkably effective program for both education and research on issues of critical importance for responsible fishery management,” said Jan Jacobs, director of government affairs for American Seafoods Company, which is a member of the PCC. “In a world where the marine environment seems to be changing faster all the time, accurately assessing such changes and understanding how to respond quickly is essential, not only for maintaining a healthy environment but for a healthy industry. In this way, we can increase the likelihood that fishery resources and the fishing community will remain sustainable for future generations.”

Most recently, the PCC awarded more than $500,000, which is being used to fund eight PCCRC projects on topics such as Alaska’s fish species, the tagging of Stellar sea lions, the Bering Sea’s marine food chain, and educational support for fisheries students. Among the researchers benefiting from the funding is Anthony Gharrett.

“The PCCRC has played a very important part in my research,” Gharrett said. “They have made it possible for us to develop markers that can be used to track chum salmon population movements effectively and inexpensively. Their support leveraged a much larger program than we could have conducted on our own. By supporting this and other studies, PCCRC continues to be an important advocate for conservation and sustainability of Alaska’s marine resources. Moreover, they are underwriting the training of tomorrow’s managers.”

The Pollock Conservation Cooperative Research Center continues to be an important advocate for conservation and sustainability of Alaska’s marine resources. Moreover, they are underwriting the training of tomorrow’s managers.”

ANTHONY GHARRETT  
UAF PROFESSOR, FISHERIES GENETICS AND AQUACULTURE

FUNDING RESEARCH FOR THE FUTURE

PCC Gives $9 Million for Fisheries & Conservation Research

The Pollock Conservation Cooperative (PCC) is a private-sector initiative, led by the Bering Sea pollock catcher/processor fleet, to further improve conservation and utilization of marine resources.

PCC member companies allocate among themselves the overall quota of pollock available to the catcher/processor sector, providing the opportunity to maximize food production, while minimizing the harvest of non-target species. Since its inception in 1999, the PCC has helped reduce over-capacity in the catcher/processor fleet and enabled participants to produce 50 percent more fish products on a per-pound basis.

The PCC is currently composed of seven members of the At-sea Processors Association, including Alaska Ocean Seafood, American Seafoods Company, Arctic Storm, Glacier Fish Company, Highland Light Seafoods, Starbound and Trident Seafoods.
WAYS OF GIVING

Your gift to the UA Foundation is more than just a donation. It’s a way to help students achieve their dreams. Enable Alaskans to attain a top-quality education – right here at home. Bring relevant academic programs to Alaska. Make the difference between a good university – and a great one.

Supporting UA can provide significant financial benefits to you, as well. If you itemize on your taxes, you may be able to claim a federal charitable tax deduction. And, if your company pays state taxes of any kind, you may be eligible for a tax credit of up to $150,000 annually.

There are numerous ways to give to UA, and you can direct your gift anywhere you choose – to a specific program, scholarship or UA campus. Or you can give an unrestricted gift, which allows UA to utilize your contribution in the area of greatest need.

YOUR PFD
For the first time in the state’s history, Alaskans can contribute to Alaska’s nonprofits through the Permanent Fund Charitable Contributions Program. Alaskans applying online will have the opportunity to designate either a portion or all of their dividends to nonprofits, including the 16 campuses of the University of Alaska. If you choose to benefit UA through the PFD program, please authorize the state to inform the UA Foundation of your gift, so we can appropriately acknowledge you.

CASH
You can make a cash gift, which includes checks and credit card payments, to the UA Foundation. These types of gifts may be made online, in person or through the mail.

STOCK
The UA Foundation accepts gifts of publicly-traded stock and, in some situations, closely held stock. This giving option may provide significant tax advantages, so be sure to talk with your accountant or financial adviser.

LIFE INSURANCE
By naming the UA Foundation as beneficiary to your life insurance policy, you can provide funds in the future. Or you can donate the entire policy to the Foundation and, in return, take a charitable deduction for the cash value of the policy. You may also be able to deduct any premium payments made to maintain the policy after the transfer.

REAL PROPERTY
Gifts of real property are very beneficial to the university, as they can be used for educational purposes or sold to support other programs. Plus, by gifting real property, you may be eligible for significant tax benefits. For example, you may be able to deduct the fair market value of the property from your federal income taxes – up to 30 percent of your adjusted gross income – and you can spread the deduction over a five-year period. This type of gift also frees you from property tax payments and allows you to avoid paying capital gains tax if you sell.

PERSONAL PROPERTY
The UA Foundation can accept gifts of personal property, including jewelry and art, if the item can be used to directly benefit the university or if it can be converted to liquid assets.

REQUESTS
Making a bequest in your will is another way to show support of the university. A bequest is a section of a will directing the executor of the estate to make a gift from the donor’s assets to a particular person or institution. Requests may be used to provide gifts of money, real estate, stocks or even art or jewelry. They may also be used to establish charitable trusts. As there is specific language that must be used when making a bequest, it is recommended you have an attorney either draft or review the wording before the will is signed. For examples of bequest wording, refer to page 21 or visit www.alaska.edu/foundation/ways_to_give/.

IRA ROLLOVER
Donors wishing to use IRA assets to make a gift to the UA Foundation will find something to cheer about in the $700 billion Emergency Economic Stabilization Act of 2008. The provision, which extends through December 2009, allows donors at least 70 ½ years old to transfer IRA assets directly to the UA Foundation without having to realize the distribution as income. The transfer may also be used to satisfy the IRA minimum annual distribution requirement. For more information call your campus development office or Scott Taylor at (907) 450-8030.

LEARN MORE
For additional information about ways of giving, please contact the UA Foundation or the Campus Development Office (see back cover).
SCHOLARSHIP RECIPIENTS 2007–2008

Through the generosity of our scholarship fund donors, generations of students will continue their quest for education and enlightenment in Alaska, ultimately strengthening our great state through their achievements and contributions.

Donald Richardsen
Walter S. Sakagak
Nicole Scott
Nicholas Sheldonbruger
Arthur Stars
Sharon Takak
Jared Tse
Soe Varriman
Dana Wasmann
Lori Wagner
Ted Wilkinson
Joshua White

Donald Bondarenko
Amelia Bondarenko

 attraverso la generosità dei donatori del nostro fondo di borse di studio, le generazioni di studenti continueranno il loro percorso di istruzione e illuminazione in Alaska, rafforzando la nostra grande terra attraverso i loro contributi e la loro eccellenza.
37

Robert J. Mitchell Memorial Scholarship
Michael Titus

Robert J. and Mary M. Mitchell Scholarship
Andrew Hartman

Brian E. Novkey Memorial Scholarship
Clôe Malveaux

Norton Miller Scholarship
Kerald Roberts

Allie Murphy / Black Awareness Student Union Scholarship
Atacoi Quinnis

ALMA J. MURPHY SCHOLARSHIP
The late Edith R. Bullock devoted her life to supporting UA and, this year, the 2008 Prize for excellence was awarded to Judith Kleinfeld – another woman who has demonstrated excellence in support of UA. It provides a $20,000 annual cash award – the largest single award made annually by the Foundation’s Board of Trustees. The 2008 Prize for Excellence was awarded to Judith Kleinfeld, a UAF psychology professor since 1969, two director of UAF’s Northern Studies program, and director of the national Boys Project.

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Chadie Johnson
Aaron Peters
Amie Peterson-Lewis
Michelle Quinton
Rebecca Smith
Myrah Stimson
Faith Tabb
Artie Vanderpool
Michelle Wilson

REGENTS’ SCHOLARSHIP
Summer Reggie
Sokunme Kejin
Olga Louki
Lucinda MacNeal

CLARENCE J. RHODE SCHOLARSHIP
Jonathan Rich

A. D. “AL” & MAXINE ROBERTSON MEMORIAL SCHOLARSHIP
Jenney Burenda
Jessica Davis

E. THOMAS & RAYE ANN ROBINSON SCHOLARSHIP
Crystal McGill

JACK & MARTINA RODERICK SCHOLARSHIP
Enakhtsetseg Gendendorj

PAT & CLIFF ROGERS NURSING SCHOLARSHIP
Leanna Criley

NATALIE BEACH SCHOLARSHIP
SCHOLARSHIP

W. S. SCHOLARSHIP

SCHOLARSHIP

STUART KELLY FAMILY SCHOLARSHIP

SCHOLARSHIP

AGNES S. SUNNELL MEMORIAL SCHOLARSHIP

SCHOLARSHIP

BETTY ROSS MATTISON SCHOLARSHIP

SCHOLARSHIP

SCHOLARSHIP

TODD R. WIGGLESWORTH SCHOLARSHIP

SCHOLARSHIP

HARRISON WRIGHT SCHOLARSHIP

SCHOLARSHIP

JIM STELMOCK MEMORIAL SCHOLARSHIP

SCHOLARSHIP

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SACKINGER GEOLOGICAL ENGINEERING SCHOLARSHIP

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NEW ENDOWMENTS ESTABLISHED IN FY08

Alpine Skiing Scholarship
James Hugh Anderson Endowment
Associated General Contractors (AGC)

TVC Construction Management Scholarship
Robert B. Atwood Chair of Journalism

Will Borgen Memorial Scholarship
Dr. Art Bawell Public Service Leadership Award

Ken and Olga Carson Memorial Scholarship
Alan B. Christopherson Engineering Scholarship

Frederick and Carol Eastaugh Scholarship

Excellence in Allied Health
Jan and Glenn Fredericks Scholarship
Tim Gail Memorial Scholarship

Leonard Hamilton Scholarship

George M. Hedla Endowment

Louise and George Hedla Accounting Scholarship

Mathew Iya Memorial Scholarship

Juneau Rotary Scholarship Endowment

Marshall L. and Lois A. Lind Scholarship

Hewitt V. Loomis Endowed Scholarship

Nordic Ski Trail Maintenance and Usage

Jean B. Schmitt Scholarship

Siemens Building Technologies BSE Scholarship

Women’s Volleyball Scholarship

Willard “Buck” Whitaker Memorial Scholarship

Richard & Sally Wien Endowed Scholarship

WE’RE IN! UA STATEWIDE STAFF AND ALUMNUS

DEMONSTRATE THEIR COMMITMENT

UA Employee Gives Back

In 2008, UA employees once again demonstrated their commitment to the university in a very tangible way. During the 2008 statewide employee fundraising campaign, 67 percent of UA staff and faculty made financial contributions to the university – by far outpacing the national faculty/staff giving average of 17 percent.

“The generosity speaks volumes about the character of University of Alaska employees, and is a remarkable representation of Alaska as a whole,” said Ryan Muspratt, who participated in his first statewide Staff campaign as the UA Foundation Accounting student Assistant.

In addition to being a UA student employee, Muspratt was also a UA alumnus, who graduated with a bachelor’s of business management in 2008. Muspratt said those scholarships motivated him “to stick with school and hockey, get good grades and graduate debt-free.”

Inspired by his own experiences, Muspratt wanted to provide the same opportunity to other UAF students and, in his senior year, he established the Dr. Cary Keller Scholarship Fund. The fund, named in honor of Dr. Keller of Sportsmedicine Fairbanks who has donated many hours of his time to helping UAF athletes, will provide scholarships to future UAF student-athletes. Two $1,000 scholarships will be awarded each year.

“Ryan is an excellent example of the cycle of generosity – an employee and an alumnus who has exhibited as much generosity toward his alma mater as it provided to him,” said Mary Rutherford, Foundation President.
DONOR BILL OF RIGHTS

Philanthropy is based on voluntary action for the common good. It is the tradition of giving and sharing that is primary to quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

I. To be informed of the organization’s mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purpose.

II. To be informed of the identity of those serving on the organization’s governing board and to expect the board to exercise prudent judgment in its stewardship responsibilities.

III. To have access to the organization’s most recent financial statements.

IV. To be assured their gifts will be used for the purposes for which they were given.

V. To receive appropriate acknowledgment and recognition.

VI. To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.

VII. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

VIII. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

IX. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share. (The University of Alaska Foundation does not share its mailing lists.)

X. To feel free to ask questions when making a donation, and to receive prompt, truthful and forthright answers.

The text of this statement in its entirety was developed by the American Association of Fund-Raising Counsel (AAFRC), Association for Healthcare Philanthropy (AHP), Council for Advancement and Support of Education (CASE), and the Association of Fundraising Professionals (AFP), and adopted in November 1993. The University of Alaska and the University of Alaska Foundation subscribe to the principles contained herein.
The Board of Trustees  
University of Alaska Foundation:

We have audited the accompanying statements of financial position of the University of Alaska Foundation as of June 30, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the University of Alaska Foundation’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the University of Alaska Foundation at June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

\[\text{The accompanying notes are an integral part of the financial statements.}\]

### Statements of Financial Position  
**June 30, 2008 and 2007**

#### Assets

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$904,340</td>
<td>$3,592,496</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>110,020</td>
<td>57,509</td>
</tr>
<tr>
<td>Short term investments</td>
<td>6,667,761</td>
<td>9,339,221</td>
</tr>
<tr>
<td>Contributions receivable, net</td>
<td>16,548,427</td>
<td>6,639,563</td>
</tr>
<tr>
<td>Escrows receivable</td>
<td>154,695</td>
<td>189,399</td>
</tr>
<tr>
<td>Inventory</td>
<td>77,311</td>
<td>77,363</td>
</tr>
<tr>
<td>Other assets</td>
<td>424,560</td>
<td>424,561</td>
</tr>
<tr>
<td>Pooled endowment funds</td>
<td>116,221,511</td>
<td>119,528,124</td>
</tr>
<tr>
<td>Other long term investments</td>
<td>38,171,670</td>
<td>29,365,174</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$179,280,295</strong></td>
<td><strong>$169,213,410</strong></td>
</tr>
</tbody>
</table>

#### Liabilities

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due to the University of Alaska</td>
<td>$2,033,256</td>
<td>$1,920,407</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>15,328</td>
<td>272</td>
</tr>
<tr>
<td>Remainder trust obligations</td>
<td>327,737</td>
<td>331,739</td>
</tr>
<tr>
<td>Term endowment liability</td>
<td>1,000,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>3,376,321</strong></td>
<td><strong>3,252,418</strong></td>
</tr>
</tbody>
</table>

#### Net Assets

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>41,378,777</td>
<td>43,757,289</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>81,280,653</td>
<td>71,759,108</td>
</tr>
<tr>
<td>Permanently restricted</td>
<td>53,244,544</td>
<td>50,444,595</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>175,903,974</strong></td>
<td><strong>165,960,992</strong></td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td><strong>$179,280,295</strong></td>
<td><strong>$169,213,410</strong></td>
</tr>
</tbody>
</table>

November 17, 2008
## STATEMENTS OF ACTIVITIES

For the years ended June 30, 2008 and 2007

### REVENUES, GAINS AND OTHER SUPPORT

<table>
<thead>
<tr>
<th>Description</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$29,131,372</td>
<td>$17,183,048</td>
</tr>
<tr>
<td>Investment income</td>
<td>$3,382,947</td>
<td>$17,183,048</td>
</tr>
<tr>
<td>Net realized and unrealized investment (losses) gains</td>
<td>$4,512,365</td>
<td>$17,183,048</td>
</tr>
<tr>
<td>Other revenues</td>
<td>$97,734</td>
<td>$125,785</td>
</tr>
<tr>
<td>Actuarial adjustment of remainder trust obligations</td>
<td>$1,500</td>
<td>$125,785</td>
</tr>
<tr>
<td>Losses on disposition of other assets</td>
<td>$25,651</td>
<td>$7,151</td>
</tr>
<tr>
<td>Administrative assessments</td>
<td>$215,004</td>
<td>$192,024</td>
</tr>
<tr>
<td>Support from University of Alaska</td>
<td>$857,774</td>
<td>$830,000</td>
</tr>
<tr>
<td>Net assets released from restriction</td>
<td>$11,744,234</td>
<td>$17,183,048</td>
</tr>
<tr>
<td><strong>Total revenues, gains and other support</strong></td>
<td>$27,355,013</td>
<td>$17,183,048</td>
</tr>
</tbody>
</table>

### EXPENSES AND DISTRIBUTIONS

<table>
<thead>
<tr>
<th>Description</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating expenses</td>
<td>$1,982,543</td>
<td>$1,620,368</td>
</tr>
<tr>
<td>Distributions for the benefit of the University of Alaska</td>
<td>$1,982,543</td>
<td>$1,620,368</td>
</tr>
<tr>
<td><strong>Total expenses and distributions</strong></td>
<td>$17,412,031</td>
<td>$17,130,871</td>
</tr>
<tr>
<td>Excess (deficit) of revenues over expenses</td>
<td>$6,279,725</td>
<td>$24,889,189</td>
</tr>
<tr>
<td>Transfers between net asset classes</td>
<td>$249,185</td>
<td>$17,183,048</td>
</tr>
<tr>
<td>Increase (decrease) in net assets</td>
<td>$6,528,910</td>
<td>$24,889,189</td>
</tr>
<tr>
<td>Net assets, beginning of year</td>
<td>$165,960,992</td>
<td>$165,960,992</td>
</tr>
<tr>
<td>Net assets, end of year</td>
<td>$175,903,974</td>
<td>$175,903,974</td>
</tr>
</tbody>
</table>

### NET ASSETS, BEGINNING AND END OF YEAR

<table>
<thead>
<tr>
<th>Description</th>
<th>2007</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unrestricted</strong></td>
<td>$43,757,289</td>
<td>$43,757,289</td>
</tr>
<tr>
<td><strong>Temporarily Restricted</strong></td>
<td>$71,759,108</td>
<td>$71,759,108</td>
</tr>
<tr>
<td><strong>Permanently Restricted</strong></td>
<td>$50,444,595</td>
<td>$50,444,595</td>
</tr>
</tbody>
</table>

---

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.**
## UNIVERSITY OF ALASKA FOUNDATION

### STATEMENTS OF CASH FLOWS

For the years ended June 30, 2008 and 2007

### CASH FLOWS FROM OPERATING ACTIVITIES:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions received</td>
<td>17,046,236</td>
<td>16,436,334</td>
</tr>
<tr>
<td>Investment income received</td>
<td>3,330,436</td>
<td>3,825,252</td>
</tr>
<tr>
<td>Distributions for the benefit of the University of Alaska</td>
<td>(15,397,251)</td>
<td>(15,234,167)</td>
</tr>
<tr>
<td>Cash paid for operating expenses</td>
<td>(1,583,488)</td>
<td>(1,321,274)</td>
</tr>
<tr>
<td>Other receipts</td>
<td>1,076,978</td>
<td>958,871</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td><strong>4,472,911</strong></td>
<td><strong>4,665,016</strong></td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM INVESTING ACTIVITIES:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net increase in investments</td>
<td>(9,004,088)</td>
<td>(7,653,323)</td>
</tr>
<tr>
<td>Receipts from disposition of assets</td>
<td>34,704</td>
<td>16,490</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td><strong>(8,969,384)</strong></td>
<td><strong>(7,496,833)</strong></td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM FINANCING ACTIVITIES:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions restricted for permanent investment</td>
<td>1,836,657</td>
<td>2,534,490</td>
</tr>
<tr>
<td>Investment income on charitable remainder trusts</td>
<td>34,358</td>
<td>40,634</td>
</tr>
<tr>
<td>Payment of charitable remainder trust obligations</td>
<td>(62,698)</td>
<td>(63,910)</td>
</tr>
<tr>
<td><strong>Net cash provided by financing activities</strong></td>
<td><strong>1,808,317</strong></td>
<td><strong>2,511,214</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>(2,688,156)</td>
<td>(460,603)</td>
</tr>
<tr>
<td>Cash and cash equivalents, beginning of year</td>
<td>3,592,496</td>
<td>4,053,099</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents, end of year</strong></td>
<td><strong>$ 904,340</strong></td>
<td><strong>$ 3,592,496</strong></td>
</tr>
</tbody>
</table>

### RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>$ 9,942,982</td>
<td>$ 24,889,189</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions of noncash assets</td>
<td>(104,370)</td>
<td>(465,577)</td>
</tr>
<tr>
<td>Net realized and unrealized investment (gains) losses</td>
<td>(6,202,126)</td>
<td>(17,183,048)</td>
</tr>
<tr>
<td>Loss on disposition of other assets</td>
<td>114,689</td>
<td>83,268</td>
</tr>
<tr>
<td>Non-cash operating expenses</td>
<td>3,384</td>
<td>4,786</td>
</tr>
<tr>
<td>Non-cash distributions to the University of Alaska</td>
<td>84,476</td>
<td>94,099</td>
</tr>
<tr>
<td>Contributions restricted for permanent investment</td>
<td>(1,836,657)</td>
<td>(2,534,490)</td>
</tr>
<tr>
<td>Actuarial adjustment of remainder trust obligations</td>
<td>13,004</td>
<td>8,651</td>
</tr>
<tr>
<td><strong>Change in net assets</strong></td>
<td><strong>(2,688,156)</strong></td>
<td><strong>(460,603)</strong></td>
</tr>
</tbody>
</table>

### Changes in assets and liabilities:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Increase) decrease in interest receivable</td>
<td>(52,511)</td>
<td>77,737</td>
</tr>
<tr>
<td>Increase in contributions receivable</td>
<td>(10,033,503)</td>
<td>(596,926)</td>
</tr>
<tr>
<td>Decrease in inventory</td>
<td>52</td>
<td>1,810</td>
</tr>
<tr>
<td>Increase in due to the University of Alaska</td>
<td>112,849</td>
<td>285,785</td>
</tr>
<tr>
<td>Increase (decrease) in other liabilities</td>
<td>15,056</td>
<td>(268)</td>
</tr>
<tr>
<td>Increase in annuity payment liabilities</td>
<td>11,334</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td><strong>$ 4,472,911</strong></td>
<td><strong>$ 4,665,016</strong></td>
</tr>
</tbody>
</table>

### NONCASH INVESTING ACTIVITY

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions of investment assets</td>
<td>$ 26,460</td>
<td>$ 355,995</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
NOTES TO FINANCIAL STATEMENTS
June 30, 2008 and 2007

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

The University of Alaska Foundation (foundation) was established May 30, 1974 to solicite donations and to hold and manage such assets for the exclusive benefit of the University of Alaska. The foundation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

In preparing the financial statements, management is required to make estimates that affect the reported amounts of assets and liabilities and discloses of contingent assets and liabilities as of the date of the statement of financial position and revenue and expenses for the period. Actual results could differ from those estimates. The more significant accounting and reporting policies and estimates applied in the preparation of the accompanying financial statements are discussed below.

BASIS OF PRESENTATION

These financial statements are prepared on the accrual basis of accounting and focus on the foundation’s resources and activities as a whole. Net assets and revenues, expenses, distributions, gains and losses are classified based on the existence or absence of donor-imposed or other external restrictions. Gains and losses on investments and other assets and changes in liabilities are reported as increases or decreases in unrestricted net assets, unless subject to donor-imposed or other external restrictions. Expirations of temporary restrictions on net assets through expenditure for the stipulated purpose or the passage of the stipulated time period are reported as reclassifications between the applicable classes of net assets. Expenses and distributions are reported as decreases in unrestricted net assets.

Net assets are reported as increases in unrestricted net assets, unless use of the earnings is subject to donor-imposed or other external restrictions. Gains and losses on investments and other assets and changes in liabilities are reported as increases or decreases in unrestricted net assets, unless subject to donor-imposed or other external restrictions. Expirations of temporary restrictions on net assets through expenditure for the stipulated purpose or the passage of the stipulated time period are reported as reclassifications between the applicable classes of net assets. Expenses and distributions are reported as decreases in unrestricted net assets.

BASIS OF ACCOUNTING

The foundation maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is a procedure by which resources are classified for accounting purposes in accordance with activities or objectives as specified by donors, with restrictions or limitations imposed by sources outside the institution, or with directions issued by the governing board.

All investments, not held for long-term investment, with original maturities of three months or less are reported as cash and cash equivalents.

Investments in fixed income and equity marketable securities are stated at fair value based on quoted market prices. Investments in private partnerships are recorded at cost, with adjustments based on historical cost. Real estate partnerships and funds are valued based on appraisals of properties held and conducted by third-party appraisers retained by the general partner or investment manager. General partners of marketable alternatives provide values based on quoted market prices and exchange rates for publicly held securities and valuation estimates of derivative instruments. General partners of oil and gas partnerships use third-party appraisers to value properties. Valuations provided by the general partners and investment managers are evaluated by management and management believes such values are reasonable at June 30, 2008. Other investments, which consist of equity collateralized debt obligations, are stated at cost. When, in the opinion of management, there has been a permanent impairment in the asset value, the asset is written down to its fair value. Income from other investments is recognized when received.

Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of net assets.

The foundation’s investments include securities with contractual cash flows such as asset-backed securities, collateralized mortgage obligations and commercial mortgage-backed securities. The value, liquidity and related income of these securities are sensitive to economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market’s perception of the issuers and changes in interest rates.

At June 30, 2008, the foundation had approximately $64.5 million in investments which were not readily marketable. These investments represent 39.9% of total investments and 36.7% of net assets at June 30, 2008. These investment instruments may contain elements of both credit and market risk. Such risks include, but are not limited to, limited liquidity, absence of regulatory oversight, dependence upon key individuals, and nonliquidation of portfolio composition. Because these investments are not readily marketable, their estimated value is subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed. Such difference could be material.

In September 2006, the FASB released Statement of Financial Accounting Standards No. 157 (“Fair Value Measurements”). FASB 157 establishes authoritative definitions of fair value, sets out a framework for measuring fair value, and requires additional disclosures about fair value measurements. The application of FASB 157 is required for fiscal years beginning after November 15, 2007. Management is currently evaluating the impact that the adoption of FASB 157 will have on the financial statements; however, management does not believe the adoption of FASB 157 will have a material impact on the amounts reported in the financial statements.

The net realized and unrealized appreciation (depreciation) in fair value of investments is reflected in the statement of activities. Income and gains on investment of endowment and similar funds are generally reported as increases in restricted net assets if the terms of the respective gift require that they be added to the principal of a permanent endowment; as increases in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income; or as increases in unrestricted net assets in all other cases. Losses on the investments of a donor-restricted endowment fund reduce temporarily restricted net assets to the extent that donor-imposed temporary restrictions on net appreciation of the fund have not been met before the loss occurs. Any remaining losses are classified as underwater endowment losses and reduce unrestricted net assets. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level are classified as increases in unrestricted net assets.

Noncash assets are stated at cost basis. The carrying value of donated assets other than marketable securities represents the fair value of the asset as determined by independent appraisal or management’s estimate at the time of receipt or contribution. Inventories of artworks and books for sale are stated at the lower of cost (first-in, first-out method) or market. Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions expected to be received one year or more in the future are discounted at a discount rate commensurate with the risks involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management’s judgment including such factors as prior collection history, type of contribution, and nature of fund-raising activity.

Contributions received for memorials or prospective endowments that have not yet met the minimum requirements for acceptance as an endowment are accumulated in temporarily restricted accounts. The accumulated contributions are transferred to permanently restricted endowment accounts when the minimum requirements are fulfilled. If the requirements are not fulfilled, consistent with the conditions of acceptance, the contributions are expended for the purpose received.

RECLASSIFICATIONS

Certain reclassifications have been made to prior period amounts in order to conform them to current period presentation.
2. CASH AND CASH EQUIVALENTS
Cash and cash equivalents include the following:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Items in transit, non interest bearing</td>
<td>$693,159</td>
<td>$3,274,068</td>
</tr>
<tr>
<td>Interest bearing funds</td>
<td>211,181</td>
<td>318,428</td>
</tr>
<tr>
<td>Total cash and cash equivalents</td>
<td>$904,340</td>
<td>$3,592,496</td>
</tr>
</tbody>
</table>

3. SHORT TERM INVESTMENTS
Short term investments include the following:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commonfund Short Term Fund</td>
<td>$6,666,919</td>
<td>$9,399,221</td>
</tr>
<tr>
<td>Donated marketable securities</td>
<td>842</td>
<td></td>
</tr>
<tr>
<td>Total short term investments</td>
<td>$6,667,761</td>
<td>$9,399,221</td>
</tr>
</tbody>
</table>

In prior years, the Short Term Fund had been classified as a cash and cash equivalent. However, $9.3 million in the Short Term Fund that had been previously classified as a cash and cash equivalent in the June 30, 2007 financial statements, has been classified as a short-term investment in those financial statements.

4. CONTRIBUTIONS RECEIVABLE
Unconditional promises to make contributions are included in the financial statements as contributions receivable and temporarily restricted revenue. Contributions receivable at June 30, 2008 and 2007 were recorded at the discounted present value of the future cash flows using a discount rate of 5% through June 30, 2002, 2.5% from July 1, 2002 through June 30, 2005, 5% from July 1, 2005 through June 30, 2007, and 5% after that date. Contributions receivable are expected to be realized in the following periods:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>In one year or less</td>
<td>$1,807,833</td>
<td>$5,411,864</td>
</tr>
<tr>
<td>Between one year and five years</td>
<td>12,153,762</td>
<td>1,211,528</td>
</tr>
<tr>
<td>More than five years</td>
<td>4,551,204</td>
<td>255,551</td>
</tr>
<tr>
<td>Total contributions receivable</td>
<td>18,512,849</td>
<td>6,838,923</td>
</tr>
<tr>
<td>Discount</td>
<td>(1,941,382)</td>
<td>(198,476)</td>
</tr>
<tr>
<td>Allowance for uncollectible accounts</td>
<td>(23,040)</td>
<td>(884)</td>
</tr>
<tr>
<td>Total contributions receivable before discount and allowance</td>
<td>$16,548,427</td>
<td>$6,639,567</td>
</tr>
</tbody>
</table>

Included in contributions receivable were $11 million and $4 million at June 30, 2008 and 2007, respectively, due pursuant to a charter agreement between certain oil companies and the State of Alaska. The agreement provides that annually, these oil companies will contribute assets to the foundation in exchange for the right to receive a fixed dollar or fixed percentage annual return. These fees have been included as reductions to investment income.

5. ESCROWS RECEIVABLE
Ownership of the net assets of the Consolidated Endowment Fund is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Alaska Foundation</td>
<td>$116,221,511</td>
<td>$119,528,124</td>
</tr>
<tr>
<td>University of Alaska</td>
<td>143,071,174</td>
<td>147,015,826</td>
</tr>
<tr>
<td>Total net assets of the Consolidated Endowment Fund</td>
<td>$259,292,685</td>
<td>$266,543,950</td>
</tr>
</tbody>
</table>

The calculation of the annual spending allowance is based on 4.5 percent of the five-year moving average of the December 31 market values of the endowment fund, not to exceed the unexpended accumulated earnings of the fund at December 31.

8. OTHER LONG TERM INVESTMENTS
Other long term investments include the following:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$84,632</td>
<td>$20,662</td>
</tr>
<tr>
<td>Fixed income securities</td>
<td>37,175,588</td>
<td>28,384,792</td>
</tr>
<tr>
<td>Equity securities</td>
<td>635,050</td>
<td>633,320</td>
</tr>
<tr>
<td>Real estate partnerships</td>
<td>276,400</td>
<td>326,400</td>
</tr>
<tr>
<td>Total other long term investments</td>
<td>$38,171,670</td>
<td>$28,384,792</td>
</tr>
</tbody>
</table>

Investment and management fees for other long term investments totaled $55,595 and $50,702 for the years ended June 30, 2008 and 2007, respectively. These fees have been included as reductions to investment income.

9. SPLIT INTEREST OBLIGATIONS
The fund uses a unitized system to account for each participant’s interest. Contributions to and withdrawals from the fund result in an increase or decrease in the number of units owned and are based on the unit value at the beginning of the month in which the contribution or withdrawal is made. Large additions to the fund are initially invested in cash and cash equivalents and dollar-cost-averaged into the investment pool over a ten month period. Investment income, fees and realized and unrealized gains and losses are distributed monthly to participating funds on a per unit basis. Investment income net of fees increases the number of units outstanding, while realized and unrealized gains and losses affect the per unit value.

The Consolidated Endowment Fund includes the following:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed income securities</td>
<td>$56,276,222</td>
<td>$48,999,438</td>
</tr>
<tr>
<td>Equity securities</td>
<td>114,187,940</td>
<td>130,682,669</td>
</tr>
<tr>
<td>Alternative investments</td>
<td>74,218,437</td>
<td>64,679,797</td>
</tr>
<tr>
<td>Real estate partnerships and investment trusts</td>
<td>12,811,410</td>
<td>12,521,293</td>
</tr>
<tr>
<td>Other investments</td>
<td>1,776,243</td>
<td>3,556,498</td>
</tr>
<tr>
<td>Other</td>
<td>22,433</td>
<td>104,245</td>
</tr>
<tr>
<td>Total investments</td>
<td>$259,292,685</td>
<td>$266,543,950</td>
</tr>
</tbody>
</table>

The fund has established charitable remainder trust and charitable gift annuity plans. These plans specify that donors may contribute assets to the foundation in exchange for the right to receive a fixed dollar or fixed percentage annual return. The difference between the amount of the gift and the present value of the liability for future payments, determined on an actuarial basis, is recognized as a contribution at the date of the gift. The split interest obligations are revoked annually and any resulting actuarial gain or loss is recorded as a change in net assets.

Power of the principal. The net assets and related activity for their respective investment in the fund are reflected in the financial statements of the foundation and the university.

Under a cooperative agreement with the University of Alaska, the net proceeds from the sale of gifted real estate by the university, unless otherwise specified by the donor or the university president, will be transferred to the foundation to be managed in accordance with the donor’s intent. Proceeds transferred to the foundation were $140,546 and $0 for the years ended June 30, 2008 and 2007, respectively.
10. TERM ENDOWMENT LIABILITY

In July 1997 the foundation accepted a term endowment. Earnings from the endowment are restricted for the maintenance of a student housing facility. The agreement with the donor requires the original principal of the endowment to remain inviolate until April 30, 2020 at which time the original principal and the unexpended earnings, if any, will be returned to the donor. The original principal of $1,000,000 is recorded as a liability at June 30, 2008 and 2007.

11. NET ASSETS

Unrestricted net assets consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available for current operations - amounts not designated by management for specific purposes or subject to donor-imposed restrictions</td>
<td>$4,015,677</td>
<td>$7,425,734</td>
</tr>
<tr>
<td>Designated for specific purposes - spendable earnings of quasi-endowment funds and amounts designated for specific purposes by management</td>
<td>14,297,109</td>
<td>12,298,314</td>
</tr>
<tr>
<td>Quasi endowments - corpus of board designated endowment funds</td>
<td>16,835,327</td>
<td>15,984,063</td>
</tr>
<tr>
<td>Underwater endowment losses - investment losses on donor restricted endowment funds in excess of net appreciation</td>
<td>(33,287)</td>
<td>-</td>
</tr>
<tr>
<td>Uncapped endowment earnings - accumulated earnings in excess of designated spending limits for quasi-endowment funds not subject to donor-imposed restrictions</td>
<td>6,263,951</td>
<td>8,049,178</td>
</tr>
<tr>
<td>Temporarily restricted net assets consisted of the following:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted for specific purposes - spendable earnings of endowment funds and other non-endowment net assets subject to donor-imposed restrictions</td>
<td>$40,625,015</td>
<td>$22,703,734</td>
</tr>
<tr>
<td>Unconditional promises to give - contributions receivable in future periods that are subject to donor imposed restrictions</td>
<td>4,130</td>
<td>4,024,720</td>
</tr>
<tr>
<td>Quasi endowments - corpus of funds subject to donor imposed restrictions designated by the board as endowment funds</td>
<td>9,678,080</td>
<td>6,952,040</td>
</tr>
<tr>
<td>Endowments - corpus of term funded endowments</td>
<td>3,660,440</td>
<td>3,660,440</td>
</tr>
<tr>
<td>Uncapped endowment earnings - accumulated earnings in excess of designated spending limits for endowment funds subject to donor-imposed restrictions</td>
<td>27,112,988</td>
<td>34,418,174</td>
</tr>
<tr>
<td>Permanently restricted net assets consisted of the following:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowments - corpus of endowment funds required by donor to be invested in perpetuity</td>
<td>$52,761,935</td>
<td>$49,955,050</td>
</tr>
<tr>
<td>Charitable remainder trusts - annuity trusts and unitrusts required by donor to be invested in perpetuity</td>
<td>482,609</td>
<td>489,545</td>
</tr>
<tr>
<td></td>
<td>$53,244,544</td>
<td>$50,444,595</td>
</tr>
</tbody>
</table>

12. NET ASSETS RELEASED FROM RESTRICTION

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose, collecting payment on unconditional promises to give or by occurrence of other events specified by donors.

13. DISTRIBUTIONS FOR THE BENEFIT OF THE UNIVERSITY OF ALASKA

Distributions for the benefit of the University of Alaska, by functional classification, for the years ended June 30, 2008 and 2007 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Alaska Anchorage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineering</td>
<td>$487,810</td>
<td>$520,298</td>
</tr>
<tr>
<td>General</td>
<td>2,799,176</td>
<td>3,520,363</td>
</tr>
<tr>
<td>Liberal arts, human and rural development</td>
<td>186,781</td>
<td>115,283</td>
</tr>
<tr>
<td>Library</td>
<td>90,318</td>
<td>13,946</td>
</tr>
<tr>
<td>Management/business administration</td>
<td>181,614</td>
<td>174,821</td>
</tr>
<tr>
<td>Museum</td>
<td>6,996</td>
<td>-</td>
</tr>
<tr>
<td>Natural sciences, agriculture and land resources</td>
<td>17,074</td>
<td>-</td>
</tr>
<tr>
<td>Research</td>
<td>192,079</td>
<td>82,883</td>
</tr>
<tr>
<td>Student aid</td>
<td>900,093</td>
<td>688,926</td>
</tr>
<tr>
<td></td>
<td>4,861,941</td>
<td>5,112,950</td>
</tr>
<tr>
<td>University of Alaska Fairbanks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineering</td>
<td>66,731</td>
<td>46,772</td>
</tr>
<tr>
<td>General</td>
<td>8,237,117</td>
<td>3,583,184</td>
</tr>
<tr>
<td>KUAC radio and television</td>
<td>628,426</td>
<td>842,092</td>
</tr>
<tr>
<td>Liberal arts, human and rural development</td>
<td>384,662</td>
<td>186,310</td>
</tr>
<tr>
<td>Library</td>
<td>174,482</td>
<td>150,267</td>
</tr>
<tr>
<td>Management/business administration</td>
<td>47,440</td>
<td>76,935</td>
</tr>
<tr>
<td>Museum</td>
<td>561,169</td>
<td>1,030,461</td>
</tr>
<tr>
<td>Natural sciences, agriculture and land resources</td>
<td>308,167</td>
<td>201,074</td>
</tr>
<tr>
<td>Research</td>
<td>508,493</td>
<td>777,849</td>
</tr>
<tr>
<td>Student aid</td>
<td>1,164,668</td>
<td>1,315,330</td>
</tr>
<tr>
<td></td>
<td>8,080,055</td>
<td>8,190,244</td>
</tr>
<tr>
<td>University of Alaska Southeast</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General</td>
<td>968,004</td>
<td>743,867</td>
</tr>
<tr>
<td>Liberal arts, human and rural development</td>
<td>4,876</td>
<td>4,539</td>
</tr>
<tr>
<td>Library</td>
<td>28,194</td>
<td>14,575</td>
</tr>
<tr>
<td>Management/business administration</td>
<td>2,665</td>
<td>-</td>
</tr>
<tr>
<td>Natural sciences, agriculture and land resources</td>
<td>668</td>
<td>3,499</td>
</tr>
<tr>
<td>Student aid</td>
<td>202,978</td>
<td>211,348</td>
</tr>
<tr>
<td></td>
<td>1,280,007</td>
<td>1,229,501</td>
</tr>
<tr>
<td></td>
<td>1,280,007</td>
<td>1,229,501</td>
</tr>
<tr>
<td></td>
<td>$15,429,488</td>
<td>$15,510,503</td>
</tr>
</tbody>
</table>
14. ASSETS HELD IN TRUST BY OTHERS
The University of Alaska is a beneficiary of The Bentley Beneficiaries Trust which is managed by an independent trustee. In accordance with University of Alaska policy, the university’s interest in this trust will accrue to the foundation. Distributions from the trust have been recorded by the foundation as unrestricted income during the period the distributions were received. Management’s estimate of fair value of the university’s undivided one-eighth (12.5%) interest in the trust at June 30, 2008 and 2007 is approximately $1.0 and $2.6 million, respectively.

The foundation is a remainder beneficiary of The Metcalf Family Trust which is managed by an independent trustee. Management’s estimate of fair value of the foundation’s undivided one-half (50%) interest in the trust was approximately $0.4 and $0.5 million at June 30, 2008 and 2007, respectively.

The University of Alaska is a remainder beneficiary of the Anthony John Nordale Trust and the Anthony John Nordale Reserve Trust. These trusts are managed by an independent trustee. In accordance with University of Alaska policy, the university’s interest in these trusts will accrue to the foundation. Management’s estimate of fair value of the university’s undivided one-half (50%) interest in the Anthony John Nordale Trust at June 30, 2008 and 2007 is approximately $0.3 and $0.4 million, respectively. Management’s estimate of fair value of the university’s undivided one-half (50%) interest in the Anthony John Nordale Reserve Trust at June 30, 2008 and 2007 is approximately $1.0 million and $1.1 million, respectively.

15. ADMINISTRATIVE ASSESSMENTS
Beginning July 1, 2006, the foundation charges assessments to cover administrative and fundraising expenses as follows.

Gifts – All cash gifts are assessed 1% of the gift value at the time of the gift. Noncash gifts are assessed 1% at the time of conversion to cash by the foundation, based on the proceeds received.

Endowments – 1% is assessed by the foundation annually based on the asset valuation at the end of the previous calendar year.

Land Grant Trust Fund Assets - .16% is assessed by the foundation annually based on the asset valuation of the university’s land grant trust fund assets invested by the foundation as of the end of the previous calendar year.

16. RELATED PARTY TRANSACTIONS
The University of Alaska provided payment to the foundation in the amount of $0.9 million and $0.8 million for institutional support during the years ended June 30, 2008 and 2007 respectively. The university also provides administrative and accounting support for the foundation. In an effort to become more self-sufficient, the foundation reimbursed the university $1.9 and $1.6 million for these services for the years ended June 30, 2008 and 2007, respectively. These reimbursements are included in the statements of activities as operating expenses.

17. SUBSEQUENT EVENTS
Effective September 29, 2008, Wachovia Bank, N.A., as Trustee of the Common Fund for Short Term Investments (the “Short Term Fund”) announced its decision to terminate and liquidate the Short Term Fund. No additional contributions to the Short Term Fund will be accepted. Under the liquidation plan, investors in the Short Term Fund will be allowed to withdraw balances based on their proportional interest in the Short Term Fund as assets mature or are sold.

The Foundation’s balance in the Short Term Fund was $10.6 and $10.4 million as of June 30, 2008 and October 29, 2008, respectively. As of October 29, 2008, approximately 14 percent of Short Term Fund assets were available for withdrawal. The value of the liquidation proceeds received by the foundation is not expected to vary significantly from the fair value carried on the fund’s books based on the current net asset value of the Short Term Fund. However, the realization of this value will depend upon market conditions including the liquidity of the Short Term Fund’s assets during the liquidation period.

Subsequent to June 30, the fair value of the Foundation’s investments had declined due to deterioration in market conditions. Further deterioration in the markets could more likely than not result in further declines.

The Foundation’s balance in the Short Term Fund was $10.6 and $10.4 million as of June 30, 2008 and October 29, 2008, respectively. As of October 29, 2008, approximately 14 percent of Short Term Fund assets were available for withdrawal. The value of the liquidation proceeds received by the foundation is not expected to vary significantly from the fair value carried on the fund’s books based on the current net asset value of the Short Term Fund. However, the realization of this value will depend upon market conditions including the liquidity of the Short Term Fund’s assets during the liquidation period.

Subsequent to June 30, the fair value of the Foundation’s investments had declined due to deterioration in market conditions. Further deterioration in the markets could more likely than not result in further declines.
The University of Alaska Foundation is a public nonprofit corporation, operated as a public charity, which was established in 1974 to solicit, manage and invest donations for the exclusive benefit of the University of Alaska. The Foundation is a tax-exempt organization as described in Subsection 501(c)(3) of the Internal Revenue Code. Donations made to the Foundation are deductible according to schedules established under income and estate tax regulations.

The Foundation is legally separate and distinct from the University of Alaska and is organized under its own Articles of Incorporation and Bylaws. It is governed by its own Board of Trustees, which establishes the Foundation’s investment policy, manages donated property and oversees the distribution of the Foundation’s assets to its sole beneficiary, the University of Alaska.