



Increases in Assets and Endowment

The University at Albany Foundation is the philanthropic arm of the University at Albany and plays a central role in fundraising, asset management and stewardship of assets. The Foundation is responsible



Photo: Mark McCarty

for recording, reporting, and managing gifts and grants, including investment and administration of both endowment and expendable funds.

After three disappointing years of investment decline, the stock market rebounded, and the Foundation's endowments and investment portfolio once again enjoyed positive returns as overall assets and endowment funds increased over last year.

The construction of the new \$45 million Gen*NY*Sis Center for Cancer Genomics on the east campus is a major addition to the Foundation's real estate portfolio and places its investment in the forefront of the University's biotechnology research. Several major improvements were also undertaken on the east campus to facilitate future development as part of a long-range master plan.

Gift Highlights

While overall assets and endowment funds increased in 2003-04, annual support remained about even. Major individual, corporate and foundation support did not reach prior-year levels.

Total gift commitments were \$4.35 million. Of that amount, annual giving, through both mail and phone solicitation, totaled \$1.36 million from 13,500 donors. Major individual contributions, together with grants from corporate, foundation, and other sources, added \$2.99 million. Of the major individual gifts received, 19 new endowments totaling more than \$437,000 were established; the Foundation also took the proceeds of bequests totaling \$170,000. Donors also committed more than \$300,000 in future support through bequest intentions and the Foundation's Charitable Gift Annuity Program.

Once again, several substantial contributions came from members of the Foundation's Board of Directors. One, a commitment of \$1 million, is designated for the Life Sciences Research Initiative. Two others — a \$250,000 pledge to upgrade the University's lacrosse field for Division I competition and a \$25,000 gift to the women's golf program — will boost UAlbany athletics.

Active and retired faculty members continue to support academic and research projects.

Distinguished Professor Edward B. Blanchard and his wife, Dr. Christina Blanchard, established the Edward B. Blanchard Fund for awards to doctoral students in clinical psychology; it will also underwrite colloquia in the field. Distinguished Teaching Professor Emeritus Margaret "Meg" Stewart, who established the University's Biodiversity, Conservation, and Policy Program, made an additional gift to the endowment that now carries her name.

While most corporate and foundation grants awarded for institutional research are managed by the SUNY Research Foundation, a select number are administered by The University at Albany Foundation. For example, a grant of \$100,000 from Pfizer, Inc., was directed to a priority project — the Life Sciences Research Initiative.



East Campus Developments

Throughout 2003-04, the 87-acre east campus remained one of the University's busiest and fastest-growing venues. It is home to a mix of more than 20 tenants, including private industry, academic researchers and government agencies. Among the largest tenants are Albany Molecular Research, Taconic Biotechnology, the Department of Environmental Conservation and the University's School of Public Health.

Construction continues on the Gen*NY*Sis Center for Excellence in Cancer Genomics (GCECG), with the steel superstructure and decking soon to be completed. When construction is completed in 2005, the 116,000-square foot facility will provide space for laboratories and offices. A \$22.5 million grant from New York State's Gen*NY*Sis Program covers a major portion of the \$45 million cost of construction of the facility. Borrowing and other sources combine to balance the total cost.

And major improvements are being undertaken on the east campus to facilitate future development as part of a long-range master plan. Roadway construction through the east campus will allow for expedited transit between routes 9 and 20 and Route 151, as well as through the campus. Water line and utility modifications and upgrades will provide efficiencies to existing facilities and will be necessary for further expansion.

Council for Economic Outreach: Assessing UAlbany's Economic Impact

The charge to the Foundation's Council for Economic Outreach is to promote business development in the Capital Region through the University, the corporate community, and government agencies. The council sponsors several programs throughout the year with key speakers focusing on major economic issues.

In a highlight presentation in April, John Egan, president of the Renaissance Corporation, focused his comments on "The Harriman Campus: Open for Business." Egan is leading the development of the campus into a world-class technology center.

The council also undertook a major project to assess the economic impact of the University on the region. Hugh Johnson, chief investment officer of First Albany



Architect's renderings show, above, an exterior view of the new building that will house the Gen*NY*Sis Center for Excellence in Cancer Genomics, and, at right, the building's lobby, with its Wall of Memory and Hope.



Companies, presented details of the 2004 Economic Impact Statement at a June breakfast sponsored by KeyBank and the Center for Economic Growth. The statement's key finding was that the University's annual economic impact in New York State was \$1.1 billion in 2004, a return of \$8.85 for every dollar provided by New York's taxpayers. KeyBank Regional President Thomas X. Geisel and Center for Economic Growth President Kelly A. Lovell oversaw the production of the report, which was a collaborative effort involving the Capital District Regional Planning Commission, the University at Albany's Division of Outreach, and the Office of Institutional Research.

The council, which sponsors an annual Excellence in Entrepreneurship Award, partnered this year with UAlbany's Alumni Association in making the presentation during the June Alumni Weekend. This year's recipient was Robert Lazar, president and CEO of the New York Business Development Corporation. The award recognized Lazar, a 1977 UAlbany graduate, for his achievements as a business and community leader.

Community Council

The Community Council will be sponsoring the Foundation's well-known Citizen Laureate Program once again in 2004-05. This highly regarded event was postponed last year to avoid a conflict with the formal launch of the University's Bold. Vision. campaign.

Fiduciary Management

Foundation assets grew to \$52 million and the investment portfolio stood at \$16.7 million by June 30, 2004. This increase is due, in part, to construction of the facility that will house the Gen*NY*Sis Center at the east campus. By June 30, endowed assets grew from \$14.1 million to \$15.8 million, and total return on invested assets was 8.54 percent.

Total Foundation revenue was \$19.3 million, including \$8 million in grants from the Gen*NY*Sis Program, while general and administrative expenses were \$677,000, or 3.5 percent. Philanthropic support totaled \$4.35 million, while fund-raising expenses were \$914,000, or 21 percent.

The Foundation maintains \$4.3 million in two trust-like funds comprised of gifts that provide life-income to the donor, with the proceeds committed to future educational use. The Foundation's Charitable Gift Annuity Program had in excess of \$3.8 million in assets, and the Pooled Income Fund, more than \$480,000.

The expense recovery fee structure approved by the Foundation Board effective July 1, 2003, was designed to equitably recover costs associated with receiving, recording, acknowledging and administering charitable gifts received by the Foundation. Additional modifications, including the elimination of cost-recovery fees on endowed gifts, were made during 2003-04 to further refine the fees. In addition, fees associated with annual fund contributions were reduced from 26 percent to 24 percent to minimize the differential among fees in different gift categories. In 2004-05, the annual endowment management fee will move to 1.95 percent.

In the fall of 2003, the Investment Subcommittee of the Finance Committee proposed a modification of investment policy following a yearlong consideration of active- vs. passive-style investing. With the endorsement of the Finance Committee, the Board of Directors authorized the withdrawal of managed equity funds and the reallocation of those funds, with 80 percent directed to an S&P 500 exchange-traded fund and the remaining 20 percent to two hedge funds. The fixed-income investment portfolio remained unchanged.

Endowment Performance Summary

Period	Total Return
1 year	8.54%
3 year	1.02%
5 year	0.42%
10 year	8.55%



The University at Albany Foundation Annual Report 2003-2004

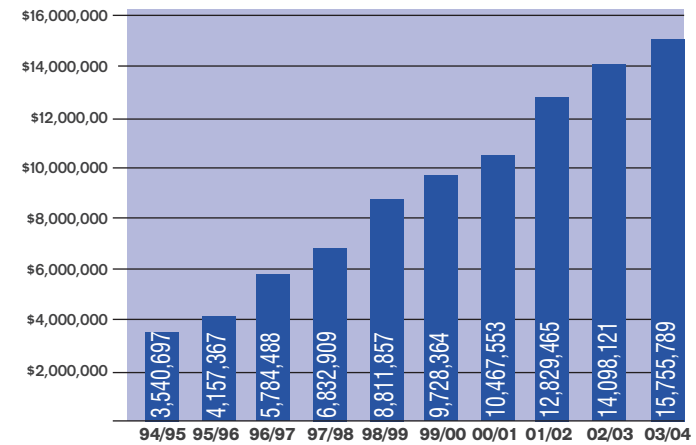
Balance Sheet June 30, 2004

ASSETS	
Cash & cash equivalents	\$2,114,373
Accounts receivable	735,080
Prepaid expenses & other current assets	211,285
Long-term investments	18,872,722
Assets limited as to use	3,512,871
Pledges receivable	1,069,409
Property, plant & equipment, net of accumulated depreciation	13,422,592
Construction in progress	11,583,058
Artwork & literary collections	1,228,288
TOTAL ASSETS	\$52,749,678
LIABILITIES AND NET ASSETS	
Accounts payable & accrued expenses	\$1,763,007
Construction loans payable	3,440,633
Construction costs payable	2,550,314
Discount for future interest	179,337
Long-term debt	5,756,107
Net assets	39,060,280
TOTAL LIABILITIES & NET ASSETS	\$52,749,678

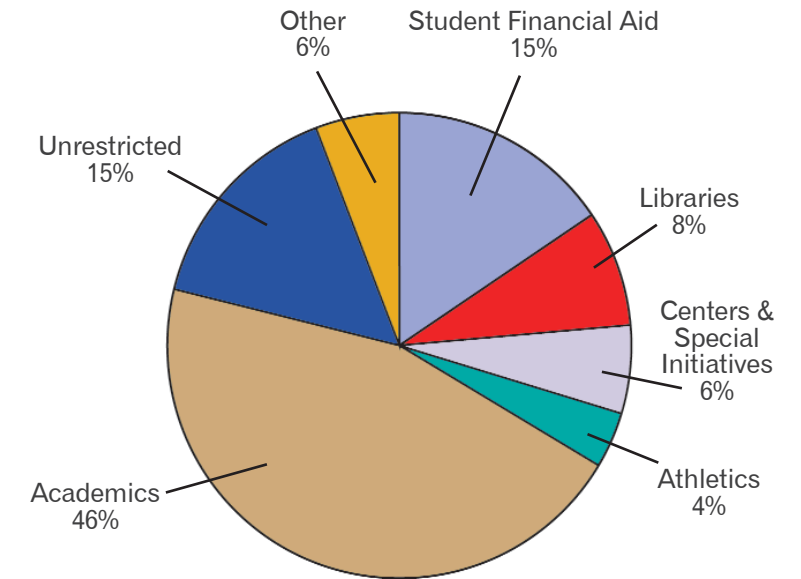


Photo: Peter Finger

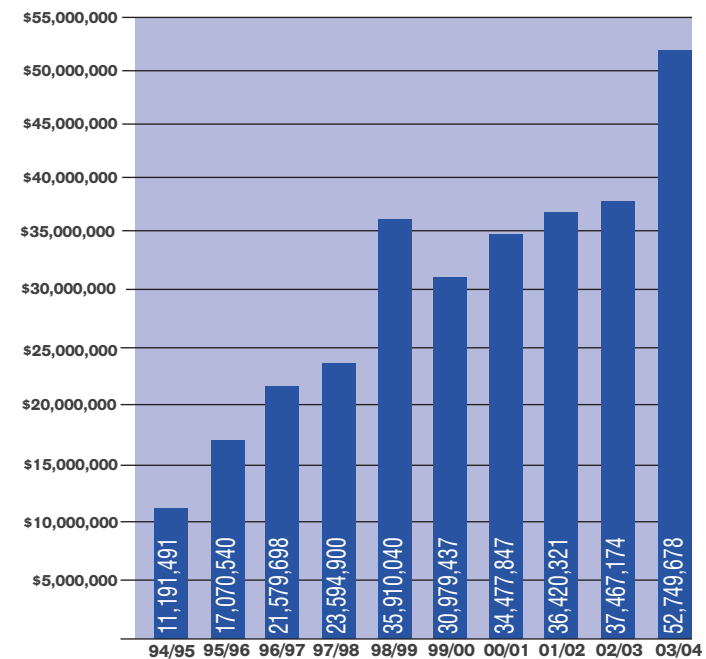
Endowment Funds



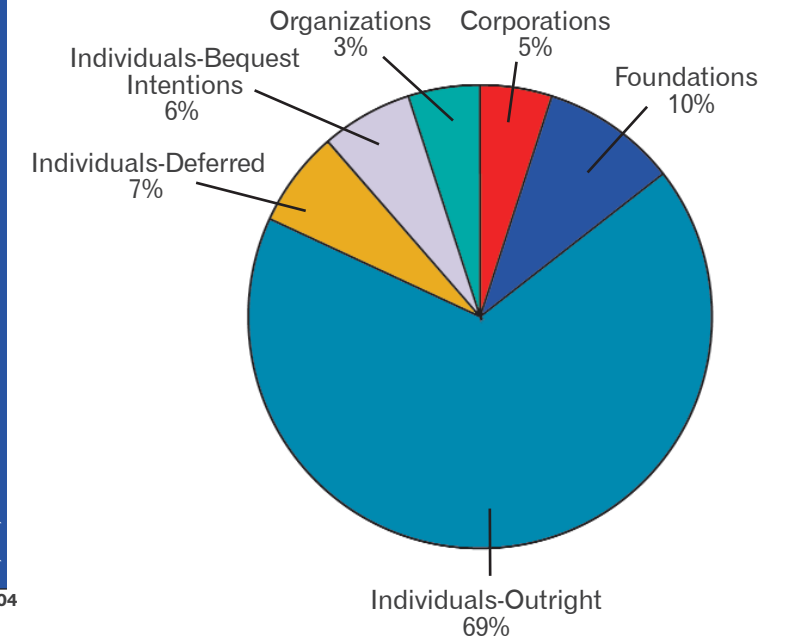
Private Support by Purpose



Total Assets



Private Support by Source



Statement of Activities June 30, 2004

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue:				
Contributions, gifts & grants	\$2,604,603	\$8,493,719	\$1,101,830	\$12,200,152
In kind services	749,476	-	-	749,476
Program activities revenue	155,565	396,678	-	552,243
Administrative fee income	353,866	-	-	353,866
Rental income	4,161,728	-	-	4,161,728
Investment income	369,685	433,505	508,250	1,311,440
Net assets released from restrictions	7,925,913	(7,925,913)	-	-
TOTAL SUPPORT & REVENUE	16,320,836	1,397,989	1,610,080	19,328,905
Expenses & equity transfers:				
Program services	2,568,553	-	-	2,568,553
Real estate	5,411,736	-	-	5,411,736
Fund-raising activities	913,858	-	-	913,858
General & administrative	676,693	-	-	676,693
Equipment transfers	1,099,252	-	-	1,099,252
TOTAL EXPENSES & EQUITY TRANSFERS	10,670,092	-	-	10,670,092
CHANGE IN NET ASSETS				
Net assets, beginning of year	9,902,123	7,741,052	12,758,292	30,401,467
Net assets, end of year	\$15,552,867	\$9,139,041	\$14,368,372	\$39,060,280



The University at Albany Foundation

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