Message from the Executive Director

“It was the best of times, it was the worst of times,” is a popular quote from Charles Dickens’ A Tale of Two Cities, and rightly characterizes the University of Nevada, Reno during 2009. The state economy, deeply wounded by the great recession, led to a precipitous decline in state support for the University. The University and foundation’s assets were hit hard by declines in the financial market, limiting our ability to support the work of our faculty and students.

During these worst of times, the University also saw some of its very best times. The foundation raised a record $40 million in 2009, including the completion of private funds match for public funds from the William N. Pennington Foundation for the Pennington Health Sciences Building, and generous support from the Donald W. Reynolds Foundation will provide for a substantial renovation of the Reynolds School of Journalism Building. Both of these gifts will change the way we teach our students in the early 21st century. The state and private philanthropic support that has come to the University during the boom years, for athletic and other educational facilities, will transform the campus. The great momentum we have gained will surely lead to some of the University’s best times ahead.

I am particularly grateful to our donors—alumni and friends—for your continued commitment and generosity. Thank you also to our outstanding faculty and staff for your work during these challenging times. Please accept my heartfelt thanks.

Sincerely,

John K. Carothers
Vice President for Development and Alumni Relations
Executive Director, University of Nevada, Reno Foundation
(775) 784-1352 or jcarothers@unr.edu
Message from the 2009 Chair
The hallmarks of a University of Nevada, Reno education—rigorous academics, exceptional faculty, deep and lasting friendships, plentiful leadership opportunities and a sense of duty to others—continue to define our University today. I was energized by the immense potential of Nevada students as scholars and humanitarians. What a privilege it was for me to have taken an active involvement in their academic interests and needs as the 2009 Chair. Whether they were returning to Nevada for another year, just beginning their undergraduate career or embarking upon a course of graduate or medical study, the nearly 17,000 students at Nevada joined generations of scholars, researchers, teachers and leaders in furthering Nevada’s mission and its legacy of academic excellence.

Your generosity, together with other alumni and friends, make possible the University of Nevada, Reno Foundation’s commitment to helping graduate students who will lead with both vision and values. Thank you for continuing to invest confidently in our future.

Sincerely,

Joseph S. Bradley ’78
2009 Chairman, Foundation Board of Trustees

Message from the 2010 Chair
As an alumna of the University of Nevada, Reno, my goal is for every student attending the University to have an outstanding education, experience rewarding personal development and be given the opportunity to have a positive impact in our state and around the world.

Regardless of individuals’ aims and circumstances, the foundation shares the common goal of preparing our students, to the best of their ability, for ethical, committed, useful and fulfilling lives. What they bring to this learning environment is beyond measure; what we hope to bring to them is the opportunity to contribute to the world from their own unique vantage point.

Now more than ever, the University’s future depends on the support of alumni, parents and friends to deliver a great educational experience to our students. We understand that your gifts to the University represent a sacrifice. We therefore seek to make the very best use of your gift, and to do all we can to preserve your trust in the University as an institution faithful to its academic mission.

Sincerely,

Sara Lafrance ’73
2010 Chairman, Foundation Board of Trustees
University of Nevada, Reno Foundation Board of Trustees

Although the University of Nevada, Reno is a state institution, it receives only part of its necessary funding from state appropriations. The University of Nevada, Reno Foundation was established in 1981 to help the University meet its needs beyond that base funding by generating private support. The foundation is governed by a volunteer board of trustees who can serve three consecutive two-year terms. Trustees are made up of University alumni and friends who provide counsel in strategic planning, education, fund-raising and other matters. The following members are serving for the 2010 calendar year:

2010 Executive Committee and Foundation Board of Trustees

Foundation Leadership

Sara Lafrance ’73  
Chair

Mark Knobel ’77  
Chair-Elect  
Avansino, Melarkey, Knobel, Mulligan, & McKenzie

Denise Cashman ’83  
Vice-Chair, Nominating  
Las Vegas Harley-Davidson

Kathy Garcia ’76  
Vice-Chair, Audit and Finance  
Kafoury, Armstrong and Co.

Tom Hall ’65  
Vice-Chair, Programs and Special Events  
Law Offices of Thomas J. Hall

Terry Oliver ’71  
Vice-Chair, Public Affairs and Advocacy  
Reno Lumber

Gerald C. Smith  
Vice-Chair, Planning and Governance  
Nell J. Redfield Foundation

Tom Willison  
Vice-Chair, Investment  
McKinley Capital Management, Inc.

Ron Zideck ’59  
Vice-Chair, Development  
Whittier Trust Company of Nevada

Kevin McArthur ’79  
Member-at-large  
CKM Resources, Inc.

Felicia O’Carroll ’76  
Member-at-large  
Kafoury, Armstrong & Co.

Board of Trustees Members

Deane Albright ’71  
Albright, Persing & Assocs. Ltd.

Ed Allison ’91  
Ed Allison, Inc.

Joseph S. Bradley ’78*  
Bradley, Drendel & Jeanney

Randy Brown ’89  
AT&T

Carol Franc Buck  
Carol Franc Buck Foundation

Catherine Farahi ’80

Steven S. Johnson ’77  
Edgewood Companies

Mike Klaich ’82  
Muckel Anderson CPAs

Paul Mathews ’87

Michael J. Melarkey ’72  
Avansino, Melarkey, Knobel, Mulligan, & McKenzie

Monte Miller ’70  
KeyState Corporate Management

Timothy Ortez  
Conrad N. Hilton Foundation

Chad Osorno  
Wells Fargo Bank

David J. Thompson ’72  
Barnard, Vogler and Co.

Patty Wade  
Wade Development Company, Inc.

Harvey Whittemore ’74  
Wingfield Nevada Group

Jane C. Witter ’74

John R. Worthington

* Ex-officio, Immediate Past Chair on Executive Committee
The foundation board recently welcomed seven new trustees whose terms began in 2010. Pictured from left to right: Deane Albright ’71 (accounting), Randy Brown CPA ’89 (accounting), Catherine Farahi ’80 (art), Carol Franc Buck, Felicia O’Carroll ’76 (accounting), Tim Ortez and Chad Osorno.
The University of Nevada, Reno Foundation is a separate nonprofit 501(c)(3) organization (TIN: 94-2781749). The foundation was incorporated in 1981 to provide a mechanism for private individuals, corporations and foundations to make charitable gifts, bequests and other deferred giving arrangements to support the University of Nevada, Reno. The foundation receives, invests and administers funds to benefit the University, while honoring the philanthropic intent of its generous donors. Such funds are made available to the University for general or specific academic purposes.

### University of Nevada, Reno Foundation

**Financial Statement June 30, 2009**

Statement of support and revenue, expenses and changes in fund net assets

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>Endowment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating support and revenue:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donor contributions</td>
<td>$340,143</td>
<td>$17,018,492</td>
<td>$0</td>
<td>$17,358,635</td>
</tr>
<tr>
<td>University support</td>
<td>$2,213,239</td>
<td>$0</td>
<td>$0</td>
<td>$2,213,239</td>
</tr>
<tr>
<td>Special events and other income</td>
<td>$179,442</td>
<td>$579,272</td>
<td>$0</td>
<td>$758,714</td>
</tr>
<tr>
<td><strong>Total operating support and revenue</strong></td>
<td>$2,732,824</td>
<td>$17,597,764</td>
<td>$0</td>
<td>$20,330,588</td>
</tr>
<tr>
<td><strong>Operating expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alumni programs</td>
<td>$294,188</td>
<td>$0</td>
<td>$0</td>
<td>$294,188</td>
</tr>
<tr>
<td>Capital projects</td>
<td>$0</td>
<td>$6,627,705</td>
<td>$0</td>
<td>$6,627,705</td>
</tr>
<tr>
<td>University programs</td>
<td>$66,090</td>
<td>$10,250,995</td>
<td>$0</td>
<td>$10,317,085</td>
</tr>
<tr>
<td>University scholarships</td>
<td>$0</td>
<td>$2,453,849</td>
<td>$0</td>
<td>$2,453,849</td>
</tr>
<tr>
<td><strong>Total Program expenses</strong></td>
<td>$360,278</td>
<td>$19,332,549</td>
<td>$0</td>
<td>$19,692,827</td>
</tr>
<tr>
<td>Administrative</td>
<td>$1,594,233</td>
<td>$0</td>
<td>$0</td>
<td>$1,594,233</td>
</tr>
<tr>
<td>Fundraising</td>
<td>$1,597,984</td>
<td>$0</td>
<td>$0</td>
<td>$1,597,984</td>
</tr>
<tr>
<td><strong>Total administrative and fundraising expenses</strong></td>
<td>$3,192,217</td>
<td>$0</td>
<td>$0</td>
<td>$3,192,217</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>$3,552,495</td>
<td>$19,332,549</td>
<td>$0</td>
<td>$22,885,044</td>
</tr>
<tr>
<td><strong>OPERATING INCOME (LOSS)</strong></td>
<td>($819,671)</td>
<td>($1,734,785)</td>
<td>$0</td>
<td>($2,554,456)</td>
</tr>
<tr>
<td><strong>INVESTMENT INCOME (LOSS)</strong></td>
<td>$1,421,809</td>
<td>($685,221)</td>
<td>($24,315,709)</td>
<td>($23,579,121)</td>
</tr>
<tr>
<td><strong>Additions to permanent and term endowments</strong></td>
<td>$0</td>
<td>$0</td>
<td>$6,190,141</td>
<td>$6,190,141</td>
</tr>
<tr>
<td>Transfers between funds</td>
<td>($1,332)</td>
<td>$4,302,994</td>
<td>($4,301,662)</td>
<td>$0</td>
</tr>
<tr>
<td><strong>NET CHANGE IN FUND NET ASSETS</strong></td>
<td>$600,806</td>
<td>$1,882,988</td>
<td>($22,427,230)</td>
<td>($19,943,436)</td>
</tr>
<tr>
<td>Fund net assets at beginning of year</td>
<td>$7,619,307</td>
<td>$35,605,611</td>
<td>$99,622,733</td>
<td>$142,847,651</td>
</tr>
<tr>
<td>Fund net assets at end of year</td>
<td>$8,220,113</td>
<td>$37,488,599</td>
<td>$77,195,503</td>
<td>$122,904,215</td>
</tr>
</tbody>
</table>

*The accounting firm of Grant Thornton LLP issued an unqualified opinion of the University of Nevada, Reno Foundation’s audited financial statement for fiscal year 2009.*
The University of Nevada, Reno Foundation endowment funds are responsibly managed by the Investment Committee of the foundation, a volunteer committee with expertise in financial management, which receives independent professional investment advice from Wilshire Consulting.

**2009 Foundation Endowment • June 30, 2009**

<table>
<thead>
<tr>
<th>University of Nevada, Reno Foundation Investment Performance Net of Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As of June 30, 2009</strong></td>
</tr>
<tr>
<td><strong>Foundation</strong></td>
</tr>
<tr>
<td>1 year return</td>
</tr>
<tr>
<td>3 year Average</td>
</tr>
<tr>
<td>5 year average</td>
</tr>
<tr>
<td>10 year average</td>
</tr>
</tbody>
</table>

**Endowment Management**

The University of Nevada, Reno Foundation endowment funds are responsibly managed by the Investment Committee of the foundation, a volunteer committee with expertise in financial management, which receives independent professional investment advice from Wilshire Consulting.

Though the foundation endowment reported negative returns for fiscal year 2009, a strategic diversified portfolio mix has positively assisted during these turbulent financial times. As of Dec. 31, 2009, the funds were invested at the ratio of 52.8% in equities, 30.06% in fixed income, and 17.14% in real estate and alternative investments. The goal of this allocation is to produce a return that meets spending obligations, maintains or increases the real value of the endowment, and protects against the effects of inflation.

The foundation investment policy is administered in accordance with the Uniform Management of Institutional Funds Act and can be found at the University’s website at: http://giving.unr.edu/foundation.aspx.
Giving for Calendar Year 2009
January 1, 2009 – December 31, 2009 • Includes gifts from all fund-raising entities of the University of Nevada, Reno.

Source of Gifts

- Alumni: $2,155,091.22
- Corporations/Organizations: $4,541,763.07
- Foundations: $25,911,627.86
- Faculty/Staff: $347,636.33
- Friends: $1,707,205.00
- Estates/Trusts: $5,278,877.20
- Other: $99,615.00

Total: $40,041,815.68

Designation of Gifts by Donor

- Buildings: $24,656,519.82
- Endowment: $8,302,303.57
- Programmatic Enhancements: $3,597,706.81
- Student Support: $3,109,483.28
- Centrally Administered: $375,802.20

Total: $40,041,815.68

Cash Gifts Received for Calendar Year 2009

- 2005: $23.2M
- 2006: $25.4M
- 2007: $30.6M
- 2008: $31.7M
- 2009: $40M

Yearly Comparison

- 2005: $23.2M
- 2006: $25.4M
- 2007: $30.6M
- 2008: $31.7M
- 2009: $40M
Expenses and Investment in Endowment for Fiscal Year 2009

July 1, 2008 – June 30, 2009 • The accounting firm of Grant Thornton LLP issued an unqualified opinion of the University of Nevada, Reno Foundation’s audited financial statements for fiscal year 2009.

Athletics 3,606,800.54 12.4%
College of Engineering 703,793.30 2.4%
College of Science 3,244,517.81 11.2%
College of Liberal Arts 668,960.88 2.3%
College of Education 441,356.27 1.5%
Health And Human Sciences 1,109,378.67 3.8%
Libraries 501,680.71 1.7%
College of Business 733,494.69 2.5%
Reynolds School of Journalism 943,768.39 3.3%
Cooperative Extension 126,521.31 0.4%
School of Medicine 1,803,977.40 6.2%
College of Agriculture, Biotechnology and Natural Resources 363,060.71 1.3%
General Scholarships 589,216.84 2.0%
Centrally Administered 8,048,516.48 27.7%
Total Use By Area 22,885,044.00
Investment in Permanent Endowment during Fiscal Year 2009 6,190,141.00 21.3%
Total 29,075,185.00 100.0%
The University of Nevada, Reno total endowment exceeded $185.6 million as of June 30, 2009. This endowment is comprised of the following three endowments: Nevada System of Higher Education (NSHE) endowment of $96.4 million (52%), the Athletic Association of the University of Nevada (AAUN) endowment of $4.7 million (2%) and the University of Nevada, Reno Foundation endowment of $84.5 million (46%). The University of Nevada, Reno Foundation endowment of $84.5 million includes the $75 million true endowment plus unrestricted endowment funds, quasi-endowment funds, funds held in trust and uninvested cash.

The University of Nevada, Reno has been fulfilling its promise to serve Nevada and the world as a land-grant institution since 1874. The knowledge, discoveries and technologies that are nurtured and created at Nevada in labs, classrooms and libraries improve the lives of people around the world.

Last fall, University enrollment was 16,862 enrollees. The average high school grade-point average for new, full-time freshmen entering the University this fall was 3.35.

This year, the University attracted eight new National Merit Scholars, bringing the total Merit Scholars to 25. Additionally, the University attracted close to 94 Presidential Scholars, who maintain a 3.5 GPA or better and have outstanding SAT and/or ACT scores. The Honors Program boasts nearly 500 students working toward degrees in fields that will impact Nevada’s future as a competitive state.