

Cianciotto.Melanie

From: jleedockery <jld007@cox.net>
Sent: Tuesday, February 04, 2020 10:26 AM
To: Barker, Craig
Cc: Rocznik, JP; Michael Dockery MD; Madhav Thambisetty; Gene Ryerson MD; Amy Porter; Cianciotto.Melanie; Dr. Carol Barnes; Luann Snyder; luann@embf.arizona.edu
Subject: Re: Investment Report

Dear Mr. Carter,

Thank you for completing the request for additional information regarding the budget and investment reports in advance of the final review of the 2019 Annual Report from the Evelyn F. McKnight Brain Institute at the University of Arizona at the trustees' meeting on February 5, 2020. The additional information will be very useful and the timely response is appreciated.

Lee

J. Lee Dockery, MD
Chair, Emeritus
McKnight Brain Research Foundation
352-377-5872; jld007@cox.net

Sent from my iPad

On Feb 4, 2020, at 9:59 AM, Barker, Craig <Craig.Barker@uafoundation.org> wrote:

Dear Dr. Dockery:

Thank you for your January 29th email to JP Rocznik on the Evelyn McKnight Brain Institute (EMBI) at the University of Arizona.

I apologize for the confusion caused by the report you recently received on the EMBI Endowment (account 40-10-4500). We have installed a new endowment software (Fundriver) as of July 1, 2019 which will allow us to provide you with an account statement that will be much clearer beginning with the fiscal year ending June 2020. However, with respect to the fiscal year ending June 2019:

1. The \$146,085 "Distribution to Spendable Account" should have been titled the "Endowment Payout distribution", and represents the 4% endowment payout earned on all gifts made to the endowment account through June 30, 2019.
2. The \$1,008,150 represents the \$1MM gift received from the McKnight Brain Research Foundation plus \$8,150 in gifts made by other donors during FY 2019.
3. The University of Arizona and the University of Arizona Foundation hereby confirm to the Trustees of the McKnight Brain Research Foundation that the University has fulfilled its commitment to the Trustees to provide the Payout to the EMBI as if the match had been completed. Please note that the commitment has been fulfilled by transferring Funds under the direction of UA Research, Innovation and Impact to a separate University account under the

direction of, and available for spending by, EMBI. Please further note that the transfer of funds in the amount of \$192,520 for the most current fiscal year is still in progress.

Best wishes,

Craig

Senior VP Financial Services/CIO/CFO
University of Arizona Foundation
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craig@uafoundation.org

Cianciotto.Melanie

From: J Lee Dockery <jld007@cox.net>
Sent: Wednesday, January 29, 2020 9:17 PM
To: 'Roczniak, JP'
Cc: 'Mike Dockery, MD'; 'Madhav Thambisetty'; 'Sue Pekarske'; 'Gene Ryerson'; 'Amy Porter'; Cianciotto.Melanie; 'Barnes, Carol A - (barnesca)'; luann@embi.arizona.edu; luannSnyder@nsma.arizona.edu
Subject: Investment Report
Attachments: UA Fdn Investment Report012.pdf; UA MBI budget page011.pdf

Dear JP,

It is hoped everything is well with you. The Trustees of the McKnight Brain Research Foundation (MBRF) still reflect upon the enjoyable visit the University of Arizona campus two years ago and treasure the portrait of "Old Main".

The trustees in preliminary review of the 2019 Annual Report of the Evelyn F. McKnight Brain Institute (EMBI) at the University of Arizona (UA) have some questions and have asked me to seek clarification of the information provided in the report.

Attached are copies of the Budget Page and the Investment Report from the 2019 Annual Report. On the budget page, it is noted only \$187,004 have been raised to meet the match of the funds from the gift from the MBRF.

On the Investment Report, although this does not represent the expected overall investment Report from the UA Foundation, the trustees request additional information regarding the display under the heading "Institute-Permanent Endowment".

Specifically, what does the \$146,085 transfer to "Distributions to Spendable Account" represent and what does the \$1,000,150 labeled as "Additional Contribution" represent? It is understood the UA's fiscal year begins October 1 and may represent the latest transfer by the MBRF as defined in the gift agreement. **The trustees are interested in the confirmation by the UA Foundation it has fulfilled the requirement to return the investment income to support the EMBI at the UA on an annual basis in an amount equal to the amount as if the match had been completed.**

In addition, it will be useful and beneficial for the trustees to know what plans are in place to meet the matching commitment by the UA to the MBRF for the gift established in 2014.

Technically the UA Foundations meets its commitments if the investment income on the unmatched portion of the gift is distributed annually.

The purpose of the gift and the match was that the corpus of the gift would grow over time and thereby increase the investment return in support of the research programs within the EMBI and its affiliated programs.

However, with only \$187,004 having been received to date, that vision is not being fulfilled. If you wish to discuss this issue personally, I will be happy to arrange a telephone appointment at a time convenient to you..

It will useful to the trustees if the information regarding the questions surrounding the budget and investment reports including the distribution of investment income could be received by the trustees in advance of the formal review of the Annual Report by the trustees on February 5, 2020.

Always, with warmest regards and best wishes,
Lee

J. Lee Dockery, MD
Chair, Emeritus
McKnight Brain Research Foundation
352-377-5872; lld007@cox.net

Budget update

Budget update and actual results – July 1, 2018 to June 30, 2019

Evelyn F. McKnight Brain Institute	Budget	Expenditures
Personnel	\$500,000	\$88,829
Operations	\$250,000	\$83,170
Total	\$750,000	\$171,998

Cowen Recruitment Account	Budget	Expenditures
Cowen Start-up	\$62,601	\$35,181

(a) Status of matching funds (to date)

	MBRF Gift	Match
10/1/14 – 9/30/15		\$62,254
10/1/15 – 9/30/16	\$1,000,000	\$54,000
10/1/16 – 9/30/17	\$1,000,000	\$ 2,500
10/1/17 – 9/30/18	\$1,000,000	\$50,200
10/1/18 – 9/30/19	\$1,000,000	\$ 8,050
10/1/19 – to date	\$1,000,000	\$10,000

(b) Project budget – July 1, 2019 – June 30, 2020

Evelyn F. McKnight Brain Institute	
Personnel	\$500,000
Operations	\$250,000
Total	\$750,000

Cowen Recruitment	
Cowen Recruitment/start-up	\$27,420

Investment report

July 1, 2018 – June 30, 2019

Endowed Chair

Summary for 12 months ending June 30, 2019

Account Name: Evelyn F. McKnight Chair for Learning and Memory in Aging

A. Beginning Balance on July 1, 2019	\$ 908,238
B. Investment Growth	\$ 24,387
C. Distributions (to Endowed Chair Expendable)	\$ (34,910)
D. Additional Contributions	\$ --
E. Ending Balance on June 30, 2019	\$ 897,715

Institute – Quasi Endowment

Summary for 12 months ending June 30, 2019

Account Name: Evelyn F. McKnight Brain Institute

A. Beginning Balance on July 1, 2018	\$ 1,798,901
B. Investment Growth	\$ (13,440)
C. Distributions (to Endowed Chair Expendable)	\$ (400,000)
D. Additional Contributions	\$ --
E. Ending Balance on June 30, 2019	\$ 1,385,461

Institute – Permanent Endowment

Summary for 12 months ending June 30, 2019

Account Name: Evelyn F. McKnight Brain Institute

A. Beginning Balance on July 1, 2018	\$ 2,985,854
B. Investment Growth	\$ 146,085
C. Distributions (UAF Development Fees)	\$ (420)
Distributions (to Expendable Account)	\$ (146,085)
D. Additional Contributions	\$ 1,008,150
E. Ending Balance on June 30, 2019	\$ 3,993,584

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