

LOOKING FORWARD
GIVING BACK



2011 Annual Report

THE UNITED STATES AIR FORCE ACADEMY

ENDOWMENT

Looking Forward, Giving Back



Dear Friends,

We know you agree—the Air Force Academy is a special place.

For many of us, the Academy is our alma mater—our professional launching pad, a right of passage into adult life and the source of many lifelong friendships. For parents, the Academy is a place that enlivens and hones the best qualities of our sons and daughters, refining their character. And for all of us, this institution is a national treasure that produces successive generations of leaders, prepared to serve the great causes of a free society.

So we are delighted to report to you that 2011 was a year of significant growth for the Endowment, and a record-setting year of supporting our beloved Academy. In fact, this past year marks the best fundraising year in our institution's history. In total, we raised over \$16.5 million from more than 6,200 donors to support the Academy, the Association of Graduates and our ongoing work at the Endowment.

We believe this is solid evidence that graduates, parents and friends of the Academy are increasingly committed to ensuring the institution has the resources it needs to offer a truly excellent educational experience. And it is further proof that as the list of Academy supporters continues to grow, so does the understanding that giving generously makes a difference.

This summer, we received a \$5.1 million commitment from Sanford "Sandy" McDonnell, his wife Priscilla, and other members of the McDonnell family, including Jim and John McDonnell, sons of the late founder of the McDonnell Air-

craft Company. The gift, one of the largest in service academy history, will be used to support the Academy's newest major fundraising effort, an expanded Center for Character and Leadership Development. This generous gift was motivated by an alignment of values: Sandy's lifelong commitment to character education, and the shared belief that the Academy will stand as a national focal point for character development in higher education.

The Center will be housed within a new "iconic" structure near Harmon Hall (see page 12 for architectural renderings). The building, funded by a unique partnering of both private donations and federal dollars, will pave the way for future joint-funding efforts for important Academy projects. Thanks to the visionary support of lead donors and more than a dozen classes, we have already exceeded our initial goals for private support. We will continue to expand our efforts in 2012, in order to further enhance the building and to enliven the Center with dynamic scholars and meaningful programs.

This year also marked a reintroduction of a vibrant planned giving program. Notably, we added more than \$4.3 million to our registry of anticipated estate gifts designated for a variety of Academy programs. In the years to come, our institution will benefit greatly as these commitments are received, leaving a lasting legacy from those who have thoughtfully provided for the Academy through their estates. By the end of 2011, more than 180 individuals had made such a commitment, and we hope many more will do so in the years to come.



In short, thanks to the visionary philanthropic support of so many, the Endowment exceeded its fundraising goals for 2011 by over 90 percent. More importantly, we were able to provide the Academy with private support for vital programs like the Martinson Academic Innovation program, the Crew System 2035 capstone design competition, cultural immersion, cadet clubs and many others.

Our success was not just marked by dollars and cents alone, but by meaningful engagement with the Academy community. In 2011, over 1,260 people chose to contribute a gift to the Academy for the first time. In support of this growing donor community, the Endowment hosted scores of events, many in conjunction with the AOG, to connect with and to recognize graduates, parents and friends.

Many also gathered in July as we dedicated the Holaday Athletic Center, a new 94,000 square foot indoor athletic training facility. The "HAC," as it is affectionately known, is the largest privately funded capital project in Academy history, and provides our student-athletes with a premier venue for year-round, all-weather training and competition. More than 700 donors, including four classes, contributed to this important effort.

All of these positive developments are also an indication of the important relationship between the Endowment and the AOG. In total, the Endowment provided over \$700,000 in funding to the AOG in 2011 to underwrite programs that support the graduate community, our parents, and our cadets. The AOG also provides the Endowment with expert communications and administrative support. So, in December, the

boards of both organizations voted unanimously to extend and strengthen the agreement between the organizations as we look forward together.

As we take a look back on a very good year, we once again acknowledge the tremendous leadership of the Endowment's board of directors; the outstanding leadership of Lieutenant General Mike Gould, our Superintendent, and his excellent staff; and Terry Storm, William "T" Thompson, and all of our colleagues at the Association of Graduates. Together, we look forward to a bright future for our Academy, one full of promise and continued distinction. Knowing that our collective efforts will continue to make our Academy a better place, we offer our sincerest thanks to each and every donor for what we will achieve together in 2012.

A. Bart Holaday '65
Chairman of the Board

General (Ret) Stephen R. Lorenz '73
President and CEO

Looking Forward, Giving Back

The Air Force Academy is a vital national treasure, distinguished by the selfless service and uncommon achievements of its graduates. From the first Class of 1959, to our newest members of the Long Blue Line, each successive generation of young men and women adds to the Academy's collective legacy of integrity, service and excellence.

Indeed, the Academy's success is calculated by the impressive accomplishments of its more than 45,000 graduates, and by their combined impact on our world. All around us, we observe the effects of principled leadership—in our schools, in business, and in government—and we see how Academy graduates are making a difference. The greatness of an institution is ultimately determined by its ability to transform lives.

“The greatness of an institution is ultimately determined by its ability to transform lives.”



Members of the Wings of Blue parachute team move into formation during free fall. After jumping from a plane traveling 80 miles per hour at 11,000 feet, they have less than 60 seconds to deploy their parachutes. The Air Force Academy parachute programs instill character and leadership traits in more than 700 cadets each year, who collectively complete 20,000 jumps annually.

Looking Forward

More than simply a repository of tradition or a distant memory of youthful camaraderie, the Academy is a living entity—one that is constantly evolving. Now, more than ever, the Academy must grow and transform, rising to the challenges of this time and of an increasingly complex world.

Unprecedented advancements in technology, accelerating cultural shifts and new threats from asymmetric powers shape the modern global landscape. Still, the Academy is **looking forward** with a spirit of great optimism, confident that it will meet these future challenges.

In the classroom, new partnerships are spurring academic innovation and attracting nationally recognized scholars. On the athletic fields, advancements in human performance and world-class facilities push our student-athletes beyond prior limits, enhancing both moral and physical development. And within the Cadet Wing, deeper understandings of the future of the military profession and of the discipline of intrapersonal leadership spur each individual's growth as airmen.

As one of the nation's most elite four-year colleges, the Academy is continuing to find new ways to inspire intellectual curiosity, to forge character and to instill virtue.

Through all of this, the Academy finds its foundational values unchanged—its permanent course fixed. Its singular mission, developing leaders of outstanding character for service to our nation, provides an unwavering reference as our institution drives boldly into its second half-century.



"As one of the nation's most elite four-year colleges, the Academy is continuing to find new ways to inspire intellectual curiosity, to forge character and to instill virtue."

Giving Back

This bright future for our Academy and our nation is not without cost. This future is established by our vision, assured by our collective commitment and galvanized by our resolve. As we know better than most—our future is defended by the very lives of our nation’s finest young men and women.

We know what it means to **give back**, and we must consider its implications for our Academy.

Like all great public institutions, federal and state funding is increasingly inadequate to keep pace with the requirements of a modern university. Our Academy now requires sustained private support in order to attract the best minds and to provide the best educational experience.

In recent years, this tradition of private support for our public institution has flourished. Over the past decade, graduates, parents and friends have donated more than \$100 million to support and enhance every aspect of cadet life at the Academy: character development, athletic competition, academic discovery and military education. This remarkable generosity has elevated the reputation of our institution and supports the Academy’s core mission of producing leaders of the highest caliber. As an institution with global reach, the Air Force Academy is uniquely positioned to leverage philanthropic support to help fulfill its mission of developing leaders of character for our nation.

In fact, private philanthropy has always been an integral part of the Air Force Academy’s landscape and culture. Many of our nationally recognized character programs, including the annual National Character and Leadership Symposium, receive significant support from donors. Private support also allows cadets to travel around the globe on cultural and language immersion programs, preparing our graduates to operate successfully on the world stage. The Holiday Athletic Center is the most recent example of the capital improvements made at the Academy with private support, along with the Visitor Center, Falcon Stadium, and the Eisenhower golf course.

Each year, thousands of graduates, friends and family members support the Academy through charitable contributions. This support is not intended to replace the government’s responsibility, but is used to create a “margin of excellence” that sets the Academy apart as the definitive institution for higher learning, leadership training, and character development.

In the future, the Academy will continue to depend on private support for key strategic initiatives and programs to maximize the “margin of excellence” for our cadets.



Looking Forward, Giving Back

In the coming years, the Endowment will continue to seek funding for an increasingly diverse number of Academy projects and needs, from infrastructure and capital projects like the new Center for Character and Leadership Development, to growing the Air Force Academy Fund to help meet the immediate discretionary needs of the institution.

The Academy is poised to grow in exciting new ways, inspiring new leaps forward. Now, more than ever, the nation's future is deeply intertwined with that of our Academy—an Academy future that will be increasingly enabled by both public and private support.

By **giving back** to the Academy, our cadets will always be able to **look forward** to a greater future—one defined by their commitment, their sacrifices, and their impact as leaders of character for our nation.



Impact of Giving: Capstone Engineering

As one of the world's most renowned innovators in aerospace and defense, Boeing has a long history of utilizing the top minds in the field. In 2010, the company approached a very unique group of designers to help forecast the future of flight. To solicit the latest ideas in advancing modern aircraft design, Boeing went back to the nation's most creative young minds—the cadets and midshipmen of the service academies.

Through a generous donation, Boeing sponsored the Crew System 2035 challenge at the Air Force Academy, West Point, and Annapolis. As part of a year-long design competition, teams from each of the academies designed the cockpit of a future seventh-generation fighter aircraft, from initial research and conceptual stages, all the way to a full-scale, testable mockup.

At the Air Force Academy, Crew System 2035 was implemented as a senior capstone project in the Department of Systems Engineering. A team of fifteen cadets was selected from 6 different majors and overseen by faculty members from the Departments of Behavioral Sciences and Leadership, and Systems and Aeronautical Engineering.

Projecting 25 years into the future, the Academy team members researched potential technologies that would most likely be used in a future cockpit, in addition to addressing the potential needs and challenges of the pilot. They then built their proposed cockpit from materials at hand, utilizing spandex fabric, monitors, rubber bands, coat hangers, and hot glue to convey their ideas. They envisioned an environment in which a pilot could remotely control a fleet of unmanned air and ground vehicles, transform the aircraft canopy into a laser beam shield, and instantaneously select and then fire upon a target with a verbal command.

The cockpit could also be personalized for each operator, including grips that would mold to a pilot's hands, and thin, repositionable touch screens.

In May 2011, the Air Force Academy seniors presented their final design to a panel of judges from Boeing, narrowly earning victory over their competitors. Dennis Muilenburg, President and CEO of Boeing Defense, Space and Security, praised the team's efforts while presenting the winners' trophy at the Air

Force Academy. "The key that led to your win was the end integration—how you brought the systems engineering together, how you put it in the pilot's context and then did the integration," he said. "When you think about yourselves and these future pilots, they're going to have the most advanced capabilities in the world. Lives will be saved and missions accomplished, built on some of the work that you've done."

Thirteen members of the Academy team were slated for pilot training after graduation, and while 2035 is still distant, they may end up sitting at the controls of the cockpit they designed.

Through the Endowment, Boeing will continue to fund this invaluable opportunity for Air Force cadets to work on real world challenges, which offers them unparalleled preparation for their future commissions. This ongoing partnership stands to have a positive impact for both Boeing and the Air Force Academy for years to come.

U.S. Air Force Academy Public Affairs and Boeing contributed to this article.



Dennis Muilenburg, President and CEO of Boeing Defense, Space and Security, evaluates the cadets' design.

“This Center is the right response at the right time to address the complex challenges facing our current generation of cadets as they prepare to lead in the modern profession of arms.”

*–Dr. Ervin J. Rokke '62,
Senior Scholar-in-Residence at
the Center for Character and
Leadership Development*





WE WILL NOT LIE, STEAL, OR CHEAT, NOR
TOLERATE AMONG US ANYONE WHO DOES

For the first time in Academy history, all of the elements of character and leadership development will be housed in a single comprehensive facility: the new Center for Character and Leadership Development. This iconic building will be constructed through both private and public funding, and is slated for groundbreaking in summer 2012.

The General James R. Risner Senior Military Scholar

Revolutionizing the Profession of Arms, Pioneering a New Era of Leadership

The Profession of Arms is in the midst of extraordinary transformation, reflecting the dramatic technological, social, ideological, and economic changes of the 21st century. Now more than ever, the Air Force Academy is being called upon to innovate and respond to these global shifts, and to prepare its next generation of leaders to contend with these new challenges.

Developing new approaches requires cutting-edge research into the nature of a rapidly changing military profession, into the qualities of character and leadership required to serve this profession, and into the most effective techniques for successfully instilling such qualities in our young cadets. The Air Force Academy is rising to these challenges by implementing an expansion of its Center for Character and Leadership Development.

In support of the Academy's efforts, the Endowment—through the generosity of the Perot Foundation and Mr. H. Ross Perot—has established the General James R. Risner Senior Military Scholar for the Center. This remarkable gift provides for a key component in the Center's strategy for advancing leading-edge thought on character and leadership: supporting the Risner Senior Military Scholar in actively advancing the Center's mission and objectives. The Risner Senior Military Scholar conducts vital research; advises senior Academy leadership on matters related to advancing the understanding, study and practice of the Profession of Arms; and participates in curriculum development, seminars and classroom activities throughout the cadets' character and leadership development experience.

As the current Risner Senior Military Scholar, Lieutenant General (Ret.) David Deptula shares his considerable experience in military operations, strategy, joint warfighting, and intelligence, surveillance and reconnaissance. He regularly delivers lectures and teaches cadets at the Academy, bringing his unique perspective as a scholar, strategist, and field operator to classes like "Joint Operations Strategy and ISR Analysis" and "Airpower for Combined Effects." He also participates in interactive sessions with cadets on how to balance mission accomplishment with interpersonal dynamics, identifying the characteristics critical to effective leadership, and exploring leadership by example.

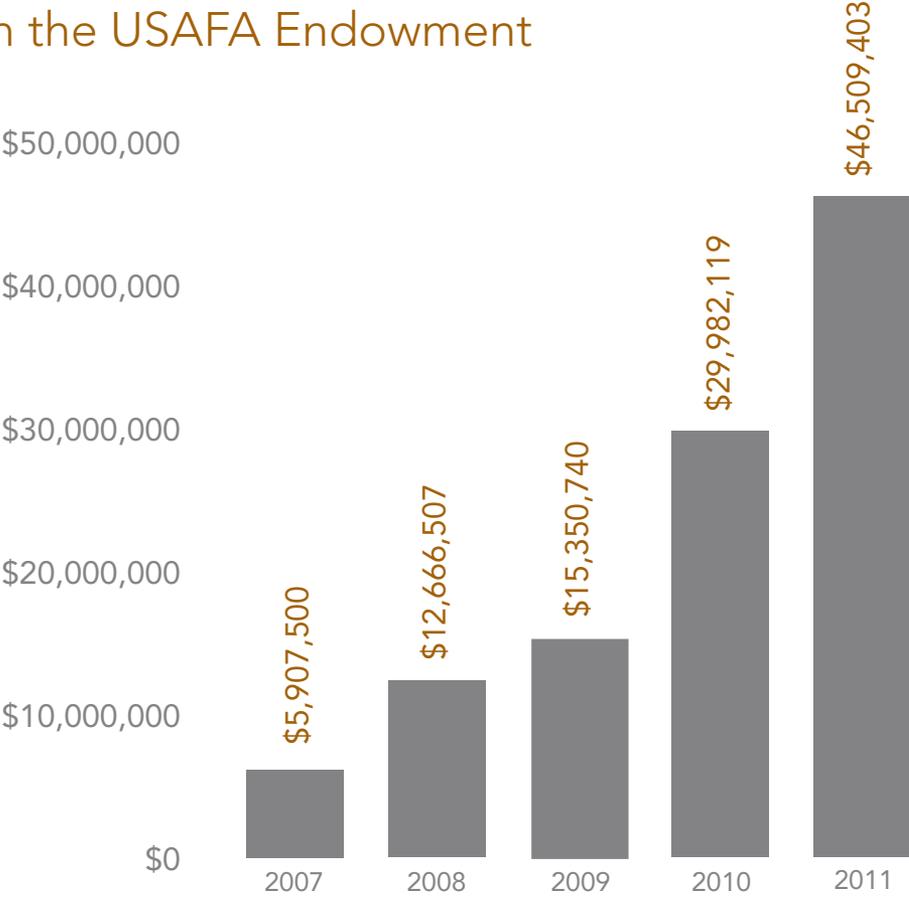
Academy faculty have credited General Deptula's efforts for inspiring a paradigm shift in many officers' views of the military profession, focusing on its dynamic nature and emphasizing effectiveness. Under the Risner Senior Military Scholar's guidance, the Center for Character and Leadership Development stands to become the intellectual and physical nexus for national character and leadership dialogue in the 21st century.



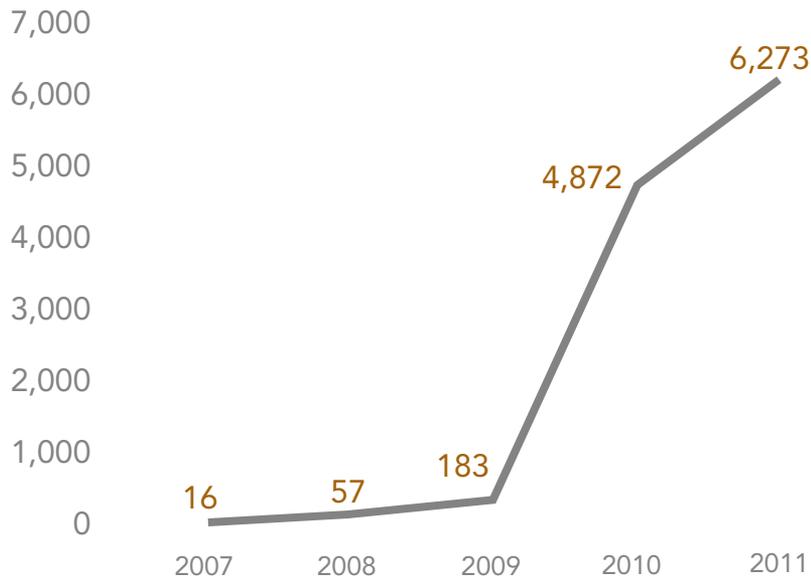
Giving by the Numbers



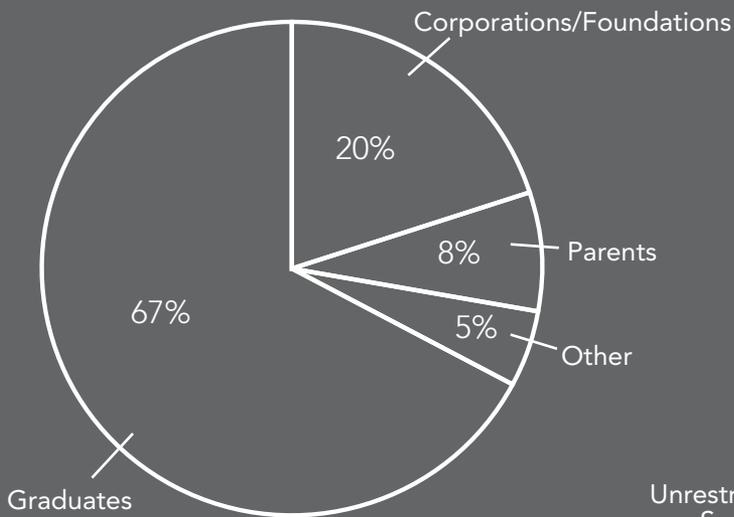
Cumulative Giving through the USAFA Endowment



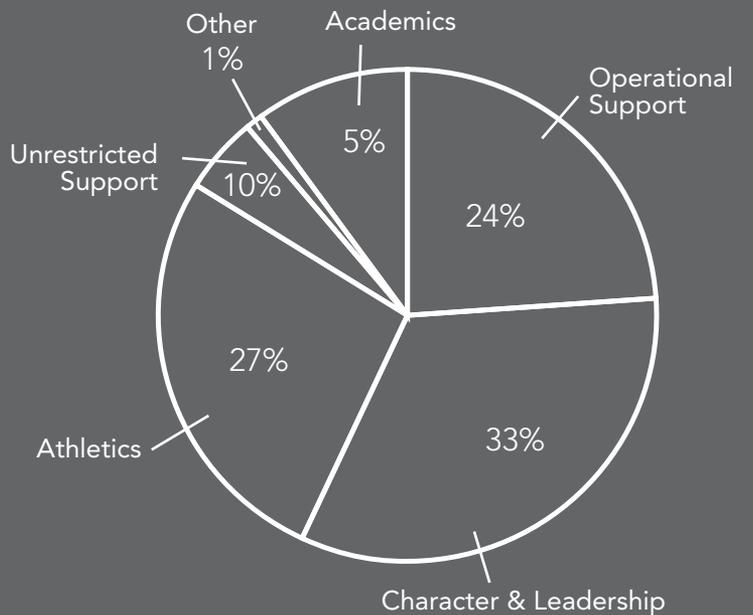
Total Donors to the Academy by Year through the USAFA Endowment



Cumulative Giving by Donor Type



Cumulative Giving by Charitable Purpose





*"Innovation in education is also vital ...
providing top quality learning experiences
to develop future leaders."*

–John Martinson '70

Impact of Giving: Investing in Innovation

As a venture capitalist, John Martinson, '70, devotes his business career to identifying, financing and guiding promising young companies. He is the founder and Managing Partner of Edison Venture Fund, which financed and guided 190 information technology companies on the East Coast.

In the nonprofit arena, John acts as an angel investor for educational programs, sponsoring initiatives at the K-12 and university levels. With his latest act of generosity, John brings his professional acumen back to the place that inspired him to achieve.

"By applying what I learned at the Academy, I earned multiple graduate degrees, developed many successful businesses, and most importantly, guided academic inventors," he says. "The Academy education formula builds lifelong success."

The Martinson Academic Innovation Fund supports the development of pedagogical innovations at the U.S. Air Force Academy, through a business incubator model. The fund enables the Dean of Faculty to encourage and mentor Academy educators. John and Eileen Martinson's capital is utilized to enhance cadet learning, support research, improve ongoing educational performance measures and expand implementation of successful instructional methodologies—all of which facilitate collaborative partnerships with other top institutions and place the Academy at the forefront of best practices.

"While innovation is the lifeblood of technology, innovation in education is also vital," John says. "Private sector methods can be applied at the Academy to enhance what it already does very well—providing top quality learning experiences to develop future leaders."

John and Eileen aim to align Academy and entrepreneurial values. "Air Force Academy cadets will enjoy multiple careers: in the military, in civilian life, in voluntary service and in charitable giving," he says. "These careers may span different lengths and develop under different circumstances. The Academy's core values apply throughout every graduate's lifetime. Cadets can set their goals considerably higher because of the strength of character, perseverance and clear thinking they developed at the Academy."

Brigadier General Dana Born, Dean of Faculty at the Academy, says, "John and Eileen's generosity has already produced tangible, positive impacts on the classroom experience for thousands of cadets. Our educators and students alike are empowered by the enriched learning activities sponsored through the Martinson Academic Innovation Fund. We are grateful for the Martinsons' commitment to our Academy."

John and Eileen envision generations of cadets dedicating themselves to serving their nation and communities, pushing themselves further than they might think possible, with confidence that the Academy has equipped them with the vital tools for success.

The Holaday Athletic Center

On July 22, 2011, over 500 people assembled inside the Holaday Athletic Center to celebrate an unprecedented milestone in private donor support at the Academy. Leaders from the Air Force, the Academy, and the graduate, donor, and local communities gathered from across the nation to witness the facility's dedication and ribbon cutting ceremony. Some of the guests in attendance had been on site exactly nine months and twenty-one days earlier, cheering on the groundbreaking for the six-and-a-half story, 94,000 square foot building.

The journey from the first shovel in the dirt to the completion of the largest privately funded capital project in the Academy's history may appear short and uncomplicated, but it is a testament to the generosity, leadership, and dedication of nearly 750 individuals who came together to meet a critical need for cadets at the Academy.

For years, Academy leadership had sought to find a way to accommodate the year-round athletic training schedule of over 4,400 cadets, allowing them to practice safely without the hindrance of limited space in the 43-year-old Cadet Field House or the hazards of high speed winds, thunderstorms, lightning and snow. The Endowment undertook a fundraising initiative for an indoor athletic training facility on behalf of the Academy, and received a bold response from the donor community.

Bart and Lynn Holaday, '65, stepped forward to commit a lead gift of \$5 million to the project—the largest gift from a graduate to the Academy in the institution's history. Then, a matching grant of \$5 million followed from the estate of Colonel Joseph and Dorothy Moller, two longstanding supporters of the Academy, and the Classes of '78 and '79 established class challenges to raise funds for the Center. Donations came in from graduates, family and friends of the Academy, surpassing the \$15.5 million cost of construction for the facility.

Now complete and housing a regulation-sized field for lacrosse, soccer and football, the Holaday Athletic Center is in constant use by cadets. 2011 marked the first year that no athletic practices at the Academy were delayed, cut short or canceled by severe weather conditions or facility overcrowding. The Center stands as a landmark in a new era of private philanthropy, the first of what will be many 100 percent donor-funded projects at the Academy.



THE HOLIDAY
ATHLETIC CENTER

1000 WEST BAY AVENUE, SUITE 1000

The Wings of Blue parachute team's gear waits in readiness. The Endowment, through the Wings of Blue Fund for Character and Leadership, enables donors to support the team in many ways. The fund provides for entry fees and travel for national competitions, advanced instruction, wind tunnel rental and equipment maintenance.



The Air Force Academy Fund

The Air Force Academy Fund is an annual, unrestricted fund that enables the Endowment and the Association of Graduates to fulfill their missions in support of the Academy.

Thanks to the broad support of graduates, parents and friends, 2011 was an extraordinary year. The total amount of commitments to the Air Force Academy Fund increased by 15 percent over the previous year, including a 19.5 percent increase in commitments from graduates. In addition, during 2011, over 1,000 donors gave a gift to the Air Force Academy Fund for the first time.

Looking ahead, the Endowment is focused on ensuring that this vital trend in unrestricted giving continues, especially those gifts at the prestigious Sabre Society level. As the Endowment looks to extend our impact, a commitment to making unrestricted gifts a cornerstone of Academy priorities, programs and services is essential. These gifts ensure that the valuable opportunities available to cadets at this elite institution will continue.

Specifically, gifts to the Air Force Academy Fund, including those at the Sabre Society level, enable the Endowment and the Association of Graduates to support the following areas below.

ACADEMY PRIORITIES

- Cadet Clubs and Intramurals
- Character Development Programs and Seminars
- Distinguished Speakers Series
- Engineering Programs
- Summer Internships with NASA, NATO and Congress
- The Unmanned Aerial Systems Program
- Military History Symposium
- The Center for Character and Leadership Development
- The Holaday Athletic Center

GRADUATE PROGRAMS AND SERVICES

- Chapter Programs
- Appointee Bed and Breakfast
- Career Services
- Class Ring Maintenance
- Class Legacy Program
- Checkpoints Magazine and ZoomiEnews
- Graduate Dependent Scholarships
- Inprocessing Support
- Next of Kin Support
- Parent Handbook and Web Support



The Guidon Society: Lifetime Giving to the Academy

The Guidon Society recognizes total lifetime commitments by donors of over \$100,000 through the USAFA Endowment and the Association of Graduates through December 31, 2011.

\$5,000,000+

Mr and Mrs A. Bart Holaday '65
The Dorothy D. and
Joseph A. Moller Foundation

\$2,500,000-\$4,999,999

Mr and Mrs John M. Fox '63
Dr and Mrs Paul G. Kaminski '64
Mr and Mrs Edward E. Legasey '67
Mr and Mrs John W. Martin, Jr '69
The James S. McDonnell Family Foundation
The George and Carol Olmsted Foundation

\$1,000,000-\$2,499,999

The Anna Keesling Ackerman Trust
Anonymous '79
The Boeing Company
The El Pomar Foundation
Mr and Mrs Max F. James '64
Mr and Mrs Jack N. Kucera '78
Lockheed Martin
Mr and Mrs John H. Martinson '70
Mr and Mrs Richard D. McConn '66
Mr and Mrs Sanford N. McDonnell
Mr Harry J. Pearce '64
Mr and Mrs Richard T. Schlosberg III '65
Mr and Mrs William H. Simpson '63
Mr and Mrs William E. Wecker '63
Mr and Mrs F. Keith Withycombe '66
Mr and Mrs Robert D. Yost '69
The Estate of Richard A. Yudkin

\$500,000-\$999,999

Jostens Inc.
Maj Gen (Ret) and Mrs William Lyon
Bank of America
The McDonnell Douglas Foundation
Mr and Mrs Charles E. Phillips, Jr '81
Mr and Mrs Gregg C. Popovich '70

\$250,000-\$499,999

Dr and Mrs Robert P. Barnes '67
Brig Gen (Ret) Mark G. Beesley '75
Mr Irwin I. Belk
Roshi and Mrs George W. Burch '59
Gen (Ret) and Mrs George L. Butler '61
Delta Air Lines
Col (Ret) John F. Disosway '70
Mr and Mrs Terrance M. Drabant '65
Electronic Data Systems (EDS)
The Falcon Foundation
Mr and Mrs Michael A. Gismondi '98
Maj Gen (Ret) and Mrs Edward R. Jayne II '66
Mr and Mrs Robert F. Kay, Sr
Mr J. Scott Kirby '89
Ms Nancy Kudla '80 and Mr Frank Kudla
Dr and Mrs P. Michael Leahy '71
Gen (Ret) and Mrs John Michael Loh '60
Mr Jerrold T. Lundquist '71
Mr and Mrs Paul S. Madera '78
Mr and Mrs Gilbert D. Mook '67
Mr and Mrs John R. Muse '73
Northrop Grumman

Mr Joe O’Gorman and
Mrs Gail Seidel-O’Gorman
Dr and Mrs Michael G. Parkinson ‘68
Mr and Mrs Terrence L. Petrzelka ‘70
Dr and Mrs Harvey W. Schiller
Mr and Mrs Daniel J. Schnepf ‘83
Ambassador and Mrs Craig Stapleton
Ms Holly Emrick Svetz ‘80
Col (Ret) and Mrs Gary W. West ‘63
The Zoltan and Addilee Tober Trust

\$100,000-\$249,999

Lt Col (Ret) and Mrs David L. Blisk ‘78
Mr Frank L. Brienzo ‘73
Mr and Mrs Howard H. Burkart II
Mr and Mrs Nathan T. Calhoun ‘89
Mr and Mrs Benjamin S. Catlin IV ‘73
Mr and Mrs Michael A. Chipman ‘69
Col (Ret) and Mrs Leslie G. Denend ‘63
Mr and Mrs William P. Dickey ‘64
Mr Edward Erath
Mr and Mrs Michael D. Freeborn ‘68
CW4 (Ret) and Mrs Frederick G. Funk
General Motors Corporation
Dr and Mrs Harold D. Gilbert
Dr and Mrs Kenneth C. Hancock ‘74
Mr and Mrs Roderick E. Hennek ‘75
International Business Machines (IBM)
Lt Col (Ret) David L. Jannetta ‘75
Lt Col (Ret) Arthur H. Johnson, Jr ‘63
RADM (Ret) John E. Kirkpatrick
Col (Ret) and Mrs H. M. Lambert ‘70
Maj Gen (Ret) and Mrs Eugene A. Lupia ‘67
Lt Col (Ret) and Mrs Ricky A. Mantei ‘76
Col (Ret) and Mrs Randy J. Martinez ‘77
The McGraw-Hill Companies
The Earle Nutter Irrevocable Trust
Mr and Mrs Terrence O’Donnell ‘66
Mr and Mrs David J. Phillips ‘59
Pratt & Whitney
Raytheon
Capt (Ret) Lawrence R. Robinson III ‘64
Brig Gen (Ret) and Mrs David H. Roe ‘62
Rolls Royce
Science Applications International Corporation (SAIC)
Dr and Mrs Alfred O. Steldt
Sun Microsystems Foundation
Mr Goodwin H. Taylor, Jr
United Services Automobile Association (USAA)
Dr John B. Wheelock ‘74 and Dr Margee Brennan
The Honorable and Mrs Michael W. Wynne





The Polaris Society

The Polaris Society recognizes the charitable spirit and commitment of generous donors who establish a planned gift for the future benefit of the United States Air Force Academy. The USAFA Endowment confers this status to those who have made a charitable bequest in their will or trust, or who have made a life income gift. The following persons are gratefully acknowledged as members of the Polaris Society through December 31, 2011:

POLARIS SOCIETY: CURRENT MEMBERS

Lt Col (Ret) and Mrs Dana C. Arbaugh '70
 Lt Col (Ret) and Mrs Richard W. Arnold '61
 Mr and Mrs Brian M. Barnes '75
 Capt (Ret) Alan L. Batts '86
 Lt Col (Ret) and Mrs Paul E. Bauer '74
 Mr and Mrs C. G. (Mike) Bender '59
 Mr Francis C. Bennett
 Mr Frank Bennett
 Dr and Mrs Raymond W. Bethel
 Lt Col (Ret) and Mrs Manuel J. Bettencourt, Jr '68
 Col (Ret) and Mrs Andrew W. Biancur '60
 Lt Col (Ret) and Mrs Michael I. Blair '66
 Col and Mrs Frank Borman
 Col (Ret) and Mrs Bowman '74
 Mr and Mrs Edward J. Brewer '86
 Roshi and Mrs George W. Burch '59
 Mr Stanley H. Burgess II '68
 Col (Ret) and Mrs Joseph G. Burke '70
 Lt Col (Ret) and Mrs Larry F. Bush '70
 Ms Sheryl Caudry and *Mr William L. Caudry*
 Mr and Mrs Richard A. Chanick '75
 Lt Col (Ret) Clyde S. Cherry, Jr '69
 Lt Col (Ret) and Mrs Camden A. Coberly II '64
 Lt Col (Ret) and Mrs Glenn H. Coleman '64
 Col Kimberly J. Corcoran '82
 Mr Willie J. Cosby III '75 and Mrs Cynthia Laird
 Ms Linda G. Cubero '80
 Lt Col (Ret) and Mrs Thomas L. Cunningham '67
 Lt Col (Ret) Lawrence A. Danforth '74 and Maj Rhoda Danforth
 Lt Col (Ret) and Mrs Charles S. Deaux '79
 Lt Col (Ret) and Mrs James D. Deaux '76
 Mr and Mrs Gus Demakus
 Mr Sheldon Dennis '81
 Mr and Mrs Terrance M. Drabant '65
 Lt Col (Ret) and Mrs Karl M. Dundore '77
 Lt Col Christopher R. Eden '94
 Mr and Mrs Maurice E. Edlund II '68
 Mr and Mrs Arthur D. Estavillo '86
 Lt Col (Ret) Matthew H. Feiertag '64
 Mr and Mrs Charles C. Flynn '73
 1st Lt Charles L. Francis '06
 Brig Gen (Ret) and Mrs Jesse C. Gatlin, Jr
 Mr and Mrs Robert J. Gemignani '69
 Lt Col (Ret) William P. Gerdemann '79
 Dr and Mrs Herman L. Gilster
 Lt Gen and Mrs Frank Gorenc '79
 Maj (Ret) and Mrs Jeffrey R. Gose '85
 Mr and Mrs Charles S. Gounard '84
 Maj (Ret) and Mrs Jeffrey B. Gowen '79
 Lt Col (Ret) and Mrs Timothy J. Graves '65
 Mr and Mrs William E. Green '68
 Lt Col (Ret) and Mrs David E. Griffin '59
 Brig Gen (Ret) John H. Grueser '71
 Lt Col (Ret) and Mrs Denis J. Haney '60
 Lt Col (Ret) and Mrs William M. Hembrough '68
 Mr and Mrs James A. Herrmann '72
 Mr and Mrs Roger L. Hill '70
 Brig Gen (Ret) and Mrs E. P. Hinman III '64
 Col (Ret) Henry D. Hoffman III '63
 Mr and Mrs Yumpyo Hong
 Lt Col (Ret) and Mrs Gary M. Horowitz '74
 Maj (Ret) Phyllip B. Huffman '74
 Col (Ret) and Mrs Mark A. Hyatt '74
 Capt (Ret) and Mrs Charles A. Jackson '69
 Col (Ret) and Mrs Robert M. Johnston '68
 Mr John D. Johnston
 Mr Mark W. Jurkowski '82
 Mr Frederick W. Kornahrens '80 and
 Mrs Kathleen U. Kornahrens '80
 Mrs Drenda Kudlac and *Milton P. Kudlac '69*
 Lt Col Guinevere R. Leeder '94 and
 Lt Col Jeff Leeder
 Mr and Mrs Edward E. Legasey '67
 Lt Col (Ret) Joseph P. Lepanto '81
 Col (Ret) Jeffrey A. Levy '64
 Col (Ret) and Mrs Olis L. Lewis, Jr '75
 Mr and Mrs Eldon R. Lindstrom '74
 Col (Ret) and Mrs Calvin R. Lott, Jr '76
 Col (Ret) and Mrs Darryl V. Lundgren '70
 Maj (Ret) and Mrs James D. Mahoney '75
 Mr James M. Maples, Jr '74
 Col and Mrs Brian J. Masterson '84
 Col (Ret) and Mrs Andrew Matarese '71
 Lt Col (Ret) and Mrs Frank D. Mayberry '60
 Mr and Mrs William W. Maywhort '68

Note: Names in italics indicate deceased

Dr Robert Mazet III '63
 Lt Col (Ret) and Mrs Charles W. McCausland '79
 Maj (Ret) and Mrs Larry G. McLaughlin '63
 Mrs Maryanna McNeel
 Maj Gen (Ret) and Mrs Edward J. Mechenbier '64
 Mr Jeffrey A. Mielke '80 and Ms Hillary Habeeb-Mielke
 Lt Col Eric L. Mikkelson '90
 Maj (Ret) and Mrs Jay D. Miller '63
 Mr and Mrs Lance J. Miller '71
 Col (Ret) and Mrs Roy P. Miller '67
 Col (Ret) and Mrs Edwin J. Montgomery, Jr '59
 Mr and Mrs Gilbert D. Mook '67
 Mr and Mrs John T. Moore '78
 Mr and Mrs William T. Morgan '65
 Col (Ret) and Mrs Bruce M. Mosier '60
 Lt Col (Ret) and Mrs Daniel J. Murphy '70
 Col (Ret) and Mrs James M. Murphy '66
 LCDR (Ret) and Mrs Donald N. Myers '80
 Mr and Mrs Bryan F. Myers '85
 Col (Ret) and Mrs Peter R. Nash '66
 Dr Brian W. Nelson '69 and Ms Elizabeth J. O'Reilly
 Maj (Ret) and Mrs Ralph D. Nevers '76
 Col and Mrs John F. Nichols '79
 Mr and Mrs Clark R. Nichols '70
 Dr and Mrs George C. Nield IV '72
 Mr and Mrs Bryan D. Nobs '94
 Mr and Mrs Chris O'Connor
 Mr and Mrs James F. O'Neil '59
 Mr and Mrs Robert P. Odenweller '60
 Col (Ret) and Mrs Jesse U. Overall IV '65
 Dr and Mrs Michael G. Parkinson '68
 Mrs Christine Pearce and *Mr Phil L. Pearce* '75
 Lt Col (Ret) Keith J. Pederzani '81 and
 Lt Col (Ret) Roseanna G. Pederzani '81
 SSGT Michael A. Penland
 Mr and Mrs Hugh C. Peteet '70
 Mr and Mrs David L. Pfeifle '67
 Mr and Mrs Thomas Pillari '69
 Mr and Mrs Terrell J. Powell '73
 Ms Ellen Powell
 Mr Omar S. Pradhan '99
 Col (Ret) and Mrs John M. Raby '65
 Mr Mark A. Richards '78
 Mr John G. Rivera '76 and Mrs Heather R. Ehrlich-Rivera
 1st Lt John J. Rolsen '04
 Lt Col (Ret) and Mrs Orlando Rosado '80
 Mr and Mrs Michael V. Ruggiero '77
 Maj (Ret) and Mrs Patrick C. Russell '68
 Col (Ret) and Mrs Van C. Sanders, Jr '65
 Lt Col Alfredo A. Sandoval '82 and Dr Patricia A. Sandoval
 Lt Col Reiner H. Schaeffer
 Mr Ronald L. Schillereff '66
 Mr William F. Schmidt
 Col (Ret) and Mrs Reed D. Schotanus '79
 Mr and Mrs George C. Schultz '71
 Lt Col and Mrs Kevin L. Sellers, '95
 Mr and Mrs Donald F. Shafer, Jr '70
 Brig Gen (Ret) Graham E. Shirley '66 and
 Mrs Deborah K. Long-Shirley
 Dr Mark L. Shope '75
 Col (Ret) James R. Shumate '79
 Mr Arthur C. Simms '71 and Mrs Sarah Cecil
 Mr and Mrs William J. Sims III '74
 Col (Ret) and Mrs Jerry T. Sink '78
 Col (Ret) and Mrs Dale O. Smith '70
 Mr and Mrs John H. Sprenkle '63
 Mr and Mrs Scott W. Steckel '84
 Mr and Mrs Scott Steinfort
 Dr and Mrs Brock T. Strom '59
 Lt Col (Ret) and Mrs John R. Susalla '79
 Mrs Holly E. Svetz '80 and Col (Ret) David Svetz
 Mr and Mrs Billy C. Swanson
 Mr and Mrs Mark S. Swigonski '78
 Mr and Mrs Thomas J. Talbot '79
 Col (Ret) and Mrs Lawrence S. Thal '67
 Mr and Mrs Dennis K. Thomas '70
 Mr William L. Thompson '73
 Col (Ret) and Mrs Stuart W. Thomson '68
 Mr and Mrs Patrick D. Tisdale, Jr '79
 Lt Col (Ret) Gary W. Titmas '65
 Lt Col (Ret) and Mrs Jon N. Torblaa '71
 Lt Col (Ret) and Mrs Benjamin H. Troemel, Jr '78
 Col (Ret) Robert W. Troy '69 and Mrs Marilyn Sander
 Mr and Mrs Curtis L. Turner '76
 Mr Lincoln N. Versteegen '84
 Mr Michael W. Verzola '72
 Lt Col Robert A. Waldman '90
 Lt Col (Ret) and Mrs Stephen H. Wallingford '74
 Mr James E. West '59 and Rev Carol A. West
 Mr and Mrs Jeffrey A. Wildonger '64
 Mr and Mrs F. Keith Withycombe '66
 Col (Ret) Edward R. Wolfe
 Mr Harry Wolff
 Lt Col (Ret) and Mrs Frank R. Wood '69
 Capt (Ret) Robin A. Wright '84
 Lt Col (Ret) and Mrs Roger G. Yauchzy '76
 Mr and Mrs Alan H. Young '74
 Lt Col William R. Young
 Maj (Ret) and Mrs William A. Yucuis '74
 Mr and Mrs Gerald A. Zionic '64

PLANNED GIFTS RECEIVED IN 2011

Mrs Dorothy F. Disosway and Gen Gabriel P. Disosway

Note: Names in italics indicate deceased



Financial Highlights

As reported in our audited financial statements, the Endowment has raised nearly \$47 million in support of the Air Force Academy since its inception only five years ago. Included in that amount is over \$16.5 million in pledges, gifts of cash and securities, and gifts-in-kind raised by the Endowment in 2011 to support Academy and graduate programs.

Most notably, in 2011, donors provided an additional \$9.1 million towards the construction of the new Center for Character and Leadership Development (the CCLD), bringing the Endowment's cumulative gift total to nearly \$13.3 million for the construction of the project, with additional class commitments underway. Additionally, in 2011, donors made gifts to athletic programs in excess of \$1.4 million, of which \$1 million was directed towards the construction of the Holaday Athletic Center, enabling the Endowment to meet its construction funding goals. The academic program at the Academy also benefited from private support in 2011, receiving total contributions of over \$1.1 million, to support initiatives such as the Martinson Academic Innovation Program, cultural immersion and international programs, and the Concours Jean-Pictet International Humanitarian Law Competition and the Law of Armed Conflict Competition, among others.

A significant portion of remaining gifts has been directed by donors for unrestricted support and to underwrite the Endowment's operations. In 2011, the Endowment raised over \$2.5 million in unrestricted support, including gifts to the Sabre Society, which were used to support the ongoing missions of the AOG and the Endowment, and to meet immediate critical needs of the Academy and cadets. Also, in 2011, donors made commitments totaling nearly \$700,000 to specifically support the Endowment's activities to raise major gifts. Additionally, new commitments to the Founding Director Fund, a primary source of the Endowment's operating funds, totaled nearly \$800,000 for the year and exceeded \$9.8 million cumulatively by the end of 2011 (since the Endowment's inception). In 2011, the Endowment's Board of Directors appropriated \$624,000 from the Founding Director Fund to be used in operations.

Remarkably, the Endowment's cost of fundraising remained below ten percent in 2011, meaning that for every dollar we spent last year to raise new contributions, we returned over ten times that amount in new gifts to support the Air Force Academy and our ongoing mission. We believe that the donors appreciate this level of efficiency, and support the "multiplying effect" that contributions directed towards operations have on the continuing success of the Academy. We continue to honor our donors' trust by carefully stewarding their investments in the Academy with the utmost efficiency and transparency.

Financial Summary

The following summary, prepared in accordance with generally accepted accounting principles (GAAP), reflects the fundraising, stewarding and disbursement activities of the Endowment by major fund category for the year ended December 31, 2011. The ending fund balances reflect the amount of funds that are available, or expected to be available, based upon previous gifts and existing commitments that will enable the Endowment to fund various Academy programs, along with AOG and Endowment operations:

Year Ended December 31, 2011	Beginning Fund Balances	Contributions and other Revenues	Investment Income (Loss)	Expenses and Gifts to USAFA	Ending Fund Balances
Funds Available for Operations:					
Founding Directors Fund (Temporarily Restricted)	\$ 8,239,306	\$ 751,498	\$ (141,271)	\$ (627,059)	\$ 8,222,475
USAFA Endowment Fund (Temporarily Restricted)	–	666,689	2,481	(127,024)	542,146
Unrestricted Funds	353,670	2,432,664	(775)	(1,422,282)	1,363,277
Totals For Funds Available for Operations	8,592,976	3,850,851	(139,565)	(2,176,365)	10,127,898
Program Service Funds (Temporarily Restricted):					
Academy Related Funds	66,420	374,197	4,558	(105,854)	339,320
Academic Programs	590,302	1,128,913	(7,206)	(345,182)	1,366,827
Athletic Funds (excluding Holaday Athletic Center)	418,290	369,779	(4,647)	(108,613)	674,808
Holaday Athletic Center Funds	–	1,035,219	(51,951)	(489,305)	493,963
Center for Character and Leadership Development (CCLD)	4,167,409	9,109,140	35,535	(60,721)	13,251,364
CCLD Programs	570,587	336,517	25,481	(260,850)	671,735
Other Class Gift Funds	322,864	272,024	2,711	(172,136)	425,464
Totals for Program Services Funds	6,135,873	12,625,789	4,481	(1,542,662)	17,223,479
Total All Funds	\$ 14,728,849	\$ 16,476,640	\$ (135,085)	\$ (3,719,027)	\$ 27,351,377



Financial Summary

The following information is summarized and excerpted from the Endowment's audited financial statements as of and for the years ended December 31, 2011 and 2010, which are available online at www.usafa.org:

Statement of Financial Position:	2011	2010
Cash and cash equivalents	\$ 2,275,261	\$ 6,721,586
Investments	8,207,774	4,357,437
Promises to give, net	17,246,039	12,368,419
Other assets	269,646	281,340
Total Assets	27,998,720	23,728,782
Accounts payable and accrued expenses	192,994	2,388,341
Gift commitments	454,349	6,611,592
Total Liabilities	647,343	8,999,933
Unrestricted net assets	1,363,277	353,670
Temporarily restricted net assets	25,988,100	14,375,179
Total Net Assets	\$ 27,351,377	\$ 14,728,849
Statement of Activities:	2011	2010
Contributions	\$ 16,478,417	\$ 14,575,525
Investment income (loss)	(135,085)	447,153
Other income (loss)	(1,777)	30,283
Total Revenues	16,341,555	15,052,961
Program services expense	1,559,104	11,731,517
Fund raising expense	1,611,199	1,257,899
General and administrative expense	548,724	493,529
Total Expenses	3,719,027	13,482,945
Change in Net Assets	\$ 12,622,528	\$ 1,570,016

USAFA Endowment Board of Directors

A. Bart Holaday '65, Chairman
Gen (Ret) Stephen R. Lorenz '73, President and CEO
Terrance M. Drabant '65, Vice Chairman
William E. Wecker '63, Treasurer
William W. Maywhort '68, Secretary
Dr Robert P. Barnes '67
Brig Gen (Ret) Mark G. Beesley '75
George W. Burch '59
Nancy Burns
Gen (Ret) Ralph E. Eberhart '68
Col (Ret) Michael P. Erdle '76
John M. Fox '63
Timothy J. Fyda '79
Michael A. Gismondi '98
The Honorable Frederick D. Gregory '64
Max F. James '64
Maj Gen (Ret) Edward R. Jayne II '66
Dr Paul G. Kaminski '64
J. Scott Kirby '89
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Dr P. Michael Leahy '71
Edward E. Legasey '67
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Charles E. Phillips, Jr '81
Gregg C. Popovich '70
Dr Ervin J. Rokke '62
Gen (Ret) Michael E. Ryan '65
Richard T. Schlosberg III '65
Daniel J. Schnepf '83
Col (Ret) James A. Shaw '67
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F. Keith Withycombe '66
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Gen (Ret) Ronald W. Yates '60
R. David Yost '69

THE UNITED STATES AIR FORCE ACADEMY

ENDOWMENT

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