To: Dr. Roger Brown  
From: Thomas C. Griscom, Chair  
Subject: UC Foundation Annual Report for Fiscal Year 2012

August, 2012

The enhanced partnership between the UC Foundation, UT Foundation, and the University of Tennessee was an important accomplishment for 2012. Formal approval of our affiliation agreement and Bylaws changes will further support UTC’s strategic initiatives by providing for enhanced alumni engagement and strengthening of the fundraising organization to empower growth in private philanthropy. The UC Foundation focus is on improving academic excellence at UTC.

**Endowments, gifts, and finances**

UC Foundation funds include 35 professorships for UTC faculty and more than 230 different scholarship programs impacting more than 1,100 students in FY 2012.

Calendar 2011 gifts and pledges totaled $12,654,177, with gifts in the first six months of 2012 totaling $2,134,789. With the January 1, 2012 implementation of our joint affiliation, all private gifts now are deposited through the UC Foundation. The UC Foundation endowments remain separate from those of the University, and plan payouts from endowment funds have not changed.

Since 1969, more than $95 million has been provided to UTC. The fiscal year 2012 audit is underway, and UC Foundation assets totaled more than $100 million as of June 30, 2012.

**Residence Hall Project**

The UC Foundation continues to support UTC’s growth in student enrollment. Our subsidiary, Campus Development Foundation, Inc., owns the Probasco South Campus student housing complex which offered 1715 beds in FY 2012. In response to student demand, 22 beds will be added for FY 2013 to bring the total count to 1737. Fall 2011 occupancy was 99%, and occupancy of 100% is projected for Fall 2012. Spring 2012 occupancy was 96%.

Positive cash flow has been achieved through the careful operation of UTC’s Housing and Residence Life group in combination with a housing fee increase and sustained occupancy throughout the year.

**Investment Activity**

The UC Foundation investment portfolio is invested for long term capital appreciation with reduced volatility. The fund successfully outperformed market indices in both the downturn of 2008 and in the strong market rebound of 2009, which has supported solid long-term results. Returns over the past two years have challenged our endowment committee members to analyze and adjust fund managers in order to produce and maintain appropriate performance levels.

Questions regarding day-to-day operations of the UC Foundation should be directed to Pat Branam, the Interim Executive Director and Interim UTC Vice Chancellor for Development and Alumni Affairs at 423-425-4048 or pat-branam@utc.edu.

Additional information related to the UC Foundation can be found on the UTC website under www.utc.edu/Administration/Development/WhatWeDo.php and www.utc.edu/Administration/Development/WhoWeAre.php.