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# ANNUAL REPORT

# 2010

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**61 YEARS OF PARTNERSHIP**  
**STUDENTS • UNIVERSITY • INDUSTRY**



Cover Photograph - Dr. Joseph M. Genco, University of Maine Professor of Chemical Engineering; Louis G. Calder Professor in Pulp and Paper Technology and first recipient of the Foundation's Joseph M. Genco award for pulp and paper industry support. *(Photo by Mike Healy)*



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## REPORT OF THE CHAIRMAN AND PRESIDENT

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In 2010 we continued to focus on assuring that we have a pipeline full of engineering graduates ready for employment in the paper industry. Applications for our scholarship remain at healthy levels, and applications for our Consider Engineering Program are at record levels. Feedback from students and parents continues to be very positive. In 2010 more than 65% of our graduates became employees of the pulp and paper industry or industry suppliers

We also focused on reducing costs by bidding out our annual audit, and bringing accounting in house. As a result of both of these actions we have reduced overhead by the equivalent of 4 scholarships. Also in 2010 the percent of our spend that is scholarships and graduate student support reached record levels at \$787,584, or 64% of our total spend. Another \$66,970 went to support the Department of Chemical and Biological Engineering.

Paper Days 2010 was once again vibrant with an outstanding keynote presentation by Sappi President and CEO Mark Gardner.

During the Board meeting at Paper Days we supported the College of Engineering with a resolution signed by all Board members to request no cuts to the College. It appears that our support was helpful, and that the College will face cuts that are manageable, allowing continued support of engineering graduates for our industry.

The Foundation web site continues to be a success, with more and more relevant information available. We initiated a counter in late 2010 and we are seeing about 1500 hits per month. We are also pleased with the vibrancy of our committees. We are routinely getting requests from industry representatives to see how they can help. If you are interested in becoming a member of a committee please contact Jack at 207-581-2298.

Our investments showed a return of 10.57% in 2010. We are still being held back by losses in the Commercial Real Estate fund offered by Commonfund. The investment management Committee continues to keep a close eye on our investments, with a long term view.

One area of concern is financial support. The 2009 recession finally caught up with us and we saw declines in company, matching gift, and individual contributions in 2010. As a result we are relying more and more on endowment income to support our scholarships and programs. We have the students, and we have the jobs – now is the time to support our Foundation! We are seeing some improvement in 2011, but we have a way to go. In late 2010, the Foundation initiated an online giving option for credit cards. If you would like to make a donation in this manner please go to [www.maineulpaper.org](http://www.maineulpaper.org) and click on

“Make a Donation”. If you would like a more personal touch please feel free to contact the Foundation office.

We appreciate the support of our members, both financially and by participating as members on our committees. We need your continued support to assure a vibrant supply of the best UMaine engineers for our industry.

Chairman, Jeff Dutton

President, Barbara Kerr Hamilton



Brian Strothman from Verso Paper’s Jay, ME mill was on hand to present scholarship recipients their checks at the Foundation’s September banquet. The students pictured above all have co-op or internships at Verso’s Jay, ME mill. From left to right: Amanda Mayette, MEE; Scott Grillo, CHE; Brandon Newman, ECE; Brian Strothman, Verso Paper, Jay, ME; Ryan Lindemann, CHE; and Danielle Giffune, CHE.

## NOMINATING COMMITTEE

### Officers for 2011-2012

Chairman	Barbara Kerr Hamilton	Senior Consultant Industrial Energy Emerson Process Management
President	John Wolanski	Vice President Savage Safe Handling Inc.
Vice President	Mark S. Cross	Senior Vice President MeadWestvaco Corporation
Vice President	Dennis Castonguay	Manufacturing Support Manager Verso Paper
Vice President	Laura Duran	UMaine Chemical Engineering Student
Vice President	Raymond J. Heuchling	President Heuchling Group, Inc.
Vice President	Matthew Howard	UMaine Chemical Engineering Student
Vice President	Theodore D. Kennedy	Director New Product Commercialization & Trial Mgmt. Georgia-Pacific Corporation
Secretary	John A. Donahue	Vice President Manufacturing Sappi Fine Paper North America
Treasurer	David M. Colter	President GAC Chemical Corporation
Executive Director Assistant Secretary Assistant Treasurer	Jack Healy	University of Maine Pulp and Paper Foundation
Ex-Officio	Jeffrey C. Dutton	President & CEO Twin Rivers Paper
Counsel	Theodore S. Curtis, Jr.	Curtis Law Firm, LLC

## **Directors at Large**

### **2009-2012**

Donna Cassese	Managing Director, Westbrook Mill Sappi Fine Paper North America
Craig Martin	Commercial Director for N.A. Styron LLC
Jack Treas	President Treas Inc.
Douglas Walsh	Executive Vice President Operations Lincoln Paper & Tissue
Mark Wescott	Regional Sales & Business Director Ashland Hercules Water Technology

### **2010-2013**

Brad G. Bingham	District Sales Manager - Northeast SCA North America
Dennis J. Castonguay	Manufacturing Support Manager Verso Paper
Troy Hobson	Director U. S. Pulp & Paper ABB Inc.
Brian Lambert	District Manager Nalco Company
Alan Reynolds	Smooth Finish Department Manager Huhtamaki Food Service

### **2011-2014**

Lee Cyr	Mnager-Customer Service, Production Planning Twin Rivers Paper
Luke Czarniecki	National Sales Manager Bercen Inc.
John Desjardins	New England Sales Manager Buckman USA
Michael Reider	General Manager Katahdin Paper
Tom Romundo	President New England Controls Inc.

**Standing Committee Chairs**

Executive	John Wolanski	Vice President Savage Safe Handling
Audit	William F. Igoe, Jr.	Technical Manager Fraser Papers Inc.
Gifts and Bequests	Keith A. Meyer	Senior Vice President Andritz
Honor Award	Leroy J. Barry	Retired Madison Paper Industries
Investment Management	Ralph C. Keef	Retired Stora Enso North America
Membership	John Wolanski	Vice President Savage Safe Handling Inc.
Nominating	Donald F. Beaumont	Senior Vice President Metso Paper USA Inc.
Open House	Albert B. Moore	Retired Buckman
Public Relations	Louis J. Boos	President Nordic Engineering
Scholarship/ Educational Relations	Jason W. Lyons	Account Manager - Northeast Region Honeywell Process Solutions
University Support	Jeffrey Hamilton	Director - Manufacturing Services Sappi Fine Paper North America



**Ex Officio Directors**

Norman L. Fournier

Trustee  
The University of Maine System

Robert A. Kennedy

President  
The University of Maine

Dana N. Humphrey

Dean  
College of Engineering  
The University of Maine

Hemant P. Pendse

Chair  
Chemical & Biological Engineering  
The University of Maine

## INVESTMENT MANAGEMENT COMMITTEE

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The Investment Management Committee invests all funds available for investment to earn a total return that provides for both current income and long-term appreciation. As with other trustees we have a duty to provide similar benefits to current and future beneficiaries. To that end our spending policy is set at 5% of a three year average of our investment's value, a policy similar to about 85% of all educational endowments.

In an effort to reduce the volatility of our investments, and to also increase our total return our investments are spread over several asset classes which are not historically closely correlated. Our funds include bonds, equities, and a small proportion of illiquid assets as private capital funds. Our funds are managed by the Commonfund which is the largest manager of educational endowments in the U.S. They make strategic asset allocations within the parameters established by our committee as detailed below.

During 2010, our committee met in May and November. The committee continues to maintain a 60/40 +/- 5.0% equities to bonds investment ratio. During the year the ratio of equities to bonds was maintained by the sale of assets for cash for scholarships. The committee maintained the equities portion of our portfolio at or near 65%.

The Foundation's 2010 total return from investments was 10.57 %, which includes a substantial downward revaluation (a repeat of 2008 and 2009) of the Realty Investors Fund. Equities increased by 14.41 % and bonds by 8.93 %. Overall improvement to all investments was held back by an 87.76% decline in the Realty Investors Fund which is focused primarily in commercial real estate. We do not believe that the Realty Investors Fund will significantly rebound in the near future.

We believe the greatest long term success in investing is based on a relatively stable asset allocation as opposed to market timing. Our diversification into alternative investments may continue with careful evaluation and as we become convinced such actions are prudent and reward our willingness to include illiquid investments positions in our portfolio. We are currently committed to an additional \$590,000 of investments in Capital Partners IV over the next several years. The performance of our funds as reported by the Commonfund is shown on the next page.

Ralph C. Keef, Chair

Distribution of Funds in the Custody of the Investment Management Committee

Market Value	As of 31-Dec 2009	(%)	As of 31-Dec 2010	(%)
Multi Strategy Bond Fund	\$5,621,969	31.3%	\$6,107,430	32.7%
Multi Strategy Equity Fund	\$11,483,124	63.9%	\$11,855,617	63.6%
Short Term Fund	\$28,564	0.2%	\$0	0.0%
Total Liquid Assets	17,133,657	95.4%	17,963,048	96.3%
Private Equity III	\$54,457	0.3%	\$34,298	0.2%
Realty Investors LLC*	\$342,552	1.9%	\$70,150	0.4%
Capital Partners 1999	\$95,438	0.5%	\$83,343	0.4%
Energy Partners III	\$86,034	0.5%	\$68,262	0.4%
Capital Partners IV	\$227,974	1.3%	\$411,471	2.2%
Venture Partners III	\$24,167	0.1%	\$18,411	0.1%
Total Non-Liquid Assets	\$830,622	4.6%	\$685,935	3.7%
Total Invested Assets	\$17,964,279	100.0%	\$18,648,983	100.0%

\* 03/31/10 Valuation

Performance of commonfund in 2010 (As Reported by Commonfund)

Fund	1 Year	3 Year	5 Year
Multi Strategy Equity Fund	14.41	-1.67	3.78
<b>Total equity</b>	14.41	-1.67	3.78
Multi Strategy Bond Fund	8.93	5.64	6.02
<b>Total Fixed Income</b>	8.93	5.64	6.02
Capital Partners 1999	12.08	0.33	10.14
Capital Partners IV	7.19	-15.16	N/A
Energy Partners III	10.3	7.89	16.01
Private equity Partners III	6.57	-5.29	7.55
Venture partners III	10.34	-5.32	8.42
Relty Investors LLC*	-87.76	-63.37	-42.63

Note: Private capital lags the equity market by 3-6 months.

\* Realty investor numbers reflect 3/30/10 valuation

Performance of the Pulp and Paper Foundation in 2010(Reported by Commonfund)

	1 Year	3 Year	5 Year
Pulp and Paper Foundation Aggregate	10.57	-0.85	3.46
S&P 500 Index	15.06	-2.86	2.29

Note: P&PF Aggregate does not include a revaluation (decline) of Realty Investors in February 2011.

## TREASURER'S REPORT

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The 2010 financial results of the Foundation yielded mixed results for the year compared to the budget and 2009 results. Key areas to note are as follows:

- Membership revenue showed a significant decrease compared to budget and 2009 results. Foundation Sponsors and Individual Member revenues accounted for the majority of the shortfall while Scholarship Underwriters and Company Member contributions kept pace with 2009 and exceeded our budget expectations. The continued uncertainty in economic markets has impacted this key revenue item.
- Income from Investments is lower than 2009 as expected. This amount is calculated utilizing 5% of the rolling 3 year average based on investment balances as of September 30. We anticipated this lower amount due to the lower fair value of Foundation assets at December 31, 2008 even though our investment position overall improved during the latter part of 2009 and 2010.
- Scholarships awarded held steady at \$743,000 for 2010 compared to the prior year. This level was slightly less (about 6%) than anticipated for budget purposes. The higher level is reflective of the three primary factors noted in previous year reports. There are more students in the program, scholarships now reflect a four year expenditure, and tuition costs continue to rise at levels above general inflation.
- Total University Support expenses for the year are higher than the prior year but less than budget. This is primarily due to funding for graduate stipends.
- Foundation Operation expenditures decreased approximately 6% compared to 2009 results. The slight increase over expected expenditures was due to aggressive estimates given the projected operating loss for 2010.
- While the operating activities resulted in a loss for the year, the loss was less than budgeted. In an environment of reduced membership revenue and investment income, expenses were managed to reduce the negative impact.
- A complete audit report of financial activity for 2010 follows this report.

Finally, Foundation leaders continue to manage operations in a prudent manner given the volatile and uncertain economy to fulfill our mission and provide scholarships to our students.

David Colter, Treasurer

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**The University of Maine  
Pulp and Paper Foundation**

**Financial Report**

**December 31, 2010**

**Independent Auditors' Report**

To the Executive Committee and Directors of  
The University of Maine Pulp and Paper Foundation  
Orono, Maine

We have audited the accompanying statement of financial position of The University of Maine Pulp and Paper Foundation (the Foundation) as of December 31, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information on the statements of financial position, activities and cash flows has been derived from the Foundation's financial statements for the year ended December 31, 2009, which were audited by other auditors whose report dated March 25, 2010, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements as of and for the year ended December 31, 2010 referred to above present fairly, in all material respects, the financial position of the Foundation, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit for the year ended December 31, 2010 was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules 1 and 2 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Macdonald Page & Co LLC*

South Portland, Maine  
March 25, 2011

## Statement of Financial Position

December 31,  
(with comparative memorandum totals for 2009)

	2010	2009
<b>ASSETS</b>		
Cash	\$ 58,141	\$ 37,955
Investment income receivable	106,789	106,408
Investments	<u>18,648,982</u>	<u>17,964,279</u>
<b>Total Assets</b>	<b><u>\$ 18,813,912</u></b>	<b><u>\$ 18,108,640</u></b>
<b>NET ASSETS</b>		
<b>Commitments and Contingencies</b>		
<b>Net Assets:</b>		
Unrestricted:		
Undesignated	\$ 4,194,372	\$ 4,187,470
Designated - Soderberg Research Fund	<u>1,546,665</u>	<u>1,482,632</u>
Total unrestricted	<u>5,741,037</u>	<u>5,670,102</u>
Temporarily restricted	2,266,663	1,663,650
Permanently restricted	<u>10,806,212</u>	<u>10,774,988</u>
<b>Total Net Assets</b>	<b><u>\$ 18,813,912</u></b>	<b><u>\$ 18,108,640</u></b>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

## Statement of Activities

Year Ended December 31, 2010  
(with comparative memorandum totals for 2009)

	Unrestricted		Total	Temporarily	Permanently	Total
	Undesignated	Soderberg Research Fund	Unrestricted	Restricted	Restricted	2009
Operating Support and Revenue:						
Contributions	\$ 138,490		\$ 138,490		\$ 31,224	\$ 40,929
Memberships	884,081	\$ 81,434	965,515		138,490	172,763
Investment income designated for operations	316		316			136
Other income, net	1,022,887	81,434	1,104,321		31,224	1,266,828
Total Operating Support and Revenue						
Expenses:						
Program Services:						
Scholarships	742,672		742,672		742,672	751,135
University support	76,677	81,434	158,111		158,111	129,662
	819,349	81,434	900,783		900,783	880,817
Support Services:						
Foundation operations	307,563		307,563		307,563	328,784
Fundraising	20,000		20,000		20,000	19,843
Total Expenses	1,146,912	81,434	1,228,346		1,228,346	1,229,444
Change in Net Assets From Operations	(124,025)	-	(124,025)		31,224	37,384
Investment Income	397,723	145,467	543,190	\$ 1,220,398	1,763,588	2,836,278
Assets Released From Restriction	617,285		617,285	(617,285)		
Amounts Designated for Operations	(884,081)	(81,434)	(965,515)		(965,515)	(1,053,000)
Change in Net Assets	6,902	64,033	70,935	603,113	31,224	1,820,662
Net Assets, Beginning of Year	4,187,470	1,482,632	5,670,102	1,663,550	10,774,988	16,287,578
Net Assets, End of Year	\$ 4,194,372	\$ 1,546,665	\$ 5,741,037	\$ 2,266,663	\$ 10,806,212	\$ 18,813,912
						\$ 18,108,640

See independent auditors' report.  
The accompanying notes are an integral part of these financial statements.



## Statement of Cash Flows

Years Ended December 31,  
(with comparative memorandum totals for 2009)

	2010	2009
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 705,272	\$ 1,820,662
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Permanently restricted contributions	(31,224)	(40,929)
Gains on investments	(1,413,358)	(2,436,240)
Increase in investment income receivable	(383)	(3,298)
<b>Net cash used by operating activities</b>	<u>(739,693)</u>	<u>(659,805)</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of investments	1,448,905	914,317
Purchase of investments	(720,250)	(695,788)
<b>Net cash provided by investing activities</b>	<u>728,655</u>	<u>218,529</u>
<b>Cash flows from financing activities:</b>		
Proceeds from contributions restricted for:		
Proceeds from permanently restricted contributions	31,224	40,929
<b>Net cash provided by financing activities</b>	<u>31,224</u>	<u>40,929</u>
<b>Net increase (decrease) in cash</b>	20,186	(400,347)
<b>Cash at beginning of the year</b>	<u>37,955</u>	<u>438,302</u>
<b>Cash at end of the year</b>	<u>\$ 58,141</u>	<u>\$ 37,955</u>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

## Notes to Financial Statements

December 31, 2010

### NOTE 1 – NATURE OF THE BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

#### Organization

The University of Maine Pulp and Paper Foundation (the Foundation) is a not-for-profit corporation organized to further the study and promotion of pulp and paper and related subjects at the University of Maine and to encourage students to consider paper related technical careers.

#### Basis of Accounting

The accounts of the Foundation are maintained under the accrual basis of accounting. The net assets of the Foundation are reported as follows:

##### Unrestricted Net Assets

Unrestricted net assets represent unrestricted resources over which the Board of Directors retains full control to accomplish any of the Foundation's stated purposes. The Board of Directors has designated certain monies to support research activities, classified under the Soderberg Research Fund.

##### Temporarily Restricted Net Assets

Temporarily restricted net assets represent the unexpended income, including realized and unrealized gains and losses on investments, earned on certain classes of Endowment Funds which may only be utilized in accordance with the purpose established by the donors of the related Endowment Funds.

##### Permanently Restricted Net Assets

Permanently restricted net assets represent Endowment Funds that are subject to the restrictions of the gift instruments requiring that the principal be invested in perpetuity and that income only be utilized, generally for scholarships.

#### Comparative Financial Statements

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2009, from which the summarized information was derived.

#### Investments

Investments are carried at fair value. Investments consist primarily of units purchased in funds managed by the Commonfund, an investment management company for universities and foundations, and are valued as of year-end as quoted by the Commonfund. The Foundation utilized the net asset value (NAV) reported by each of the alternative investment funds as a practical expedient for determining the fair value of the investment. These investments are redeemable at NAV under the original terms of the subscription agreements and operations of the underlying funds. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements.

## Notes to Financial Statements

December 31, 2010

### NOTE 1 – NATURE OF THE BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Investments – Continued

Investments also include interests in limited partnerships and a limited liability company (LLC). Private Equity Partners III, Venture Partners III, Energy Partners III, Capital Partners 1999 and Capital Partners IV are carried at estimated fair value as determined by the general partners. Those estimated values may differ significantly from values that would have been used had a ready market for the investments existed. Realty Investors LLC is carried at estimated fair value and is valued annually primarily through an appraisal of properties owned. For all of the limited partnerships, the reported fair values as of December 31, 2010 are based on the September 30, 2010 values updated for contributions and withdrawals through December 31st.

#### Contributions

Contributions are recorded at their fair value on the date the donor makes a gift or a firm promise to give to the Foundation.

#### Investment Income

Investment income, including realized and unrealized gains/losses, is recorded net of management fees. Effective July 1, 2009, the State of Maine adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Foundation has interpreted State of Maine law as requiring the preservation of the value of the original gift of the donor-restricted endowment fund absent explicit donor stipulations to the contrary.

Appreciation on investments of permanently restricted funds is considered temporarily restricted until appropriated by the Foundation's Board unless otherwise indicated in the gift instrument. The gift instruments provide in general, that income in excess of amounts awarded as scholarships be added to the principal of each Endowment Fund for individual endowments with an end of the year value greater than \$50,000 (USA Scholars Funds). Income in excess of amounts awarded as scholarships is classified as temporarily restricted for individual Endowment Funds with an end of the year value less than \$50,000 but greater than \$10,000 (Named Scholarships). All income earned in Endowment Funds with an end of the year value of less than \$10,000 (Other Endowment Funds) is added to principal. Income from investments that are not donor restricted is recorded as unrestricted.

When the market value of permanently restricted assets is less than the original corpus, the deficiency is used to reduce temporarily restricted assets to the extent of previously recorded appreciation, and then as a reduction of unrestricted net assets. There are no endowment funds whose market value was less than the original corpus for the year ended 2010.

The Foundation designates only a portion of investment income, including realized and unrealized gains/losses, to be used for operations. The maximum amount of annual investment income that may be designated for operations is determined by a spending formula, which is set at 5% of the average of the investment market values, excluding certain funds, as of the three previous years. For 2010, this amount was based on the values at December 31, 2007, December 31, 2008 and September 30, 2009. The remainder of investment income, including realized and unrealized gains/losses, is excluded from operations.

## Notes to Financial Statements

December 31, 2010

### NOTE 1 – NATURE OF THE BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Investment Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified purpose as well as unrestricted funds. Under this policy, the endowment assets are invested in a manner that is intended to produce this result while minimizing investment risk.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

#### Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Risks and Uncertainties

The Foundation invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position or activities.

#### Income Taxes

The Foundation is a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code, and accordingly, no provision for state or federal income taxes has been made in the accompanying financial statements. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation is currently open to audit under the statute of limitations by the Internal Revenue Service and state taxing authorities for the years ending December 31, 2007 through 2010.

## Notes to Financial Statements

December 31, 2010

## NOTE 2 – INVESTMENTS

As of December 31, 2010, investments are comprised of the following:

	Cost Basis	Fair Value	Fair Value (Under) Over Cost
Commonfund:			
Multi Strategy Bond Fund	\$ 5,327,706	\$ 6,107,430	\$ 779,724
Multi Strategy Equity Fund	9,377,370	11,855,617	2,478,247
Total Commonfund	<u>14,705,076</u>	<u>17,963,047</u>	<u>3,257,971</u>
Limited Partnerships and LLC:			
Private Equity Partners III	72,780	34,298	(38,482)
Venture Partners III	71,928	18,411	(53,517)
Energy Partners III	13,186	68,262	55,076
Capital Partners 1999	103,996	83,343	(20,653)
Capital Partners IV	399,826	411,471	11,645
Realty Investors LLC	1,294,752	70,150	(1,224,602)
Total Limited Partnerships and LLC	<u>1,956,468</u>	<u>685,935</u>	<u>(1,270,533)</u>
Total Investments	<u>\$ 16,661,544</u>	<u>\$ 18,648,982</u>	<u>\$ 1,987,438</u>

The following schedule summarizes investment income and its classification in the statement of activities for 2010:

	Undesignated	Soderberg Research Fund	Total Undesignated	Temporarily Restricted	Permanently Restricted	Total
Dividends and interest	\$ 90,970	\$ 33,325	\$ 124,295	\$ 279,578	\$ -	\$ 403,873
Net realized and unrealized gains	318,351	116,620	434,971	978,387		1,413,358
Investment management fees	(12,224)	(4,478)	(16,702)	(37,567)		(54,269)
Total investment income	<u>397,097</u>	<u>145,467</u>	<u>542,564</u>	<u>1,220,398</u>		<u>1,762,962</u>
Investment income designated for operations	<u>(262,081)</u>	<u>(81,434)</u>	<u>(343,515)</u>	<u>(622,000)</u>		<u>(965,515)</u>
Investment income in excess of amounts designated for operations	<u>\$ 135,016</u>	<u>\$ 64,033</u>	<u>\$ 199,049</u>	<u>\$ 598,398</u>	<u>\$ -</u>	<u>\$ 797,447</u>

## Notes to Financial Statements

December 31, 2010

### NOTE 2 – INVESTMENTS – CONTINUED

The following summarizes the Foundation's endowment funds, by net asset category as of December 31, 2010. The unrestricted amounts are board designated and the temporarily and permanently restricted amounts are donor restricted.

Unrestricted	\$ 1,546,665
Temporarily restricted	2,266,663
Permanently restricted	10,806,212
	<u>\$ 14,619,540</u>

The changes in the Foundation's endowment funds by net asset category for the year ended December 31, 2010 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment funds, January 1, 2010	\$ 1,482,632	\$ 1,663,550	\$ 10,774,988	\$ 13,921,170
Dividends and interest	33,325	279,578		312,903
Net appreciation in fair value	116,620	978,387		1,095,007
Investment management fees	(4,478)	(37,567)		(42,045)
Additions			31,224	31,224
Appropriation for expenditure	(81,434)	(622,000)		(703,434)
Other		4,715		4,715
Endowment funds, December 31, 2010	<u>\$ 1,546,665</u>	<u>\$ 2,266,663</u>	<u>\$ 10,806,212</u>	<u>\$ 14,619,540</u>

### NOTE 3 – SCHOLARSHIP AWARD COMMITMENTS

The Foundation's scholarships are granted on an academic year basis with payments made primarily in January, June and September based upon the recipients' course registration. As of December 31, 2010, approximately \$340,000 in scholarships were anticipated for disbursement in January 2011, subject to students complying with the terms of the scholarship.

### NOTE 4 – COMMITMENTS AND CONTINGENCIES

The Foundation has investments in Venture Partners III, Private Equity Partners III, Capital Partners 1999, Energy Partners III and Capital Partners IV that have anticipated future cash commitments of approximately \$1,930, \$13,375, \$6,875, \$18,400 and \$555,000, respectively, at December 31, 2010. Additionally, the limited partnership and LLC investments have various withdrawal restrictions which limit the Foundation's ability to liquidate its investment in these entities. Capital Partners IV does not allow withdrawal except under certain limited circumstances. Realty Investors LLC allows investors during September of each year to request fund redemptions up to 20% of units they have owned for at least five years. Redemptions are paid at the end of the subsequent calendar year at the net asset value on the redemption date. Redemptions are at the discretion of the fund managers. Management does not believe that redemptions would be approved under current circumstances at Realty Investors LLC.

### NOTE 5 – RELATED PARTY TRANSACTIONS

The Foundation is a party to a management agreement with the University of Maine. The annual management agreement specifies that the University will provide offices, and specified benefits paid for in full by the Foundation, and that the Foundation pay personnel directly. This agreement was entered into in December 2007, and continues indefinitely with 180 day notice by either party. During 2010, the Foundation paid approximately \$37,000 for services provided under the agreement.

## Notes to Financial Statements

December 31, 2010

### NOTE 6 – FAIR VALUE DISCLOSURES

#### Fair Value Measurements

The Foundation has adopted a framework for measuring fair value under generally accepted accounting principles for all financial instruments that are being measured and reported on a fair value basis.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Foundation uses various methods including market, income and cost approaches. Based on these approaches, the Foundation often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques the Foundation is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

**Level 1** — Valuations based on quoted prices in active markets for identical assets or liabilities. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

**Level 2** — Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

**Level 3** — Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In determining the appropriate levels, the Foundation performs an analysis of the assets and liabilities that are subject to fair value measurements. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

#### Fair Value on a Recurring Basis

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis as of December 31, 2010.

	Total	Level 1	Level 2	Level 3
Investments	\$ 18,648,982	\$ -	\$ 17,963,047	\$ 685,935

## Notes to Financial Statements

December 31, 2010

### NOTE 6 – FAIR VALUE DISCLOSURES – CONTINUED

For Level 3 items, a reconciliation of the beginning and ending balances is required and follows as of December 31, 2010:

Balance, beginning of year	\$ 830,622
Change in unrealized losses	(267,335)
Realized gains	38,471
Total gains (losses) included in changes in net assets	<u>(228,864)</u>
Net purchases	<u>84,177</u>
Balance, end of year	<u>\$ 685,935</u>

The total losses included in changes in net assets all related to assets still held at December 31, 2010 and have all been included in "Investment Income" in the 2010 Statement of Activities.

The Limited Partnership and LLC investments do not trade in an active, open market with readily observable prices. The fair values are estimated based upon real estate appraisals and discounted cash flow models that incorporate various assumptions in discount rates and timing of payments. Due to the nature of the valuation inputs, these investments are classified within Level 3 of the valuation hierarchy.

### NOTE 7 – SUBSEQUENT EVENTS

For the purposes of recognition and disclosure in these financial statements, management of the Foundation has evaluated subsequent events through the date of the auditors' report, which is the date these financial statements were available to be issued.



## Schedule of Memberships and Operating Expenses For Unrestricted Funds

December 31,  
(with comparative memorandum totals for 2009)

	2010	2009
<b>MEMBERSHIPS</b>		
Foundation sponsor	\$ 16,500	\$ 39,000
Scholarship underwriters	48,500	48,500
Company members	47,725	49,300
Special Gift members	4,850	4,925
Individual members:	20,415	28,738
Matching gifts	500	2,300
	<u>138,490</u>	<u>172,763</u>
<b>Total Memberships</b>	<b>\$ 138,490</b>	<b>\$ 172,763</b>
<b>OPERATING EXPENSES</b>		
<b>Scholarships</b>	<b>\$ 742,672</b>	<b>\$ 751,135</b>
<b>University Support:</b>		
Pulp and Paper Foundation professor	15,000	15,000
Calder professor	15,000	15,000
Department support	16,535	13,000
Summer co-op teaching	15,436	23,500
Graduate stipends	44,914	14,152
Bailey grants	1,667	
Educational relations	41,922	41,010
Chinn Seminars	2,637	3,020
Faculty stipend (Soderberg)	5,000	5,000
	<u>158,111</u>	<u>129,682</u>
<b>Total University Support</b>	<b>158,111</b>	<b>129,682</b>
<b>Support Services:</b>		
Public information	7,816	8,076
Foundation office expenses	254,560	258,000
Legal counsel, accounting and consultant	37,387	50,309
Miscellaneous	27,800	32,242
	<u>327,563</u>	<u>348,627</u>
<b>Total Foundation Operations</b>	<b>327,563</b>	<b>348,627</b>
<b>Total Operating Expenses</b>	<b>\$ 1,228,346</b>	<b>\$ 1,229,444</b>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

## Schedule of Contributions - Endowment Fund

Year Ended December 31, 2010

**Gifts to Increase USA Scholars Funds:**

Barrett, Mark D.	\$ 8,906
Cross, Ray H.	600
Emery, Sr., Phillip H.	1,000
Grindle, Michael E.	100
Keef, Joseph E.	500
Perry Family	500
	<u>11,606</u>

**Gifts to Increase Named Scholarships:**

Barker, Elliott R.	1,000
Boos, Louis J.	3,000
Cross, Mark and Melanie	1,026
Crossland, Charles E.	100
Curtis Law Scholarship	2,950
Davidson Family	1,000
Dolloff, Richard and Erdine B.	1,000
Genco, Helen Horner	1,000
Harmon, Evelyn W.	250
Hart, Peter W.	1,000
Judson, Alan/ Pruyn	100
Stoess, Henry A.	1,256
Touchette, Joseph W.	1,000
	<u>14,682</u>

**Gifts to Increase Endowment Funds:**

Beaumont Family	500
Foley, George and Elizabeth	500
Kerr, Ethyl G.	1,000
Lyons Family	600
Paine, Arnold	250
Pat's Pizza	2,086
	<u>4,936</u>

**Total Additions to Fund**

\$ 31,224

See independent auditors' report.  
The accompanying notes are an integral part of these financial statements.

## THE UNIVERSITY OF MAINE PULP AND PAPER FOUNDATION

## SCHEDULE OF ENDOWMENT FUND BALANCES

Year Ended December 31, 2010  
(With Comparative Value Figures for 2009)

ENDOWMENT FUND

	Original Contributions Through 2010	Fund Balance Value 2009	Fund Balance Value 2010
Donors Funds:			
Joachim, Herman L.	\$885,836	\$885,836	\$885,836
Lewis, John and Lucille	\$543,959	\$543,959	\$543,959
Soderberg Donors Fund	\$1,000,000	\$1,000,000	\$1,000,000
USA Scholars Funds:			
Ahara, E. Victor	\$41,061	\$64,090	\$67,089
Baldwin-Harvey	\$49,810	\$102,942	\$107,758
Barrett, Mark D.	\$80,216	\$79,978	\$92,625
Bearce, George D.	\$12,315	\$61,352	\$64,223
Beckler, Warren B., Jr.	\$10,069	\$56,839	\$59,498
Benedetto, Joseph A.	\$10,169	\$57,148	\$59,822
Bird Companies	\$10,783	\$55,958	\$58,576
Bolton, Philip S.	\$12,043	\$59,524	\$62,309
Bossen Family	\$11,855	\$65,137	\$68,185
Bryand, Edward T.	\$10,264	\$54,051	\$56,580
Buchanan, William E.	\$10,369	\$52,969	\$55,447
Callighan, Mae Munter	\$11,334	\$57,142	\$59,816
Callighan, Olin W	\$10,316	\$56,241	\$58,873
Cameron, James A	\$10,369	\$59,174	\$61,943
Chisholm Family	\$10,369	\$59,656	\$62,448
Cianchette Brothers	\$50,340	\$57,193	\$59,869
Clapp II, Eugene H.	\$45,000	\$51,126	\$53,518
Clapp, Sarah, L.	\$11,369	\$59,007	\$61,768
Class of 1952 - 5th Year Alumni	\$10,068	\$56,299	\$58,933
Copeland, Stuart B.	\$14,574	\$75,942	\$79,495
Correll, Elizabeth F.	\$38,200	\$57,433	\$60,120
Creamer, Walter J.	\$10,000	\$41,584	\$43,530
Cross, Ray H.	\$30,044	\$67,508	\$71,267
Crump, James G.	\$209,924	\$339,972	\$355,880
Dahl, Knud	\$168,520	\$572,176	\$598,949
Dahl, Knut/Johan Richter	\$98,740	\$372,478	\$389,906
Dauman, Samuel	\$10,209	\$58,158	\$60,879
Desmond, Clair R.	\$12,318	\$62,408	\$65,328
Emery, Sr., Philip H.	\$31,605	\$75,840	\$80,388
Fales, Otis G.	\$10,369	\$58,017	\$60,732
Ferguson Jr., Roy K.	\$166,511	\$657,299	\$688,054

## THE UNIVERSITY OF MAINE PULP AND PAPER FOUNDATION

## SCHEDULE OF ENDOWMENT FUND BALANCES

Year Ended December 31, 2010  
(With Comparative Value Figures for 2009)

ENDOWMENT FUND

	Original Contributions Through 2010	Fund Balance Value 2009	Fund Balance Value 2010
USA Scholars Funds (continued):			
Frost, Frederick H.	\$11,104	\$63,852	\$66,839
Gardiner, Frank J.	\$10,259	\$55,388	\$57,979
Gardner, Angus J.	\$10,469	\$57,497	\$60,187
Gilman, Isaac and Charles	\$10,001	\$62,124	\$65,030
Glatfelter, III, P.H.	\$10,000	\$48,421	\$50,686
Gottesman, D. Samuel	\$10,259	\$51,331	\$53,732
Graham, Edward M.	\$13,607	\$68,939	\$72,165
Great Northern Paper Co.	\$18,222	\$90,763	\$95,010
Greenlaw, Edward P.	\$55,393	\$98,412	\$103,017
Greep, Abel A. and Adelaide S.	\$10,692	\$62,010	\$64,912
Grindle, Michael E.	\$36,390	\$54,130	\$56,762
Haskell, Robert N.	\$57,297	\$138,100	\$144,561
Heuer, John H.	\$17,434	\$85,083	\$89,064
Hodgdon, Paul E.	\$10,929	\$59,055	\$61,819
Holden, Harold	\$11,369	\$58,375	\$61,107
Huyck Scholarship, The	\$12,415	\$59,576	\$62,363
Ingalls, Everett P.	\$10,393	\$62,791	\$65,729
Jacobs, Mike	\$10,083	\$52,136	\$54,575
Jenness, Lyle C.	\$12,610	\$61,858	\$64,752
Joachim, Herman L.	\$109,478	\$209,116	\$218,900
Jones, Thomas Phelps	\$36,671	\$74,647	\$78,139
Jordan, Edward C.	\$10,283	\$53,008	\$55,488
Juckett, J. Walter	\$116,089	\$442,868	\$463,590
Keef, Joseph E.	\$15,500	\$45,879	\$48,526
Koplik, Perry H.	\$10,741	\$55,185	\$57,768
Kraske Family	\$50,466	\$57,335	\$60,018
Kraske, William H.	\$44,215	\$109,279	\$114,392
Mansfield, Everett Keith	\$11,470	\$61,756	\$64,645
Marquis, John F.	\$72,246	\$110,587	\$115,761
Marquis, Maida B.	\$69,747	\$106,648	\$111,638
Marshall Jr., Stanley N.	\$52,823	\$87,064	\$91,138
Masterman Family	\$23,450	\$70,431	\$73,726
McDonald, Manuel C.	\$11,397	\$65,921	\$69,005
McDonald, Manuel C.	\$16,899	\$82,928	\$86,808
Metcalfe, William K.	\$17,195	\$80,407	\$84,170
Morrison, Franck P.	\$10,000	\$47,724	\$49,958
Morton, Hugh H.	\$195,986	\$245,742	\$257,240
Murchison, David C.	\$10,003	\$53,598	\$56,106

## THE UNIVERSITY OF MAINE PULP AND PAPER FOUNDATION

## SCHEDULE OF ENDOWMENT FUND BALANCES

Year Ended December 31, 2010  
(With Comparative Value Figures for 2009)

ENDOWMENT FUND

	Original Contributions Through 2010	Fund Balance Value 2009	Fund Balance Value 2010
USA Scholars Funds (continued):			
Neese, Sr, Elbert H.	\$10,069	\$58,042	\$60,758
Northeast Division of PIMA	\$10,283	\$55,052	\$57,628
Ober, J. Larcom	\$10,321	\$57,627	\$60,323
Olmstead, Jr., George	\$11,514	\$65,134	\$68,182
Pearson, Jr., Francis E.	\$10,535	\$56,377	\$59,015
Pennings, Charles F.	\$15,008	\$56,990	\$59,657
Perry Family	\$65,847	\$114,015	\$119,850
Recor, Kip	\$11,313	\$54,471	\$57,020
Renegar, Glen T.	\$10,369	\$56,812	\$59,470
Riegel, Margaret Murchie	\$11,755	\$60,265	\$63,085
Roosevelt Paper	\$15,000	\$46,075	\$48,231
Rourke, Floyd H.	\$59,448	\$122,962	\$128,716
Rouse, John W.	\$10,000	\$49,008	\$51,301
Sanborn, James L.	\$36,832	\$70,967	\$74,287
Sargent, Viola R.	\$24,269	\$96,998	\$101,537
Schmidt, William C. & William Jr.	\$11,152	\$63,022	\$65,971
Sheldon, Benjamin I.	\$10,069	\$57,291	\$59,972
Soderberg, Elizabeth F.	\$22,904	\$92,194	\$96,508
Soderberg, Elvah L.	\$20,218	\$94,367	\$98,782
Soderberg, Frederic A.	\$22,596	\$88,973	\$93,136
TAPPI/Maine-New Hampshire	\$22,756	\$85,809	\$89,824
Texo/Louis Lerner	\$10,000	\$43,213	\$45,235
Trelfa, Fred R.	\$25,567	\$108,680	\$113,765
Union Camp Corporation	\$10,016	\$58,100	\$60,818
Uong, D. Diek	\$15,212	\$71,677	\$75,031
Wadsworth, Harry F.	\$10,888	\$55,462	\$58,057
Wallach, Ira D.	\$10,751	\$53,943	\$56,467
Wallach, James and Kenneth	\$95,927	\$310,297	\$324,816
Wallach, James G.	\$53,200	\$70,049	\$73,327
Ward, Eugene J.	\$10,000	\$47,934	\$50,177
Wilkins, Ralph A.	\$10,192	\$63,653	\$66,631
Subtotal	\$3,116,723	\$9,340,062	\$9,788,692
Named Scholarships:			
1996 Open House	\$10,000	\$14,299	\$14,968
Abbott, Warren A.	\$10,909	\$39,099	\$40,929
Aiken, Paul & Evelyn	\$10,200	\$26,849	\$28,105

## THE UNIVERSITY OF MAINE PULP AND PAPER FOUNDATION

## SCHEDULE OF ENDOWMENT FUND BALANCES

Year Ended December 31, 2010  
(With Comparative Value Figures for 2009)

ENDOWMENT FUND

	Original Contributions Through 2010	Fund Balance Value 2009	Fund Balance Value 2010
Named Scholarships (continued):			
Akeley, Leon F.	\$10,100	\$12,433	\$13,015
Baker, Phil & Ginny	\$10,000	\$11,361	\$11,893
Barker, Elliott R.	\$17,000	\$32,737	\$35,269
Barry, Leroy J. (Roy)	\$10,648	\$12,098	\$12,664
Betz Laboratories	\$10,000	\$23,741	\$24,852
Bingham, Leroy M.	\$13,200	\$14,997	\$15,699
Bockus, Clayton T.	\$10,225	\$39,442	\$41,288
Boos, Louis J.	\$17,136	\$15,856	\$19,598
Boston Paper Trade Association	\$10,000	\$23,741	\$24,852
Boutin, Delano L.	\$18,068	\$36,899	\$38,626
Buckman Laboratories	\$10,000	\$12,433	\$13,015
Burke, James L.	\$10,000	\$11,446	\$11,982
Butler Family	\$10,000	\$11,361	\$11,893
Caddoo, William H.	\$10,000	\$11,361	\$11,893
Carlstorm, Edwin C.	\$4,306	\$8,786	\$9,197
Chase, Andrew J.	\$25,000	\$28,403	\$29,732
Chase, Jane Gray Hunley	\$19,193	\$37,282	\$39,027
Chinn, Friends of Jack E	\$11,305	\$12,844	\$13,445
Chinn, Jack E	\$10,000	\$11,361	\$11,893
Cianchette, Alton E. (Chuck)	\$22,800	\$25,904	\$27,116
Clarke, Neil G.	\$20,000	\$27,245	\$28,519
Class of 1937	\$10,000	\$24,863	\$26,026
Class of 1945	\$10,000	\$14,978	\$15,679
Class of 1955	\$10,464	\$27,632	\$28,924
Cross, Mark and Melanie	\$11,268	\$11,636	\$13,207
Crossland, Charles E.	\$23,380	\$38,393	\$40,289
Curtis, Ted and Rose Marie	\$10,450	\$8,681	\$12,486
Davidson, Family	\$19,742	\$21,157	\$23,147
Davis, Roy L.	\$16,715	\$37,626	\$39,386
Dolloff, Richard and Erdine B.	\$16,973	\$33,692	\$36,268
Du Pont Titanium Dioxide	\$10,000	\$24,863	\$26,026
Flaherty, Joseph V.	\$10,000	\$14,299	\$14,968
Genco, Helen Horner	\$11,000	\$11,361	\$12,893
Gledhill, Ada M.	\$30,171	\$37,391	\$39,141
Glomb, John W.	\$10,700	\$15,693	\$16,427
Grant Family, The	\$10,219	\$25,407	\$26,596
Haber, Jr., Peter	\$10,000	\$18,086	\$18,932
Hale, David and Marion Young	\$14,582	\$16,567	\$17,342

## THE UNIVERSITY OF MAINE PULP AND PAPER FOUNDATION

## SCHEDULE OF ENDOWMENT FUND BALANCES

Year Ended December 31, 2010  
(With Comparative Value Figures for 2009)

ENDOWMENT FUND

	Original Contributions Through 2010	Fund Balance Value 2009	Fund Balance Value 2010
Named Scholarships (continued):			
Hall, M. Bradford	\$16,581	\$29,365	\$30,739
Hannigan Family	\$11,735	\$26,009	\$27,226
Hans, Lois V.	\$5,500	\$23,744	\$24,855
Harmon, Evelyn W.	\$11,150	\$12,342	\$13,170
Hart, Peter W.	\$14,000	\$14,770	\$16,461
Heal Family	\$11,366	\$12,913	\$13,518
Healy, Edwin D. and Claudette	\$12,000	\$13,633	\$14,271
Healy, John Sr	\$10,000	\$11,361	\$11,893
Herbolzheimer, Jr., Phyllis & Fred	\$12,680	\$33,377	\$34,938
Hercules Incorporated	\$10,166	\$19,343	\$20,248
Hickey Family	\$28,270	\$31,874	\$33,365
Holden, Harold (II)	\$26,439	\$32,872	\$34,410
Holden, Harold	\$11,641	\$28,601	\$29,939
Holland, Hugh G. (Dutch)	\$15,000	\$17,042	\$17,839
Hume, Robert M.	\$10,000	\$29,297	\$30,668
Hunting Family	\$10,100	\$15,782	\$16,521
Huntoon, Charles R.	\$10,250	\$14,922	\$15,621
Hutchins, Curtis M.	\$11,086	\$32,998	\$34,542
Hutchins, Curtis M.	\$10,000	\$26,322	\$27,554
Jalbert, Maurice J.	\$6,308	\$9,847	\$10,307
Joachim, Otto/Richard Lauftman	\$10,000	\$26,309	\$27,540
Jones-Weston, Evelyn	\$10,000	\$14,299	\$14,968
Judson, Alan/Pruyn	\$10,700	\$12,043	\$12,706
Karter, Eli	\$10,000	\$11,361	\$11,893
Kirk, Nada Popovich	\$10,000	\$11,361	\$11,893
Knight, Frank A.	\$27,000	\$30,675	\$32,111
Kosloff, I.S.	\$17,945	\$25,841	\$27,050
Kurrle, William F	\$16,362	\$23,077	\$24,156
LaHaise, Thomas F., Jr.	\$23,778	\$26,606	\$27,851
Leen Jr., Stanley J.	\$4,662	\$10,297	\$10,779
Levensailor, Arthur E.	\$15,806	\$35,372	\$37,027
Lowe, E. Nobles	\$14,844	\$17,222	\$18,028
Lucey, Ellen Shaw	\$16,650	\$32,690	\$34,219
Ludwig, Edward I. and Florence M.	\$12,625	\$32,940	\$34,481
Luke Family	\$15,000	\$26,057	\$27,276
Lurvey, Robert G.	\$10,058	\$22,197	\$23,235
MacBrayne Family	\$10,566	\$25,912	\$27,124
Magnus, Nina Campbell	\$20,630	\$25,535	\$26,729

## THE UNIVERSITY OF MAINE PULP AND PAPER FOUNDATION

## SCHEDULE OF ENDOWMENT FUND BALANCES

Year Ended December 31, 2010  
(With Comparative Value Figures for 2009)

ENDOWMENT FUND

	Original Contributions Through 2010	Fund Balance Value 2009	Fund Balance Value 2010
Named Scholarships (continued):			
Mangan, Thomas G.	\$10,000	\$11,361	\$11,893
Martin, Robert W.	\$13,516	\$15,764	\$16,502
Marshall, Stanley N., Jr. (first year)	\$10,500	\$11,929	\$12,487
Matik North America	\$10,000	\$26,322	\$27,554
McCabe, Thomas B.	\$3,932	\$10,245	\$10,724
McClure, John M.	\$10,868	\$32,647	\$34,175
McQuarrie Family	\$16,325	\$18,686	\$19,560
Meyer, Lollo and Charles A.	\$10,000	\$11,361	\$11,893
Moody, James L.	\$10,000	\$30,041	\$31,447
Moore, Winifred & Baxter	\$10,022	\$11,387	\$11,919
Muller, George J.	\$11,222	\$19,682	\$20,603
Nalco Chemical Company	\$10,750	\$15,725	\$16,461
Neal Memorial	\$20,648	\$25,554	\$26,749
Nelson, Laurel E.	\$10,850	\$12,419	\$13,000
Newall, Lewis E. and Lucille D.	\$15,299	\$17,381	\$18,195
Norris, Thomas C.	\$10,000	\$17,014	\$17,810
Palm, William H.	\$15,400	\$26,201	\$27,427
Paper Chase	\$22,203	\$36,460	\$38,166
Perkins, Anna F.	\$13,238	\$24,793	\$25,953
Phillips, Kenneth H.	\$31,360	\$40,020	\$41,892
Ragon Jr., Burnham R.	\$12,080	\$17,272	\$18,080
Recor, Virginia	\$11,000	\$25,681	\$26,883
Richards Jr., John P	\$12,609	\$16,469	\$17,240
Rourke Family	\$10,000	\$11,361	\$11,893
Sapoznik, Ted and Mary	\$15,000	\$17,042	\$17,839
Simard, Gerald L.	\$10,466	\$20,283	\$21,232
Sleight, Ina and Erland	\$17,500	\$22,905	\$23,977
Sofia, A.J. McKimm and Samuel	\$17,502	\$19,885	\$20,815
Specialty Minerals	\$12,150	\$13,804	\$14,450
Stahl, Frederick A.	\$13,534	\$19,462	\$20,372
Stoess, Henry A.	\$29,261	\$31,584	\$34,318
Tappi Student Endowment Fund	\$10,000	\$10,000	\$10,468
Thayer, Ernest	\$10,000	\$14,299	\$14,968
Touchette, Joseph W.	\$32,612	\$37,904	\$40,678
Trelfa, Heidi Ruckstuhl	\$10,300	\$23,561	\$24,664
Trelfa, Richard T.	\$11,025	\$25,819	\$27,027
Tutt, Jr., Richard P.	\$5,608	\$21,712	\$22,728
Vamvakias, James G.	\$10,000	\$22,068	\$23,101



## THE UNIVERSITY OF MAINE PULP AND PAPER FOUNDATION

## SCHEDULE OF ENDOWMENT FUND BALANCES

Year Ended December 31, 2010  
(With Comparative Value Figures for 2009)

ENDOWMENT FUND

	Original Contributions Through 2010	Fund Balance Value 2009	Fund Balance Value 2010
Named Scholarships (continued):			
Violette, Richard D.	\$16,886	\$38,294	\$40,086
Willey, Michael S.	\$10,412	\$12,945	\$13,551
Woodcock Family	\$10,600	\$12,009	\$12,571
Zabe, Robert N.	\$9,469	\$23,359	\$24,452
Zieminski, Stephan	\$10,450	\$12,409	\$12,990
Subtotal	\$1,631,249	\$2,606,949	\$2,753,147
Total Endowed Scholarships		\$11,947,011	\$12,541,840
Special Endowment Funds			
Bailey, Harold P.	\$104,916	\$317,850	\$347,489
Chinn, Jack E.	\$75,000	\$128,190	\$138,179
Subtotal	\$179,916	\$446,040	\$485,668
Endowment Funds			
Beaumont Family	\$1,500	\$1,101	\$1,709
Class of 1962	\$148	\$472	\$518
Foley, George L. and Elizabeth Y.	\$5,000	\$5,206	\$6,219
Hutchins, Burleigh	\$1,370	\$3,436	\$3,774
Johnson, Kenneth A.	\$1,236	\$3,683	\$4,046
Lyons Family	\$1,800	\$1,341	\$2,073
Kerr, Ehtyl G.	\$3,000	\$2,202	\$3,419
Kiran, Erdogan	\$2,425	\$3,763	\$4,134
Paine, Arnold	\$3,456	\$4,915	\$5,650
Albert Moore Pat's Pizza	\$5,154	\$3,639	\$6,083
Shurling, Gene/Couch Pit University	\$4,173	\$5,944	\$6,530
Stevens, Howard	\$700	\$1,104	\$1,212
Subtotal	\$29,963	\$45,487	\$45,367
TOTAL	\$4,957,851	\$12,438,538	\$13,072,875

University of Maine Pulp and Paper Foundation  
2011 Budget Proposal

	2009		2010		2011
	Actual	Budget	Actual	Budget	Approved
Membership Income					
Foundation Sponsor	\$ 39,000	\$ 50,000	\$ 16,500	\$ 45,000	\$ 39,000
Scholarship Underwriter	48,500	50,000	48,500	45,000	45,000
Company Member	49,300	45,000	47,725	40,000	40,000
Special Gift Member	4,925	9,000	4,850	9,000	9,000
Individual	28,738	30,000	20,415	40,000	40,000
Matching Gift	2,300	2,500	500	2,500	2,500
Total Membership Income	<u>172,763</u>	<u>186,500</u>	<u>138,490</u>	<u>181,500</u>	<u>175,500</u>
Investment Income			Percent	5.00%	5.00%
General	295,917	295,917	262,081	262,081	206,463
Endowment	689,433	689,433	622,184	622,184	593,824
Soderberg Research	91,350	91,350	81,434	81,434	71,319
Total Investment Income	<u>1,076,700</u>	<u>1,076,700</u>	<u>965,699</u>	<u>965,699</u>	<u>781,606</u>
Open House	0	0	0	0	0
Other Income	0	0	0	0	0
Total Operating Income	<u>1,249,463</u>	<u>1,263,200</u>	<u>1,104,362</u>	<u>1,147,199</u>	<u>1,047,106</u>
Scholarships & Recruitment					
Undergraduate Scholarships	751,135	788,000	742,672	788,000	750,000
Graduate Stipends	14,152	50,000	44,914	50,000	0
Educational Relations	41,009	50,000	41,922	50,000	50,000
Total Scholarships & Recruitment	<u>806,296</u>	<u>888,000</u>	<u>829,508</u>	<u>888,000</u>	<u>800,000</u>
University Support					
P & P Foundation Professor	15,000	15,000	15,000	15,000	10,000
Calder Professor	15,000	15,000	15,000	15,000	0
Faculty Stipends	5,000	5,000	5,000	5,000	0
Departmental Support	13,000	13,000	16,535	13,000	0
Summer Co-op Teaching	23,499	25,000	15,436	15,000	10,000
Chinn Seminars	3,020	2,000	2,637	2,500	2,500
Total University Support	<u>74,519</u>	<u>75,000</u>	<u>69,608</u>	<u>65,500</u>	<u>22,500</u>
Foundation Operations					
Public Information	8,076	13,000	7,816	13,000	12,000
Foundation Office	258,000	260,000	254,560	240,300	246,191
Professional Fees	50,309	40,000	37,387	38,000	19,000
Miscellaneous	32,243	30,500	27,800	30,500	25,000
Total Foundation Operations	<u>348,628</u>	<u>343,500</u>	<u>327,563</u>	<u>321,800</u>	<u>302,191</u>
Total Operating Expense	<u>1,229,443</u>	<u>1,306,500</u>	<u>1,226,679</u>	<u>1,275,300</u>	<u>1,124,691</u>
Operating Surplus/(Deficit)	\$ 20,020	\$ (43,300)	\$ (122,317)	\$ (128,101)	\$ (77,585)

## AUDIT COMMITTEE

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The function of the Audit Committee is to provide oversight of the integrity of the Foundation's financial statements, determine the qualifications and independence of the Foundation's auditor, the performance of the Foundation's accounting service and independent auditor, and the Foundation's compliance with legal and regulatory requirements.

The Audit Committee recommends the appointment of an auditor and accepts its report. The Audit Committee met twice in 2010. During those meetings we reviewed the 2009 audit as prepared by Baker Newman & Noyes (BNN). As a cost saving measure, the Board authorized the Executive Committee and the Audit Committee to explore alternate auditors for 2010. Although we were pleased with the quality of work with BNN, we believed that similar services might be available at a lower cost. An RFP was put out in July. We received three bids, and in September we chose MacDonald Page of South Portland as our Auditors for 2010 to 2012.

MacDonald Page visited the UMPPF offices on February 10, 2011 and thoroughly reviewed our systems, methodology, record keeping and checks and balances. We were impressed with the thoroughness of MacDonald Page's review.

In addition to the change in auditors, the Foundation transferred our accounting process from a 30 year old program called Checkbook to QuickBooks. This change was made to assure maintenance and upkeep services are readily available, and to improve reporting. In addition, auditors are very familiar with QuickBooks, and can perform a more efficient review with this system. As a result of this change all accounting has been brought back in house, saving \$15,000 to \$20,000 per year.

The audit committee met on March 25<sup>th</sup> of 2010 to review both the 2010 financial statements, as well as the audit report as prepared by our auditors, MacDonald Page. There was no material weaknesses noted. Recommendations from the report include:

1. A better defined process for system back-ups. Jack will write and implement a policy to address this recommendation.
2. Increase the frequency from the current two times a year review by the treasurer of Commonfund Statements to a more frequent rate. Jack and Dave will include future Commonfund statements in the monthly reconciliation report.

We are in full agreement with the auditor's report and are confident our financial processes are effectively ensuring our financial reporting is accurate and that our finances are managed with integrity.

Bill Igoe, Chair

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## MEMBERSHIP COMMITTEE

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The primary function of the Membership Committee is to solicit financial support from paper producers and supplier companies who recognize the mutual benefits of supporting the Foundation and the forest products industry. In addition to the core benefit of developing and providing the highest quality engineering students, the Foundation also provides its company members with additional benefits including access to technical expertise, Process Development Center technical capabilities, networking opportunities with key industry personnel, and insight on current paper industry issues, The Dandy Scroll newsletters, paper mill luncheon events, and the annual Open House collaborative paper industry event known as “Paper Days”.

Our 2010 activities included:

- The Membership Committee met twice in 2010:
  - Twin Rivers Paper Madawaska mill luncheon meeting and tour on August 5<sup>th</sup> hosted by Jeff Dutton and his mill leadership team.
  - Membership Committee meeting on October 5<sup>th</sup> at Savage Safe Handling in Auburn.

The economy continued to take its toll on membership contributions and despite our new Company Members and best efforts, we finished the year below our annual contribution budget. To achieve our 2011 contribution budget we still need the continued support of existing and new Company Members, especially the Paper Companies and their Suppliers.

I would like to thank all the Membership Committee members who generously volunteered their time.

John Wolanski, Chair

## GIFTS AND BEQUESTS COMMITTEE

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The Gifts and Bequests Committee encourages contributions to the Endowment Fund to support the Foundation's long term ability to encourage students and the University of Maine College of Engineering programs related to the pulp and paper industry.

In 2010 the Foundation received \$14,682 in gifts to increase existing Named Scholarship Funds, \$11,606 in gifts to increase USA Scholars Funds, and \$4,936 to increase existing endowment funds.

The value of each endowment is reported separately in this annual report noting the value of the original gift. Since 1980 the Foundation has accounted for each endowment fund separately showing the value of the original gift and the market value of the fund for the last two years.

The Foundation's endowed funds provide individuals an opportunity to express their personal appreciation for their education and their career success, or to recognize a family member or business associate who has been inspirational.

The most common method of establishing an endowment fund is through a single gift of cash or securities valued at \$10,000 or more to create a Named Scholarship. Gifts of \$50,000 or more are recognized as USA Scholars Funds. Those who wish may make a series of gifts with the intention of contributing \$10,000 over a period of time. In the case of funds with contributions of less than \$10,000, all investment income and investment gains are added to the fund to accelerate its growth to become a Named Scholarship, which then serves as the basis for an annual scholarship award.

Additional information about making an endowment gift is available from Jack Healy, Executive Director, at the Foundation office in Orono.

Keith A. Meyer, Chair

## UNIVERSITY SUPPORT COMMITTEE

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The function of the Support Committee is twofold. The Committee acts as a liaison for the Foundation to the Chemical & Biological Engineering Department with the objective of providing industrial perspective, guidance and support (both monetary and non-monetary) in areas of importance to the Department's chair and faculty ensuring that their activities are well connected to the future of the pulp & paper and related industries. Secondly, the Committee also serves as the Industrial Advisory Board (IAB) to the Chemical and Biological Engineering Department as required by the Accreditation Board for Engineering and Technology (ABET). Whereas the first function is clearly directed to current interests of Foundation member companies, the second tends to be more global and academically focused as accreditation is based on how well students are prepared for all of the industries and other organizations by which they may become employed. The Committee met three times in 2010, January 8, June 25 and November 19th.

During the past two years, the committee has refined five specific goals and the action steps required to achieve these goals. The first goal has been, and continues to be, to assist in the development of a multiyear plan for the future focus and direction of the Chemical & Biological Engineering Department. This has been done by committee reviews of the current pulp & paper curriculum and research infrastructure at UMaine through interviews and reviews with individual faculty and staff members. This activity has occurred throughout the year at each meeting. The Committee has encouraged and supported the implementation and execution of this multiyear plan realizing that is important to the future of the State's pulp and paper industry and the broader interests of the Department staff and students. In addition, the committee has reviewed the Chinn Seminar subjects and contents at each meeting to assure alignment.

Secondly, the committee has supported and recognized the faculty of the department as appropriate by reviewing and recommending support for Foundation recognized professors. The Pulp and Paper Foundation upon our recommendation and with approval of the Executive Committee will again support Dr. Joe Genco, the Calder Professor, and Dr. Doug Bousfield, the UMPPF Professor. The committee has also continued to support the University through faculty and staff recognition building on the 2010 success of the establishment of the Genco award. After awarding the first Genco to Dr. Joe Genco in 2010, the Genco Award will again be presented at Paper Days in 2011.

A new goal for 2010/11 has been to develop, schedule, and host a one day workshop between Pulp and Paper Industry and University researchers such that the research needs of the industry are understood by University staff and the Pulp and Paper industry understands the research capabilities at UMaine. The goal being that mutual understanding leads to mutual benefit of the Paper Industry and Maine's Flagship University. The session hosted by the Committee during the 2011 Paper Days gathering has been the activity to realize this goal.

The Committee has continued to be informed and when necessary responsive in helping the engineering departments supported by Foundation scholarships through the current budget crisis. The committee continues to increase the awareness and engagement of the Foundation Board through involvement of the committee chair in appropriate Board meetings.

Regarding the Accreditation process support, the activity continues to be high each meeting and always informative. Student assessments are conducted annually. Feedback has been provided to the Department regarding what makes new hires successful – particularly with respect to soft skills and advises the department on how to promote these skills in the curricular.

Jeff Hamilton, Chair



Chemical & Biological Engineering Professor Bill DeSisto conducting an experiment in the pilot plant laboratory with Chemical Engineering seniors.

## SCHOLARSHIP/EDUCATIONAL RELATIONS

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The primary role of the Scholarship Committee is to award scholarships, grants, and loans to qualified students. The role of the Educational Relations Committee is to interact with teachers to promote the Foundation's programs, helping them to encourage their students to utilize our programs and consider a career in the Pulp and Paper Industry. These committees continue to grow in size, and we are grateful that so many are willing to donate their time to ensure that we are selecting the right students to serve this industry.

During Paper Days 2010, we awarded Teacher of the Year awards to Carey James of Bangor High School and Terry Duffy of Katahdin High School. The nominating students did a wonderful job introducing the teachers, and both teachers were very appreciative of the recognition. We plan to award the Teacher of the Year award to two teachers again in 2011.

In the spring of 2010, the committee interviewed 24 students for three upper-class scholarships. Due to the large number of very qualified applicants, the committee decided to put five additional students in a hold category, in anticipation of scholarship positions becoming open. In May, we offered scholarships to three students, and by year end we had offered scholarships to all five students in the hold category.

Our Consider Engineering summer program continues to thrive, with 171 high school students applying for 102 slots in 2010. Feedback continues to be positive; one parent stated that her son talked to her more about his three days of Consider Engineering than his entire three years of high school! We actively market this program with flyers and posters at almost all Maine high schools.

In September, we held our Scholarship Banquet, where students gather for dinner, discussion, and presentation of fall scholarship checks. We were very pleased to have a record number of company members in attendance to meet our students and distribute scholarship checks. Our 1st year students were also in attendance, and they received the 1st year welcome bag that Faye assembles with the help of many of our company members.

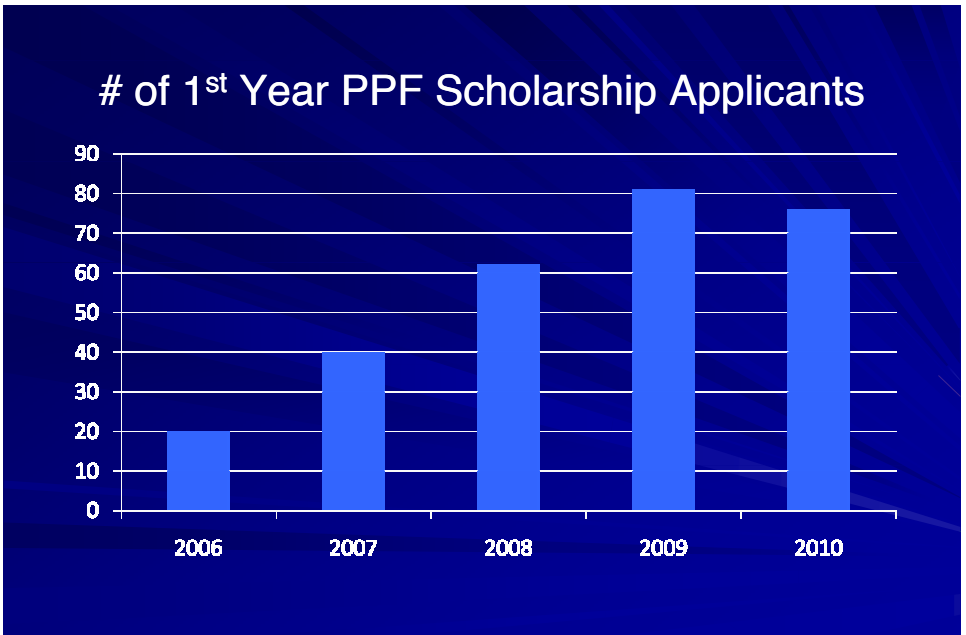
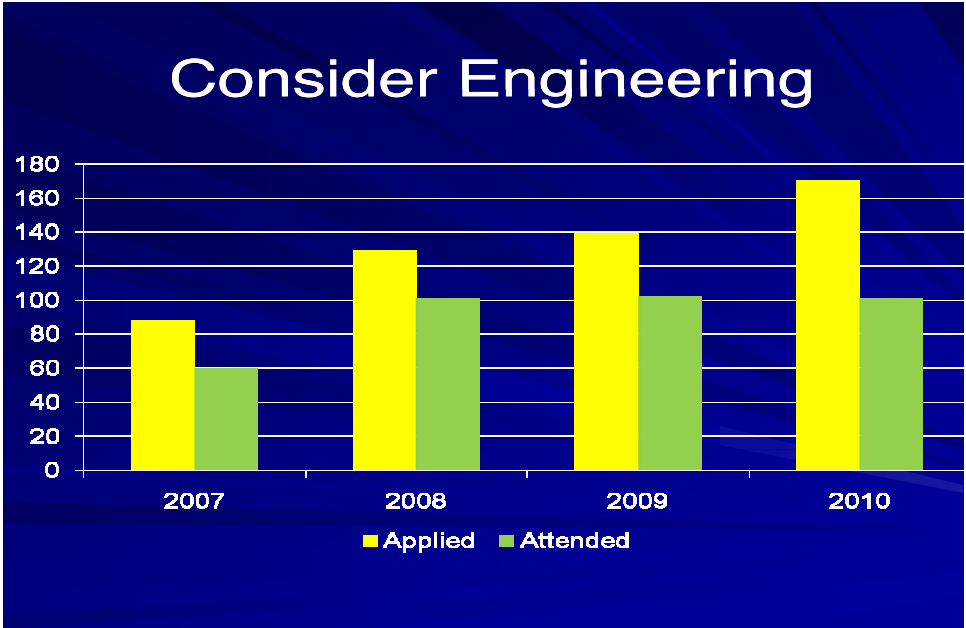
Recently, eight students returned to their respective high schools to promote our scholarship program.

Our application rate has stabilized over the past several years, at approximately 80 applicants for 25 scholarship awards. This year, we received 76 applications, and we interviewed 58 students via SKYPE on a cold January Saturday. We had the largest number of applications for chemical engineering that we have seen in many years, with 37. We have since made 27 scholarship offers, and have eight students in reserve, pending acceptance by those offered.



We are fortunate to have terrific students, and we are very pleased to have invested \$742,672 in them in 2010. We are delighted that the Board has approved \$750,000 in scholarship awards for 2011.

Jason Lyons, Chair



## PUBLIC INFORMATION COMMITTEE

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The Public Information Committee is responsible for communicating a strong, positive message about the University of Maine Pulp and Paper Foundation, the paper industry; and for publicizing programs that offer our students, corporate members and Foundation friends important benefits.

In 2010 the Foundation website [www.maineulpaper.org](http://www.maineulpaper.org) was once again updated and expanded to include a special “Student Resources” section to be used by current scholarship recipients allowing them the ability to check our upcoming events calendar and schedule including Chinn Seminar program announcements and the PowerPoint presentations of the seminars offered each semester. Also new to the website for 2010 is the ability of Foundation member companies, alumni and friends to make secure electronic contributions, in support of their membership and Foundation activities.

The website continues to feature copies of all program brochures including Paper Days and Consider Engineering. Scholarship applications for incoming first year students and upper-class students. Our Candidates for Placement featuring pictures and resumes of all current scholarship recipients continues to be of value to those looking to fill full-time, co-op and intern positions within their companies. This area is considered a benefit of Foundation membership and is password protected. Those interested in obtaining access may call the Foundation Office at (207) 581-2297 or email at [pulpaper@maine.edu](mailto:pulpaper@maine.edu) for access codes.

Once again, Scholarship and Consider Engineering posters were designed and distributed to more than 150 Maine and out-of-state high school contacts inviting interested students to apply for Foundation scholarships or admission to the ever-popular Consider Engineering program.

The Foundation Newsletter, “*The Dandy Scroll*” continues to be distributed twice yearly, in the spring and in the fall. We also maintain past and current newsletters on our website.

We welcome your comments and suggestions that will lead to improved communications and better publicity for all Foundation activities.

Louis J. Boos, Chair

## OPEN HOUSE COMMITTEE

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Paper Days/Open House provides one of the best networking opportunities for everyone from the college student level to the company president level. Paper Days is one of the rare occasions at which entry level, middle management, and senior executives from a large variety of companies spend quality social and information time together. The program offers something for everyone throughout the career spectrum.

Paper Days 2010 - E<sup>3</sup> Environment, Energy, Economy attracted more than 230 industry guests, faculty, students and administrators. Donna Harman, President & CEO of AF&PA was our opening luncheon speaker. Our afternoon panel titled Climate Change - Legislation, Impacts and Solutions was moderated by Dana Dolloff, Rayonier (retired) and included eight industry presenters and featured questions from student panelists and audience members.

Mark Gardner, President & CEO, Sappi Fine Paper North America was our featured keynote speaker. The focus of Mr. Gardner's presentation was strategy and his noting that Sappi's strategy positions them well to succeed in a changing market. Other highlights during the evening banquet were the presentation of named scholarships, teacher awards, new company members introductions, recognition of senior scholarship recipients, the first presentation of the Joseph M. Genco for pulp and paper industry support, and the presentation of our 2010 Honor Award to Dana Dolloff.

The Pulp & Paper Players were on hand to entertain our audience with two special songs to help us celebrate the Foundation's 60th anniversary. The first was a rendition of "My Favorite Things" rewritten to incorporate the paper products produced by many of our corporate members. The second song, a remake of "YMCA" was a play on the Pulp and Paper Foundation's 60<sup>th</sup> anniversary. Interested readers may view the Pulp & Paper Players presentation on our website at [www.mainepulpaper.org](http://www.mainepulpaper.org) (click on the Paper Days tab, then click on Pulp & Paper Players).

Paper Days 2010 continued on Thursday morning with Dr. Habib Dagher, University of Maine presenting "Off-Shore Wind - A Year Later - Update". Pulp & Paper Foundation scholarship recipients held a panel session, moderated by Lou Boos, Nordic Engineering titled "Why I loved/Didn't Love My Co-op Experience" followed by a morning seminar "Energy Opportunities". Paper Days ended with our luncheon speaker, Katherine Buckman Gibson, Chairman of the Board, Buckman. Copies of Paper Days presentations are available on the Foundation's website at [www.mainepulpaper.org](http://www.mainepulpaper.org).

The Paper Days event has been held since 1950 as the Pulp and Paper Foundation Open House. We look forward to welcoming you to the 2011 program "Maine on Paper".

Albert B. Moore, Chair

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## COMMITTEE MEMBERSHIP

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### AUDIT COMMITTEE

William F. Igoe, Jr., Chair  
David M. Colter  
Cheryl Levesque

Elsa Sanborn  
John A. Sorel

### GIFTS AND BEQUESTS COMMITTEE

Keith A. Meyer, Chair

### INVESTMENT MANAGEMENT COMMITTEE

Ralph C. Keef, Chair  
David Colter  
James Crump, Jr.  
William F. Igoe, Jr.

Martin Grant  
Thomas F. LaHaise, III  
Stanley N. Marshall, Jr.  
Janelle McDermott  
Elsa Sanborn

### MEMBERSHIP COMMITTEE

John Wolanski, Chair  
Brad Bingham  
Jeff Dutton  
Barbara "Gilly" Hitchcock  
Jef Howell

Mark Lenentine  
Mike Luciano  
Joe Lynch  
Craig Martin  
Mike Michaud  
Bob Rourke

### NOMINATING COMMITTEE

Donald F. Beaumont, Chair  
David Colter  
Jeff Dutton

Jack Healy  
Barbara Kerr Hamilton  
John Wolanski

### OPEN HOUSE COMMITTEE

Albert B. Moore, Chair  
Proserfina Bennett  
Louis J. Boos  
Ron Calpaldo  
Dana Dolloff

Eric Fletty  
Eric Olsen  
Dick Rozene  
Dick Saucier  
John Williams

## **PUBLIC INFORMATION**

Louis J. Boos, Chair

## **SCHOLARSHIP/EDUCATIONAL RELATIONS COMMITTEES**

Jason Lyons, Chair

Scott Castonguay

Mike Davis

John Desjardins

Bill DeSisto

Mary DeVoe Pratt

Gary P. Gagner

Barbara Hamilton

Mark Lenentine

Patty Lovejoy

John M. MacBrayne, III

Lee Marshall

Owen McCarthy

David Neivandt

Joel E. Pike

Mike Reider

Julie B. White

Robert White

David K. Wilson

Annette Smith Wright

## **UNIVERSITY SUPPORT COMMITTEE**

Jeff Hamilton, Chair

Michael Bilodeau

Lee Bingham

Doug Bousfield

Dennis Castonguay

Paul Durocher

Peter Hart

Richard Malinowski

David Neivandt

Jessica Paul

Del Raymond

Hemant Pendse

Darrell Waite



Students attending a Career Exploration Seminar pose for a picture before touring Verso Paper's mill in Jay, ME.

## **CORPORATE MEMBERS**

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### **FOUNDATION SPONSORS**

NewPage Corporation  
Sappi Fine Paper North America  
SCA Americas

### **SCHOLARSHIP UNDERWRITERS**

ABB Inc.  
Andritz Incorporated  
Ashland Incorporated  
Bercen Incorporated  
Buckman USA  
Central National-Gottesman Inc.  
Du Pont Company  
Kemira Chemicals Inc.  
Lincoln Paper & Tissue  
Madison Paper Industries  
MeadWestvaco Corporation  
Metso Paper LTD  
OMNOVA Solutions Inc.  
Roosevelt Paper Company  
Savage Safe Handling Inc.  
Twin Rivers Paper Company  
Verso Paper

## COMPANY MEMBERS

Asten Johnson	Metso Paper USA
Cascades Auburn Fiber	Nalco Company
Cianbro Corporation	New England Controls
D & S Engineering Inc.	Old Town Fuel & Fiber
EcoSynthetix Inc.	PPSA Overseas Ltd.
Eka Chemicals	Precision Roll Grinders Inc.
The Fitch Company	Procter & Gamble Inc.
FMC Corporation	Quadra Chemicals
GAC Chemical Corp.	Rayonier
GL&V USA, Inc.	St. Lawrence & Atlantic RR
Huhtamaki Food Service	Styron LLC
Imerys	SW & B Construction Corp.
Kadant Inc.	TexPar Energy
Luzenac America	Univar USA
	Voith Paper

## SPECIAL GIFT MEMBERS

AMEC	LaCasse & Weston Inc.
The Asquith Group	Monson Companies Inc.
D. Benedetto Inc.	Nordic Engineering Inc.
N. H. Bragg & Sons	Olver Assoc. Environmental Eng.
Caldwell-MacKay Co. Inc.	Process Products Northwest
County Environmental Eng.	Sullivan & MerrittConstructors Inc.
Fortune Personnel Consultants	Tate & Lyle
Heuchling Group Inc.	Whitfield Russell Associates
Holland Company Inc.	Woodard & Curran
Hydro Technologies Inc.	

# CODE OF ETHICS

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## Statement of Values

The Board of Directors (the Board) of the University of Maine Pulp and Paper Foundation (the Foundation) adheres to the highest ethical standards to demonstrate its commitment to the core values of integrity, honesty, fairness, openness, respect, and responsibility. The Board embraces these core values:

- Commitment to the public good;
- Accountability to the public;
- Commitment beyond the law;
- Respect for the worth and dignity of individuals;
- Inclusiveness and social justice;
- Respect for pluralism and diversity;
- Transparency, integrity and honesty;
- Responsible stewardship of resources;
- Commitment to excellence and to maintaining the public trust.

## Code of Ethics

### **A. Personal and Professional Integrity**

All staff, board members and volunteers of the Foundation act with honesty, integrity and openness in all their dealings as representatives of the Foundation. The Foundation promotes a working environment that values respect, fairness and integrity.

### **B. Governance**

The Board is responsible for setting the strategic direction of the Foundation and oversight of the finances, operations, and policies of the organization. The Board:

- Ensures that board members have the skills and experience to carry out their duties and that all members understand and fulfill their governance duties acting for the benefit of the Foundation and its public purposes;
- Maintains a conflict of interest policy that ensures any conflicts of interest or the appearance thereof are avoided or appropriately managed through disclosure, recusal or other means;
- Is responsible for the hiring, firing, and review of the performance of the Executive Director of the Foundation, and ensures that the compensation of the Executive Director is reasonable and appropriate;



- Ensures that the Executive Director and appropriate staff provide the Board with timely and comprehensive information so that the Board can effectively carry out its duties;
- Ensures that the Foundation conducts all transactions and dealings with integrity and honesty;
- Ensures that the Foundation promotes working relationships with board members, staff, volunteers, and program beneficiaries that are based on mutual respect, fairness and openness;
- Ensures that the Foundation is fair and inclusive in its hiring and promotion policies and practices for all board, staff and volunteer positions;
- Ensures that policies of the Foundation are in writing, clearly articulated and officially adopted;
- Ensures that the resources of the Foundation are responsibly and prudently managed.

**C. Legal Compliance**

The Foundation complies with all local, state, and federal laws and regulations.

**D. Responsible Stewardship**

The Foundation responsibly and prudently manages the endowment fund including:

- Ensuring reasonable expenses in pursuit of its purposes;
- Ensuring reasonable and appropriate compensation for staff members and any others that may receive compensation;
- Ensuring that all financial reports are factually accurate and complete in all material respects.

**E. Disclosure**

The Foundation provides comprehensive and timely information to the public and all stakeholders and is responsible in a timely manner to reasonable requests for information. All information about the Foundation will fully and honestly reflect the policies and practices of the Foundation. All financial, organizational, and program reports will be complete and accurate in all material respects.

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# 2010 Honor Award



**Dana B. Dolloff**

Dana graduated from the University of Maine in 1963 with a B.S. in Chemical Engineering and an M.S. in Pulp and Paper Technology. He began his career with the International Paper Company, first at the Ticonderoga, NY mill and later at the Company's corporate and Washington offices as an environmental affairs liaison. Dana was named Manager of Raw Materials and Purchasing in the company's corporate offices in New York City.

In the mid 1990's Dana joined Rayonier as Director, Environmental Health and Safety. During his long distinguished career he was heavily involved in working with government and business leaders in developing, negotiating and implementing many environmental programs and issues, always with the goal of balancing protection for the environment with the needs of our industry for business and operating flexibility. Dana retired from Rayonier in 2007 after 19 years of service.

The 2010 Honor Award recipient has served as a member of our Research Committee, Membership Committee and Board of Directors.



For complete “up-to-date” program information including:

- Paper Days/Open House
- Pulp & Paper “Consider Engineering”  
High School Summer Program
- Pulp & Paper Foundation Sponsored Scholarships

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