

WVU
FOUNDATION



2006-2007
Annual Report

WEST VIRGINIA UNIVERSITY FOUNDATION
ONE WATERFRONT PLACE, SEVENTH FLOOR
MORGANTOWN, WV 26501

ANNUAL REPORT

July 1, 2006 to June 30, 2007

The West Virginia University Foundation is an independent 501(c)(3) corporation chartered in 1954 to generate, administer, invest and disburse contributed funds and properties given by individuals, corporations and philanthropic foundations in support of West Virginia University and its non-profit affiliates.

Its mission is to enhance the overall well-being of West Virginia University and be recognized by its donors and peers as a leading independent foundation.

The Foundation is governed by the Board of Directors who are elected by the members. All serve without compensation. The Foundation's operating budget is financed entirely with private resources; no University or state funds are used. One hundred percent of each donor's gift is applied directly to the purpose for which it is given. No operating expenses are deducted from gifts given by donors, and no unrestricted gifts are used to fund operations.

The Foundation provides the central development and endowment management functions for the University at no cost to the University.

The following pages contain information regarding the Foundation's activities during the fiscal year which ended June 30, 2007.

For further information contact the WVU Foundation at:

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Seventh Floor
Morgantown, WV 26501
Phone: 304-284-4000
E-mail: wwuf@wwuf.org
Website: www.wwuf.org



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ON THE FRONT COVER

White Sulphur Springs, C.1855, by Edward Beyer (1820-1865). Mr. Beyer, a Rhineland of western Germany native, studied art at the Dusseldorf Academy of Art, and became well known for his meticulously detailed portrayal of nature combined with the works of man. He came to the United States, C.1848, settling in Newark, New Jersey, and then in Philadelphia, Pennsylvania, by 1850. In 1854 Beyer visited Virginia, remaining until 1856 or 1857. He was greatly impressed by the Virginia landscape. Most of his Virginia work portrays scenes in the mountainous western part of the state, now known as West Virginia. Some feel that the mountains, in the western Virginia scenery, reminded Mr. Beyer of his birthplace in the German Rhineland, with heavily forested mountains of moderate size, cut by narrow river valleys. Courtesy of The Greenbrier, White Sulphur Springs, West Virginia, and West Virginia and Regional History Collection, WVU Libraries. This image and other prints from the collection are on display at the offices of the West Virginia University Foundation.

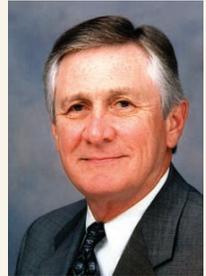


A MESSAGE FROM CHAIRMAN DAVID W. HAMSTEAD

We have just completed an outstanding fiscal year during which the WVU Foundation achieved many milestones. This report describes in detail our many accomplishments.

One of the most important milestones occurred in May when the Board of Directors named R. Wayne King as President and CEO, succeeding F. Duke Perry. In the period between Mr. Perry's retirement on February 1 and the beginning of Mr. King's tenure, I served as interim President and CEO.

I would like to acknowledge the extraordinary contribution that Duke Perry made during the past eight years to strengthen our organization and its development programs. During his term as President and CEO, the Foundation experienced exceptional growth, conducted a historic capital campaign and built a new facility. Duke's contributions are an important part of our organization's success. We wish him well in his retirement.



Wayne has strong fund-raising credentials in both the educational and medical fields. He is a very congenial individual with great experience and talent. The Board feels that he is the ideal choice to lead the Foundation to even higher levels of accomplishment. We look forward to working with him.

The Foundation ended the 2007 fiscal year with assets under management of more than \$1 billion and endowment investments of \$474 million. We also had a record level of contributions totaling \$87 million, surpassing last year's figure of \$61.2 million.

Among other fiscal year records were revenues totaling nearly \$143 million and The University Fund (former annual fund) topping \$16 million.

Your gifts make it possible for the University to provide greater opportunities for students to become tomorrow's leaders and for faculty members to become renowned scholars. The impact of private giving is becoming more important to the future of our great University.

We thank you for your continuing support of West Virginia University and your confidence in the Foundation's stewardship of your contributions.

David W. Hamstead

Chairman, Board of Directors
WVU Foundation



A MESSAGE FROM NEW PRESIDENT R. WAYNE KING

It is a great privilege for me to serve as President and CEO of the West Virginia University Foundation.

I relish the opportunity to partner with a dedicated Board and Foundation team to continue to build on a strong legacy of service and support for West Virginia University. The WVU Foundation has a 50-year history of significant accomplishments, and I am very pleased to have been selected to lead this organization to the next level of success.

Mary and I are excited to be a part of the Mountaineer family and to be associated with a University that is held in such high regard across the country.

Since my arrival on July 2, I have been most impressed with the work of the University and the support you provide for the WVU community. Coming to the Foundation following a record-breaking fund-raising year, I am committed to continuing that momentum by working closely with WVU President Mike Garrison to meet the needs of the University.

R. Wayne King, CFRE

President & CEO
WVU Foundation

Meet Wayne King

Mr. King came to the WVU Foundation from Des Moines, Iowa, where he was President of the Mercy Foundation, which provides philanthropic support for Mercy Medical Center, a 917-bed regional medical center, and five subsidiary organizations.

He previously had been Senior Vice President for Development with the Oklahoma State University Foundation, which conducted a \$206 million Bringing Dreams to Life campaign and raised \$261 million. He also directed successful campaigns for the basketball arena expansion, football stadium renovation and alumni center.

He also had served as Vice President for Development at Southern Wesleyan University, Central, S.C., and at Oklahoma Wesleyan University, Bartlesville, Okla. and as Executive Director of the Lawrence Garvin Clayton Foundation, Central, S.C.

A Certified Fund Raising Executive since 1986, he also is a certified instructor for the National Institute of Wills & Bequests. He earned a bachelor's degree from Asbury College and master's degrees from Indiana University and the University of Oklahoma.

The Kings have a daughter, Tammi, who lives in the New York City area and works for ABC. Their son, Michael, daughter-in-law, Martha, two-year-old grandson, Simon, and identical twin granddaughters, Maggie and Lucy - born in October - live in Tulsa, Okla., where Michael serves as a staff pastor with Redeemer Covenant Church.

BOARD OF DIRECTORS & OFFICERS – 2006-2007

John C. Allen

J.F. ALLEN COMPANY
BUCKHANNON, WV

Curtis H. Barnette '56, '75 Hon.

SKADDEN, ARPS, SLATE, MEAGHER
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BETHLEHEM, PA

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Sue Seibert Farnsworth '62, '67

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PITTSBURGH, PA

David C. Hardesty Jr. '67

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MORGANTOWN, WV

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LOVETT, BOOKMAN, HARMON, MARKS
PITTSBURGH, PA

Glen H. Hiner, '57, '89 Hon.

PEBBLE BEACH, CA

Stanley M. Hostler '65

CHARLESTON, WV

E.G. "Ken" Kendrick Jr. '65

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BLUEFIELD, WV

Robert A. McMillan

JEFFERSON DISTRIBUTING COMPANY
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Michele Vigneault McNeill '75, '05 Hon.

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T.E. MESSMORE ASSOCIATES, LLC
ALTON BAY, NH

Marshall S. Miller '66, '73, '06 Hon.

MARSHALL MILLER & ASSOCIATES
BLUEFIELD, VA

Dan R. Moore

MOORE AUTO GROUP
WILLIAMSON, WV

G. Ogden Nutting

OGDEN NEWSPAPERS, INC.
WHEELING, WV

Gary R. Pell '73

PRICEWATERHOUSECOOPERS
ATLANTA, GA

F. Duke Perry

WVU FOUNDATION
MORGANTOWN, WV

Thomas E. Potter '55, '57

JACKSON KELLY
CHARLESTON, WV

Verl O. Purdy '64

AGDATA
CHARLOTTE, NC

Robert L. Reynolds '74, '07 Hon.

CONCORD, MA

Stuart M. Robbins '65

OLD GREENWICH, CT

Janet Griffith Rogers '60, '63

THOUGHTFULNESS, INC.
GRANVILLE, WV

Joan Corson Stamp '73

WHEELING, WV

Clara C. Thomas

CHARLESTON, WV

Craig H. Underwood '80

SPORTS LOYALTY SYSTEMS, INC.
BOSTON, MA

Peter S. White '55

THE WHITE PLANNING GROUP
CHARLESTON, WV

Vivien Perrine Woofter '52, '98 Hon.

U.S. DEPARTMENT OF STATE
ARLINGTON, VA

WVU FOUNDATION OFFICERS

CHAIR

David W. Hamstead

PRESIDENT & CEO

F. Duke Perry (7/1/06-1/31/07)
Mr. Hamstead (interim 2/1-6/30/07)

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SECRETARY

Janet Griffith Rogers

ASSISTANT SECRETARY

Ralph J. Bean Jr.

VICE PRESIDENT FOR DEVELOPMENT

D. Lyn Dotson '76

VICE PRESIDENT FOR DEVELOPMENT

HEALTH SCIENCES

Julia W. Phalunas '88, '91

VICE PRESIDENT FOR FINANCE AND

ADMINISTRATION & TREASURER

R. Craig Walker '77, '81

VICE PRESIDENT FOR INVESTMENTS

Dorothy J. Dotson '66, '91 Hon.

ASSOCIATE VICE PRESIDENT FOR

FINANCE AND ADMINISTRATION

& ASSISTANT TREASURER

Jeffrey K. Dunn '81

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Carolyn Eberly Blaney '48, '98 Hon.

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CHALK HILL, PA

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VERO BEACH, FL

Elmo J. Hurst '53

ALMEGA-TRU FLEX
BECKLEY, WV

Lacy I. Rice Jr.

BOWLES RICE McDAVID GRAFF & LOVE
MARTINSBURG, WV

John C. Shott '48

BLUEFIELD, WV

HONORARY MEMBER

James H. Harless '81 Hon.

INTERNATIONAL INDUSTRIES
GILBERT, WV

ADVISORY MEMBER

James Gardill '73

WHEELING, WV

YEAR IN REVIEW

WVU FOUNDATION

Total Foundation assets were slightly in excess of \$1 billion as of June 30, 2007 – a \$191 million, or 24%, increase over the previous year end. Included in total assets is \$340 million managed by the Foundation as investment agent for WVU Hospitals.

The Foundation's revenues for the fiscal year totaled nearly \$143 million, including investment earnings of \$76.3 million and contributions of \$54.3 million.

The Foundation also received gifts in-kind valued at over \$32 million, which were passed through directly to the University and accordingly are not included in the WVUF's reported revenue. The combined gifts received of \$87 million were contributed by 26,724 donors in 42,888 transactions. In total, the Foundation processed over 94,000 transactions during the fiscal year.

Thomas E. Messmore and Gary R. Pell have joined the WVU Foundation Board of Directors.

Mr. Messmore is the owner of T.E. Messmore Associates, LLC, an analytical consulting firm that focuses on risk and investment management. In retirement, he is developing a computer language which facilitates financial modeling, statistical analysis, and simulation.

Raised in Fairmont, W.Va., Mr. Messmore graduated from WVU with honors in 1967 with a BS in Industrial Engineering and earned his MBA from Harvard University in 1969. While at WVU, he was a member of Mountain, Tau Beta Pi, Alpha Pi Mu, Phi Kappa Psi, and represented the Engineering School in Student Government.

Messmore has worked in various aspects of the financial investment and asset management businesses since 1969. After positions with State Street Bank and Trust Company, Boston (1969-72) and Interactive Data Corporation, Waltham, Mass. (1972-1975), Messmore became Senior Vice President and Chief Financial Officer of Keystone Massachusetts Group, Boston (1975-1983). After Travelers bought Keystone, Messmore became Senior Vice President, Travelers Insurance Co., Hartford, Conn. (1984-1994), where he was responsible for Travelers' securities investments. Following this he became President and Chief Executive Officer, UBS Asset Management, N.Y. (1995-1996). Since 1997, Mr. Messmore has held multiple positions with Zurich Insurance Group in New York City and in Zurich, Switzerland.

He and his wife Sharon, a 1968 graduate of Fairmont State College, reside in Alton Bay, N.H. and have four children.

Mr. Pell is a Managing Partner and Chief Knowledge Officer of PricewaterhouseCoopers in Atlanta, Ga., and has been with the company for 33 years. His professional expertise is in the fields of accounting, auditing, tax and management consulting.

A native of Wheeling, W.Va., he graduated in 1973 from WVU's College of Business and Economics with a Business Administration degree in Accounting.

Upon graduation, he joined Price Waterhouse, LLP at the firm's Pittsburgh, Pa., office. From 1991 to 1993 he served as the company's National Director of Strategic Planning in New York and in July of 1993, was named Managing Partner of Price Waterhouse's Chicago practice.

Mr. Pell is a trustee of Atlanta's Woodward Arts Center, which focuses on community art, theater, music, education and museum work. He is a member of the Board of Directors and the Executive Committee Treasurer for the Metro Atlanta Chamber of Commerce and is also active with the WVU Peach State Alumni Chapter.



Tom Messmore



Gary Pell

Donor gifts enabled the Foundation to disburse \$37.9 million in funds on behalf of the University to support a myriad of purposes, including scholarships and fellowships; academic program development; chairs, professorships and lectureships; faculty development and research; equipment and facilities; and libraries. Over the past 10 years, the Foundation has provided the University with \$336 million in direct support.

Of the \$37.9 million disbursed in fiscal 2007 to the University, \$10.5 million (or 28%) was directed toward student scholarship support, which made attendance at WVU a reality for many in-state students by easing the financial burden. Another \$9.3 million (or 25%) was directed toward salaries, professional grants, and awards, which enabled the University to attract and retain the highest caliber of faculty for teaching, research and public service.

The Foundation's annual operating expenses were \$7.4 million during the 2007 fiscal year, representing 0.7% of total assets under management. As no operating expenses are deducted by the Foundation, 100% of each donor's gift is made available for its intended purpose.

While in Chicago, he was a member of the Chicago Council on Foreign Relations and was active in civic organizations such as Children's Memorial Hospital, Metropolitan Family Services, Junior Achievement, United Way Crusade of Mercy, and ChicagoLand Chamber of Commerce.

Mr. Pell and his wife Jayne, a 1973 WVU graduate with a degree in Secondary Education, reside in Atlanta. The couple are parents of three daughters.



Members of WVU's 2007 class of Foundation Scholars are from left: Kristine (Ann) Bybee-Finley of Hurricane, Hurricane High School, Putnam County; Marissa Statler of Core, Clay-Battelle High School, Monongalia County; Jason Bailey of Ripley, Ripley High School, Jackson County; Louie Olive of Williamson, Williamson High School, Mingo County; Lea Bridi of Beckley, Woodrow Wilson High School, Raleigh County. The Foundation Scholarship, valued in excess of \$55,000, provides tuition and fees, room and board, personal expenses and books for four years.

WVU's Department of Geology and Geography in the Eberly College of Arts and Sciences received a software grant renewal worth \$8 million from Landmark Graphics Corp. of Houston, Texas. The grant provides the department with state-of-the-art software tools.

Landmark is a leading supplier of software for the oil and gas industry and a brand of Halliburton's Digital and Consulting Solutions Division. The software will help attract top-notch faculty and high quality graduate students in the energy field.

Landmark

HALLIBURTON
Digital and Consulting
Solutions

Entrepreneur and philanthropist Milan "Mike" Puskar funded an enrichment program in the new Leadership Studies minor in WVU's Eberly College of Arts and Sciences.

The \$2 million endowment is part of the \$20 million personal commitment Puskar made in support of athletics and academics at the University.

It will support the Milan Puskar Leadership Scholars Program and encourage and support a wide range of enrichment activities for the



With total annual operating expenses of \$7.4 million (including both fund-raising and fund management expenses), the Foundation's revenue-to-expense ratio for the fiscal year was 19 to 1. Direct fund-raising costs for the year were \$3.9 million. Fund-raising costs compared to gifts received of \$87 million generated a revenue-to-expense ratio of 22 to 1.

The Foundation's endowment investments grew to \$474 million in fiscal 2007, an increase of \$73 million over the previous year.

In fiscal 2007, the endowed funds were invested in 80 funds managed by 34 well-known asset managers. As of June 30, 2007, 41% of the endowed portfolio was invested in equities, 23% in fixed income, and 36% in alternative investments.

The Foundation employed the services of the Charitable Asset Management Group of State Street Global Advisors for the life income accounts. These gifts are invested separately from the endowed portfolio in order to more closely match the needs and requirements of each individual donor. Two investment pools (equity and fixed income) have been established for this purpose and are diversified among several well-known mutual fund managers. Each life income participant's portfolio is

Puskar Scholars in order to enhance their academic and professional careers. A maximum of 20 Puskar Scholars will be selected per class of juniors who are pursuing the Leadership Studies minor. Selection will be based on demonstrated leadership abilities and interests, as well as academic achievement.

The F. Duke Perry Professorship in Leadership Studies was created by the WVU Foundation to honor Mr. Perry in his retirement as the Foundation's President and CEO.

The Perry Professorship is designed to strengthen the Leadership Studies program by providing resources to bring to campus an executive-in-residence and/or to attract and retain a faculty member whose expertise is in leadership

The WVU Foundation Board of Directors created the David C. Hardesty, Jr. Festival of Ideas endowment and the Susan B. Hardesty Mountaineer Parents Club endowment in their honor.



The Festival of Ideas was founded by Hardesty while a student at WVU in the late 1960s and was revived in 1996 after he became president. The endowed fund will help to underwrite costs associated with bringing preeminent thinkers and speakers to campus.

The Mountaineer Parents Club was created by Mrs. Hardesty to enable parents to stay informed about services

available at the University, share ideas with other parents and help to provide a supportive environment for students.

The William J. Maier, Jr. Deanship in the College of Law has been created through the continuing generosity of the Maier Foundation. The income from the endowment will be dedicated to raising the law dean's compensation to levels that will be competitive with the University's peers.

Philanthropist William J. Maier, Jr. established the Foundation in 1958 as the Sarah and Pauline Maier Scholarship Foundation in honor of his mother and wife. It was renamed the Maier Foundation in 2003.



Land at the corner of Beechurst and University avenues will be used to create a gateway to WVU's downtown campus thanks to a gift, which was one half interest in the property, from Al '50, '62 and Dee '52 Ware.

"The Jamison and Ware families have been owners of this property for almost a half century...Beulah Jamison Walker, Margaret Jamison Prager, Lucile Jamison Madeira and



typically invested as a fixed percentage of each pool.

In July 2005, the Foundation began implementing new financial and development systems from Blackbaud, Inc., a leading provider of software and services designed specifically for non-profit organizations. As the result of implementing these systems, the Foundation has embarked on a program of upgrading its technological and data infrastructure, as well as evaluating each of its core business practices.

This past year saw many of the components of the technological and security infrastructure upgraded or replaced. In addition, key data services were added to improve the accuracy and reliability of the Foundation's constituent database, which now has over 300,000 entries.

The Foundation is currently working on implementing process improvements in areas such as gift processing, fund management and reporting, as well as continuing to make incremental improvements in technology, security and data infrastructure.

Dolores Jamison Ware. All, along with their husbands, were WVU graduates and it seems only fitting that we, as a family, gift this choice location to our alma mater as the Welcoming Gateway to the historic WVU Downtown Campus," said the Wares.

The J. Vance and Florence Highland Johnson Chinese Studies Program is designed to reinforce the importance of foreign language mastery and foreign study at West Virginia University. The program was established thanks to a \$2 million gift from the Johnson's estate and is housed in the Eberly College of Arts and Sciences.



The endowment will support the multi-disciplinary program with four fundamental components: two professorships – one in the teaching of Chinese in the Department of Foreign Languages and one in Chinese Studies, a student support fund for study abroad and a library fund.

Mrs. Johnson was a 1939 WVU graduate with a Bachelor of Arts in English.

The BB&T Charitable Foundation contributed \$1.75 million to establish a BB&T Chair in Free Market Thought, enabling the College of Business and Economics to attract a national scholar in that field and enhance the school's free market research and teaching programs.



The gift will encourage a thorough discussion of the moral foundations of capitalism.

The Department of Civil and Environmental Engineering (CEE) in the College of Engineering and Mineral Resources recently received a gift of \$520,000 from the estate of Jack H. Samples. The gift will establish the Jack H. Samples Distinguished Professorship in Structural Engineering at WVU.

Mr. Samples, a 1949 graduate of WVU's civil and environmental engineering program and a longtime employee of the West Virginia Department of Transportation, died in 2005.

Dr. Paul A. Miller, WVU's 15th president, attributes the opening of a successful career to 4-H and Hancock County Extension agent Walter C. Gumbel who introduced him to the idea of attending college.

So Miller and his wife, Francena, felt it was fitting to establish the first WVU Extension presidential scholarship to benefit West Virginia 4-H members. The Paul A. and Francena L. Miller Presidential Scholarship is the largest single scholarship gift the WVU Extension Service has ever received.



CASE AWARDS

Duke Perry and the West Virginia University Foundation have won two prestigious Council for Advancement and Support of Education (CASE) District II Awards.

Mr. Perry, who retired in January as President and CEO of the Foundation, was honored with the Lifetime Service Award for 2007 for his accomplishments, excellence and leadership.

The Foundation's Band Aid Drive received a gold award in the Educational Fund-Raising category.

In addition to West Virginia, District II consists of Delaware, the District of Columbia, Maryland, New Jersey, New York, Pennsylvania, Puerto Rico, U.S. Virgin Islands, and Ontario.

Former Governor Gaston Caperton has made a \$100,000 gift to create an outstanding professor award for WVU faculty who demonstrate a commitment to improvement in writing.

The endowment will provide for an annual stipend for a professor whose work in the classroom – irrespective of discipline or rank – advances the cause of good writing.

Caperton is president of the College Board in New York.

In memory of his wife, Paula '78, a teacher of students with special need, who lost her battle with diabetes, Joe Muscatello '75, '76 established a scholarship in the College of Human Resources and Education.

The Paula Jan Barber Muscatello Presidential Scholarship at WVU was created thanks to tribute gifts in excess of \$100,000 from family, friends and her former students across the country.

The scholarship will support students from Nicholas or McDowell counties in West Virginia, or Tennessee residents pursuing a degree in special education, who have academic promise and financial need.



Frank "Tony" Furfari '38 and members of his family have establish an endowed fund supporting Italian Studies students who participate in study abroad programs in Italy.

The Domenick and Josephine Furfari Endowment for Italian Studies is named for his parents. Immigrants from southern Italy, they raised eight children, six of whom earned degrees at WVU.

FY 2007 GIFTS BY SOURCE DONORS

CATEGORY	DONORS
ALUMNI	53.1%
FRIENDS	34.3%
CORPORATIONS	11.1%
FOUNDATIONS/TRUSTS	0.7%
ESTATES	0.1%
OTHER	0.7%

GIFTS BY SOURCE DOLLARS

CATEGORY	DOLLARS
ALUMNI	16.0%
FRIENDS	7.1%
CORPORATIONS	54.2%
FOUNDATIONS/TRUSTS	15.4%
ESTATES	6.9%
OTHER	0.4%



The WVU Alumni Association moved closer to making *A New Home for Mountaineers* a reality, having raised \$9.3 million as of June 30, 2007. With the firing of his rifle Mountaineer Brady Campbell (left) signified the official groundbreaking of the new alumni center which is just a short walk from WVU Hospitals and Milan Puskar Stadium. L to R: Jim Gardill, Steve Douglas, Jim Herndon, Doug Van Scoy, Steve Goodwin, Charles Erickson and Pres. David Hardesty let the dirt fly during the June 1st event.

2007 OUTSTANDING PHILANTHROPY AWARDS



From left, Mrs. Blaney, Mr. Harless and the Barretts

JAMES H. "BUCK" HARLESS *PHILANTHROPIST*

Mr. Harless, of Gilbert, W.Va., is honored for his tremendous devotion to and long-term support of West Virginia University.

A self-made millionaire who earned his wealth primarily from the timber and coal industries, he has returned a substantial share of his resources to his community, region and state.

He has generously contributed both his time and financial support to the continuing improvement of the University. He was a member of the University System of West Virginia Board of Trustees and WVU Board of Advisors, and is currently a Trustee of the Alumni Association's Loyalty Permanent Fund.

He served on the WVU Foundation Board for 19 years, including as chairman from 1982-85.

His philanthropic endeavors span the University. He has created professorships and scholarships. His support ranges from academic programs to athletics to the health sciences.

EDDIE AND BETTY BARRETT *VOLUNTEER PHILANTHROPISTS*

The Barretts, of Huntington, W.Va., are honored for their time and dedication to the University.

Mr. Barrett '52 worked in the Athletic Department while earning his degree in English, and then for 14 years was the athletic publicity director. Currently, he is President of Tax Sheltered Benefits, Inc.

He identifies with the work-your-way-through college students, making a point to give back to the school that gave him so much.

He and his wife, Betty, have made gifts to the University for 24 consecutive years. Their support, both financially and with gifts of time, includes the Alumni Association, Athletics, English, Journalism, Community Development, Physical Education, Political Science, and the President's Office. He also has taken an active role in the campaign to build the new alumni center.

Mrs. Barrett has received many prestigious awards for her work with homelessness, affordable housing, mental health and poverty issues.

THE EBERLY FOUNDATION *PHILANTHROPIC ORGANIZATION*

The Eberly Foundation and The Eberly Family Charitable Trust, of Uniontown, Pa., have been faithful contributors to WVU for nearly two decades.

Established in 1963, the Foundation and Trust have provided over \$100 million in support for nonprofits. They created nine prestigious professorships in the Eberly College of Arts and Sciences and gave \$2 million to help furnish WVU's Life Sciences Building. They also set up major endowments to support the College of Creative Arts, WVU libraries, faculty development, scholarships, and academic programming.

Orville and Ruth Moore Eberly taught their children that whatever you give will come back to you ten-fold.

The organizations have always been family-led. First Orville, and then Ruth led The Eberly Foundation. In 1988 their son, Robert took over, and in 2003 their daughter, Carolyn Eberly Blaney became president.

Mrs. Blaney accepted the award.



FINANCIAL PERFORMANCE

WEST VIRGINIA UNIVERSITY FOUNDATION, INCORPORATED CONDENSED STATEMENTS OF FINANCIAL POSITION

INDEPENDENT AUDITORS REPORT

We have audited, in accordance with auditing standards generally accepted in the United States of America, the statement of financial position of West Virginia University Foundation, Incorporated as of June 30, 2007, and the related statements of activity and cash flows for the year then ended (not presented herein); and in our report dated Nov. 6, 2007, we expressed an unqualified opinion on those financial statements. The financial statements as of June 30, 2006 were audited by Simpson & Osborne A.C., who merged with Dixon Hughes PLLC as of Feb. 1, 2007, and whose report dated Jan. 31, 2007 expressed an unqualified opinion on those statements.

In our opinion, the information set forth in the accompanying condensed financial statements is fairly stated, in all material respects, in relation to the financial statements from which it has been derived.

We also audited the adjustments that were applied to restate the 2006 financial statements. In our opinion, such adjustments are appropriate and have been properly applied.

Dixon Hughes PLLC

2006-07 ANNUAL REPORT

	2007	2006
	<i>(in Thousands)</i>	
Assets		
Cash and cash equivalents	\$ 49,563	\$ 31,730
Contributions receivable, net	22,932	15,613
Other receivables, net	3,604	4,065
Investments carried at estimated fair value:		
Short-term	61,789	27,267
Long-term (including \$340,373 and \$277,647 of investments held in custody for WVU Hospitals, Inc. as of June 30, 2007 and 2006, respectively)	816,568	682,892
	<u>878,357</u>	<u>710,159</u>
Equity investment in limited partnership	4,280	4,364
Land, buildings primarily leased, and equipment, net	25,579	26,830
Beneficial interest in external trusts at estimated fair value	8,456	9,697
Other assets	7,419	6,668
Total assets	<u>\$ 1,000,190</u>	<u>\$ 809,126</u>
Liabilities and net assets		
Liabilities:		
Bonds payable, net of unamortized discount of \$933 and \$964 at June 30, 2007 and 2006, respectively	\$ 30,027	\$ 30,606
Interest and accounts payable and other liabilities	3,305	3,352
Accrued supplemental retirement benefits and deferred compensation	5,424	5,379
Annuity obligations	12,407	11,107
Funds held in custody for others	401,715	306,312
Total liabilities	452,878	356,756
Net assets:		
Unrestricted		
Unrestricted	17,918	12,382
Board designated funds	12,078	11,854
Total Unrestricted	<u>29,996</u>	<u>24,236</u>
Temporarily restricted	58,863	42,207
Permanently restricted	458,453	385,927
Total net assets	<u>547,312</u>	<u>452,370</u>
Total liabilities and net assets	<u>\$ 1,000,190</u>	<u>\$ 809,126</u>

WEST VIRGINIA UNIVERSITY FOUNDATION, INCORPORATED**CONDENSED STATEMENTS OF ACTIVITY**

	<u>2007</u>	<u>2006</u>
	<i>(in Thousands)</i>	
Revenues, gains (losses), and other support		
Contributions	\$ 54,322	\$ 33,791
Registrations and other fees	1,720	1,499
Gains on investments:		
Interest and dividends	9,614	6,416
Net realized gains on sales investments	18,843	20,728
Net unrealized gains on investments	47,887	21,588
Gains on investments	<u>76,344</u>	<u>48,732</u>
Revaluation of beneficial interests in perpetual trusts	(1,442)	1,097
Lease revenue	1,975	1,975
Other revenue	9,806	6,124
Total revenues, gains, and other support	<u>142,725</u>	<u>93,218</u>
Expenses and support		
University Support		
University salaries and professional development grants and awards	9,335	10,722
Student Support	10,460	10,140
Faculty, staff and student travel	1,344	1,391
Cultural programs and meetings	3,164	2,897
Professional services	2,809	2,907
Capital projects and equipment	6,669	4,776
Other Support	4,132	4,199
	<u>37,913</u>	<u>37,032</u>
Expenses of Foundation directed fund raising activities	3,880	3,469
Foundation financial management expenses	3,539	3,310
Occupancy expense	2,438	2,434
	<u>47,770</u>	<u>46,245</u>
Total expenses and support	47,770	46,245
Provision for uncollectible pledges	40	(544)
Net gains on revaluation of annuity payable	(27)	(2,232)
	<u>47,783</u>	<u>43,469</u>
Total expenses, support and gains	<u>47,783</u>	<u>43,469</u>
Changes in net assets	94,942	49,749
Net assets at beginning of year	<u>452,370</u>	<u>402,621</u>
Net assets at end of year	<u>\$ 547,312</u>	<u>\$ 452,370</u>

WEST VIRGINIA UNIVERSITY FOUNDATION, INCORPORATED

CONDENSED STATEMENTS OF CASH FLOWS

	<u>2007</u>	<u>2006</u>
	<i>(in Thousands)</i>	
Reconciliation of change in net assets to net cash provided by operating activities		
Change in net assets	\$ 94,942	\$ 49,749
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Actuarial (loss) gain on annuity obligations	146	(2,232)
Amortization of discount on bonds payable	31	30
(Increase) decrease in contributions receivable	(7,319)	15,438
Contributions restricted for long-term investments	(19,595)	(13,538)
Depreciation expense	1,292	1,343
Net realized and unrealized gains on investments	(65,862)	(42,500)
Change in beneficial interest in external trusts	1,241	(1,080)
Changes in operating assets and liabilities	946	(1,905)
Net cash provided by operating activities	<u>5,822</u>	<u>5,305</u>
Cash flows from investing activities		
Purchase of land, buildings primarily leased, and equipment	(41)	(41)
Purchases of investments	(508,516)	(198,224)
Proceeds from sales and maturities of investments	501,583	199,676
Net cash (used in) provided by investing activities	<u>(6,974)</u>	<u>1,411</u>
Cash flows from financing activities		
Proceeds from contributions restricted for long-term investment	19,595	13,538
Payments on bonds payable	(610)	(590)
Net cash provided by financing activities	<u>18,985</u>	<u>12,948</u>
Increase in cash and cash equivalents	17,833	19,664
Cash and cash equivalents at beginning of year	<u>31,730</u>	<u>12,066</u>
Cash and cash equivalents at end of year	<u>\$ 49,563</u>	<u>\$ 31,730</u>

CONDENSED RECONCILIATION OF CONTRIBUTIONS

	<u>2007</u>	<u>2006</u>
	<i>(in Thousands)</i>	
Contributions		
Contributions received as gifts by the Foundation	\$ 86,976	\$ 61,221
Difference in valuation of trust gifts for financial statement presentation	(40)	(934)
In-kind gifts received directly by the University	(26,042)	(1,638)
Other non-GAAP gifts	(8,211)	(4,304)
Net impact of adjustments to contributions receivable	7,318	(15,885)
Life income gifts reclassified to annuities payable	(920)	(365)
Contributions from perpetual trusts reclassified to interest income	(896)	(538)
Life income gifts released from annuities payable due to termination of trust	191	282
Contribution recorded as agency liability	(4,054)	(4,048)
Contributions per statements of activity	<u>\$ 54,322</u>	<u>\$ 33,791</u>

INVESTMENT MANAGEMENT OVERSIGHT

THE MARKET

WITH THE BULL market nearly five years old as the Foundation completed its 2007 fiscal year, the abundance of headlines and opinions about the sub-prime meltdown and worsening credit conditions restrained our ebullience. As we voraciously pore over all of the market news and commentaries that we receive, it is becoming increasingly important for us to objectively assess the outlook and determine what investment decisions make sense for the long term. What follows is our attempt to

share our 'view of the world' and how it is shaping our investment plans for the future.

Instead of analyzing the obvious, we sometimes find it beneficial to assess what is left unsaid in the mainstream press. Following we highlight just a few commonly held, 'glass half empty' concerns and then offer some 'glass half full' data points that resonate with us.

First, it is widely held that the U.S. economy is slowing. Yet there are many recent data points that signal the resurgence of economic growth at a healthy pace. As a result of growth in exports and capital spending, second quarter GDP growth came in at a robust 3.4%, the strongest reading in over a year. A return to historical trend GDP growth in the range of 2 to 3% should be sufficient to stimulate continued corporate profits and job growth. At the same time, inflation appears to be contained. Core CPI remained at 2.2% while the Producer Price Index was down 0.2%. Manufacturing growth was strong in the second quarter of 2007, with industrial production growing from -0.1% to +0.5% in June. These statistics indicate that the U.S. economy may only be part-way through a lengthy period of expansion that began in 2001.

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ENDOWMENT INVESTMENTS



Second, some maintain that the adage still holds that 'when the U.S. sneezes, the rest of the world catches a cold.' While the U.S. has not ceded its role as world leader, a more accurate rephrasing might be that 'when the U.S. catches a cold, the rest of the world sneezes (but quickly recovers).' As difficult as it may be to accept, the U.S. is not currently the leader in global growth. According to the IMF, total world GDP is expected to grow at a 5%+ rate, led by the developing or emerging economies, which today are contributing almost one-third of global GDP. The BRIC countries (Brazil, Russia, India, China) alone account for 10% of global output. While U.S. consumption still drives these economies forward, the growth of domestic demand within these countries is slowly shifting their reliance away from the West. Lloyd Blankfein, CEO of Goldman Sachs, recently told *Fortune* that the investment bank was opening offices in Sao Paulo, Moscow, Tel Aviv, Mumbai, Qatar and Dubai, all within a nine-month

period. The opportunity set for investing globally is growing in line with those new office openings.

Third, it is argued that the current account deficit is causing the U.S. to lose its competitive edge and is a source of global instability. The addition of three billion new participants from developing countries in the global capitalist system is altering the relative importance of the current account deficit as a measure of the health of the United States. While the current account deficit looms large, it is only one part of the equation since it documents only the flows of international trade transactions, not the increasingly more important flows of capital. The U.S. net investment position records the surplus flow of capital into the U.S., including U.S. foreign direct investment. The U.S. net investment position in foreign assets increased by \$350 billion during the five-year period from 2002 to 2007. In addition, it is worth noting that none of these calculations take into account the value of intellectual property that is transferred from the U.S. abroad. American 'know-how' is still one of our most valuable and sought-after assets.

Fourth, some fear the reach of globalization within U.S. borders. Yet the U.S., along with other countries, has been the beneficiary of

globalization. While companies such as DuPont, PepsiCo and Caterpillar have been experiencing weak sales growth at home, their overseas divisions have surged. America's largest companies have increased their overseas exposure, and Standard & Poor's estimates that S&P 500 companies derived 44% of sales from abroad in 2006, up from 32% in 2001. John Chambers, CEO of Cisco and a WVU graduate, was quoted in *Fortune* as saying that, "this is the strongest global trend" of his career.

Lastly, there is widespread 'conviction' that there is a global liquidity crisis. The pullback in the funding of private equity deals and widening credit spreads underscore the current situation. Whether it is due to tighter lending standards as a result of the sub-prime meltdown or the possibility of higher Japanese interest rates, there is less money available today for leveraged transactions. However, as liquidity is drying up for riskier assets, it becomes available for higher quality assets. At a time when corporate balance sheets are strong, this should bode well for large cap equities.

While these positions could be subject to debate and only represent a snapshot of the many issues impacting the global economy, they highlight the growing complexity of the

investment decision-making process today. Importantly, however, they also serve to underscore the breadth and depth of the current opportunity set today for long-term investors. We have the privilege to be investing at a time when borders have come down. We are not naïve or unaware of the increased risks that accompany these opportunities at home and abroad, but we are excited to be able to at least consider them. We continually strive to add investment assets to the portfolio that have the potential to provide long-term value and diversify our risk profile. What we have to be willing to understand is that these investments may no longer reside in the public markets, in 'traditional' asset classes, or in developed countries.

As Peter Bernstein wrote in his August 1, 2007 issue of *Economics and Portfolio Strategy*, "The time has come for investment officers and investment committees to welcome the opportunity to move away from the beaten path, to seek flexibility rather than rigidity...Creativity and out-of-the-box thinking offers more rewards than doing the same old thing forever."

INVESTMENTS UNDER MANAGEMENT

FOR THE FISCAL YEAR ended June 30, 2007, the Foundation's total investment assets under management

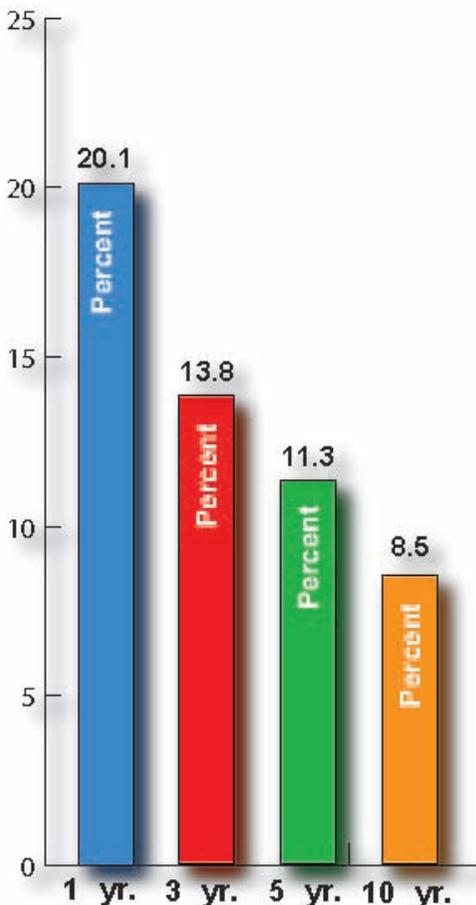
were \$922 million as compared with \$744 million the previous year. Of this total, the Foundation's endowment investments increased to \$474 million and represented approximately 51% of total investment assets. In addition to the endowment, the Foundation's non-endowed investment portfolio totaled approximately \$71 million and assets managed on behalf of West Virginia University Hospitals, Inc. totaled \$340 million.

INVESTMENT RETURN

THE FOUNDATION'S INVESTMENT return for the endowed

ANNUALIZED INVESTMENT RETURN

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portfolio for the fiscal year ended June 30, 2007, was 20.1% (net), as compared with 13.6% for the previous year. The endowed return of 20.1% was well ahead of the 17.5% median return for \$1 billion endowments, or more, as reported by The Wilshire Trust Universe Comparison for fiscal year ending 2007. The 3- and 10-year annualized returns were 13.8% and 8.5%, respectively. The 2007 return was positively impacted by the Foundation's alternative investments (private capital, real assets, hedge funds, etc.), which earned 20.3%.

The Foundation's life income gifts, which fund annuities and unitrusts, were managed by State Street Global Advisors. Two WVU Foundation proprietary pools (equity and fixed income) were invested in funds managed by State Street and other nationally recognized mutual fund managers. Individual life income gifts were invested in a percentage of each pool, depending upon the specific requirements of each account. For the 2007 fiscal year, the Foundation's proprietary pools had a total annual return of 16.4%.

INVESTMENT MANAGEMENT

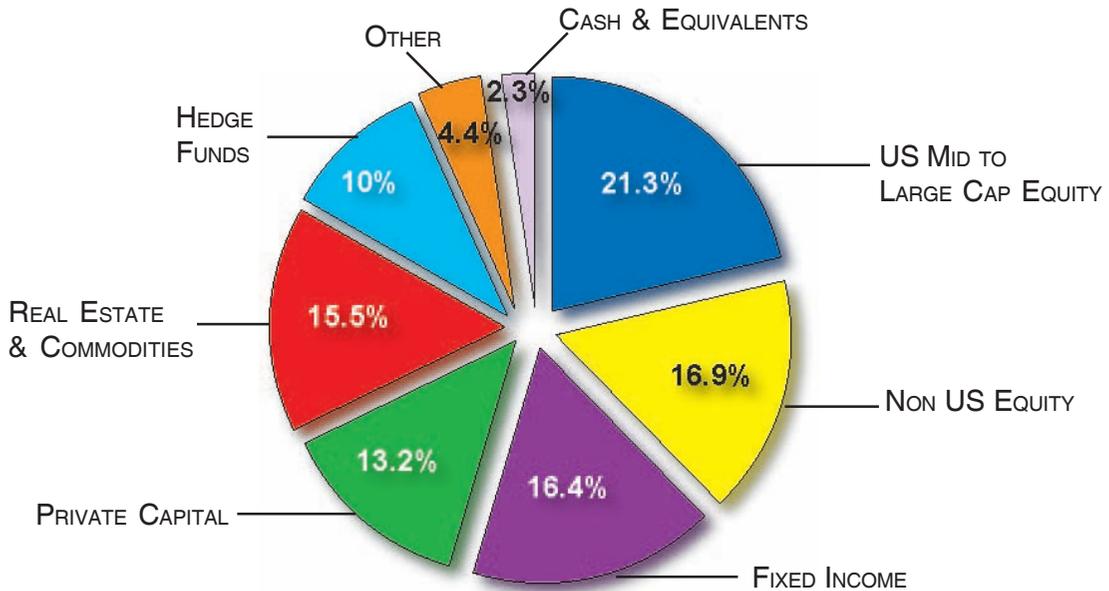
ALTHOUGH EACH ENDOWED fund (2,107 as of June 30, 2007) is distinct in purpose, endowment funds are commingled in an investment pool and tracked using unit accounting, much like a mutual fund. Each endowed gift of cash, property or securities is valued and exchanged for units that represent ownership in a portion of the entire investment portfolio.

The Foundation's Investment Committee is empowered by the Board of Directors to assume oversight responsibility for all matters pertaining to the Foundation's investment assets under management, including its asset allocation, spending policy and tolerance for risk. In addition to providing direction and expertise to the Foundation's investment professionals, one of the primary duties of the Investment Committee is to articulate and maintain the Foundation's Investment Policy. The Policy serves as the blueprint for the Foundation's investment philosophy, objectives and guidelines for both endowed and non-endowed assets.

Thanks to support from an actively involved Investment Committee, comprised of members who have each led major corporations in their

ASSET ALLOCATION

(6/30/07)



respective fields, and long-standing relationships with the investment community, the Foundation's Investment Group is able to partner with an elite group of global fund managers, some of whom run unique, 'out-of-the-mainstream' strategies. As a result, the Foundation's asset allocation is on a par with that of much larger endowments.

State Street Bank and Trust, N.A., a subsidiary of State Street Corporation which is the world's leading provider of financial services to institutional investors, serves as Custodian of the Foundation's investment assets, including those assets managed on behalf of WVU Hospitals, West Virginia University and its affiliates. As such, it performs all relevant services to ensure an accurate account of investment assets and all transactions related thereto.

State Street maintains a system of internal controls that are designed to minimize risk, and is evaluated on an annual basis through a SAS 70, level 2 review. In addition to providing custodial and fund accounting services, various entities within the State Street Group also provide the Foundation with performance and analytical services as well as charitable asset management.

ASSET ALLOCATION & ENDOWMENT SPEND

DURING FISCAL 2007, the asset allocation of the endowment was reviewed and minor changes to weightings among asset classes were made to enhance the portfolio's risk-return profile. The portfolio was positioned during the year to enjoy the upside potential of the global public markets though our core

managers, to realize enhanced performance through concentrated managers and strategies, and to limit downside risk through the use of uncorrelated, lower volatility asset classes. The Foundation expects the core portfolios to deliver benchmark-plus returns over a three-year cycle, while the remaining strategies will be measured by their absolute value-add to the overall portfolio. While there will inevitably be periods of volatility and underperformance, this strategy of actively seeking value should provide the greatest opportunity to grow the endowment and other assets under management.

The Foundation's endowment spend policy calculates spend (or funds available to be spent from each endowed account) based on the prior year's actual spend amount adjusted

by the trailing 12-month inflation rate. The annual spend amount is then tested to ensure that the amount is not less than 3% or more than 6% of the endowment's market value at the date of determination. Employing this methodology, the endowed spend rate for the fiscal year ended June 30, 2007 was 4.37%.

During the 2006 fiscal year, the Foundation's management changed the calculation date relating to the annual spend rate from July 1 to January 1 of each year, primarily to facilitate the awarding of scholarships. By adopting this change, spend is known in advance of the upcoming fiscal year (July-June) by the WVU Scholars Office for both the upcoming fall and spring semesters. In addition, this change "protects" the dollars available for spend, as the amount is announced in February (based upon the January calculation) and available for spend as of July 1 each year, and is not subject to market risk from the date of calculation to the date of availability. Using this formula, the spend amount for fiscal year ending June 30, 2008 was determined on Jan. 1, 2007, and was based on the prior year's spend amount adjusted for the trailing 12-month inflation rate (2.5%). As a result, the endowed spend rate for the fiscal year ended June 30, 2008 was set at 4.48%. In addition, a bonus spend amount of 2.5% was declared for FYE 2008 which

produced an effective spend rate of 4.59%.

SERVING WVU AFFILIATED ENTITIES

SINCE JANUARY 2003, the Foundation has served as investment agent to WVU Hospitals, an affiliate of WVU and a 501(c)(3) corporation. In its capacity as investment agent for WVU Hospitals, the Foundation manages quasi-endowed funds, which increased in market value from \$168 million at January 1, 2003 to \$309 million as of fiscal year ended December 31, 2006. The assets are managed in accordance with the Investment Policy approved by the Board of Directors of WVU Hospitals, Inc. For the WVU Hospitals' 2006 fiscal year, the portfolio's investment return was 12.9%. As of June 30, 2007, the market value of WVU Hospitals' assets were \$340 million, and the portfolio earned 8.9% (net) for the six-month period.

In April 2006, the Foundation entered into an investment agency agreement with the West Virginia University Board of Governors on behalf of its Robert C. Byrd Health Sciences Center ("HSC") to act as investment agent for the WVU Health Sciences Center's assets with regard to its participation in the West Virginia Board of Risk and Insurance Management (BRIM) casualty insurance

coverage. As of June 30, 2007, the market value of the HSC investment assets was \$11 million having earned 13.6% for the fiscal year.

In October 2006, the Foundation entered into an investment agency agreement with the West Virginia University Board of Governors to act as investment agent for certain University unrestricted assets as per West Virginia Senate Bill 603. At June 30, 2007, the market value of the WVU Investment Funds was \$26 million having earned 4% since inception.

FULFILLING OUR FIDUCIARY RESPONSIBILITY

THE FOUNDATION ACKNOWLEDGES its thankfulness for the opportunity to serve its donor base, West Virginia University and its affiliates and renews its commitment to fulfill the Foundation's fiduciary obligation of best practices in the management of assets under management.

FINANCE & ADMINISTRATION

ADVANTAGES OF AN INDEPENDENT FOUNDATION

THE EXISTENCE OF the WVU Foundation as an independent organization offers several important advantages to the University and to donors as compared with the alternative of solicitation and administration of private donations by a public entity. Accordingly, the University encourages the Foundation in its endeavors to secure and administer private support.

As an independent, non-profit corporation, the WVU Foundation provides the following advantages:

- *CONFIDENTIALITY of donor information and anonymity when requested.*
- *MAINTENANCE of fund accounts from one fiscal year to the next, whereas many state accounts must be closed at the end of each fiscal year.*
- *FLEXIBILITY in the investment options of money needed for near-term disbursements.*
- *DIVERSITY in choosing long-term investment opportunities for endowed assets.*
- *TIMELINESS, flexibility and service made available to the University through efficiency-centered, streamlined business operations.*
- *LONG-TERM perspective on the needs and priorities of the University unaffected by political vagaries and other short-term circumstances.*

ASSET MANAGEMENT

THE FOUNDATION EXISTS for the benefit of West Virginia University. Therefore, serving the University's interests is at the heart of the Foundation's financial management.

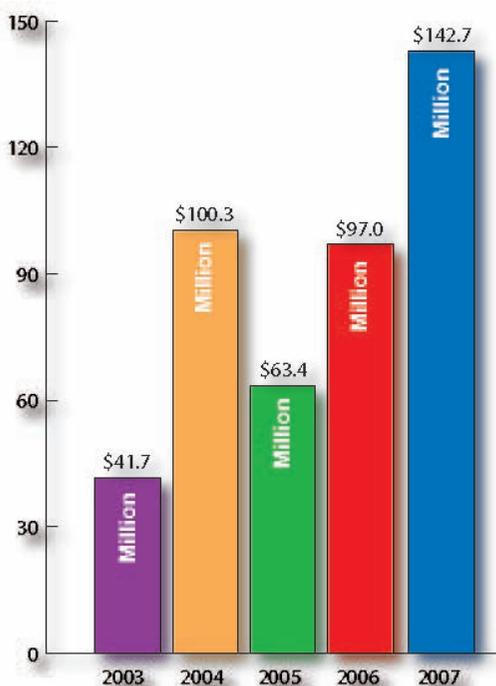
However, in managing gift dollars the Foundation must serve a two-fold constituency. The first constituent is the donor whose gift is the result of loyalty and commitment to the University. The second constituent is the beneficiary of the gift – that is, the University. The Foundation serves as fiduciary for these funds and is accountable to donors for the use of contributions in accordance with their restrictions. Further, the Foundation's financial statements are audited by an independent accounting firm.

DIFFERENT MANAGEMENT PRACTICES FOR DIFFERENT GIFTS

GIFTS OF SEVERAL TYPES and with various terms may be made to the Foundation for the benefit of the University. Each requires different financial treatment. Gifts are commonly made in the form of cash, marketable securities, real estate, personal property, life insurance and bequests (i.e. wills). Donors may designate their gifts either as expendable or as endowment.

Endowed funds must be invested and kept intact with

TOTAL REVENUE



AMOUNTS INCLUDE BOTH REALIZED AND UNREALIZED INVESTMENT GAINS (LOSSES)

only the earnings available for expenditure. In addition to specifying whether a gift is to be expendable or endowed, the donor may choose to restrict the gift to a particular department, program, or purpose.

FUND ACCOUNTING PRACTICES

THE FOUNDATION PRACTICES “fund management” to ensure that gifts are managed and expended in accordance with donors’ intents. The Foundation currently manages nearly 4,000 funds (i.e. individual accounts) on behalf of the University, each with its own particular restrictions.

When a gift is received, the terms of the gift are reviewed to determine whether the donor intended it to be expendable or established as an endowment. Also, any restrictions regarding

particular colleges, schools or programs are noted. The gift is then deposited into a fund with management restrictions that coincide with the donor’s intent. Every gift received by the Foundation is individually evaluated in the same manner.

COLLEGE & SCHOOL INVOLVEMENT

EACH FUND HAS a budget officer who is responsible for certain elements of proper administration. Deans serve as budget officers for funds benefiting their respective colleges or schools and program directors serve as budget officers for University administrative units.

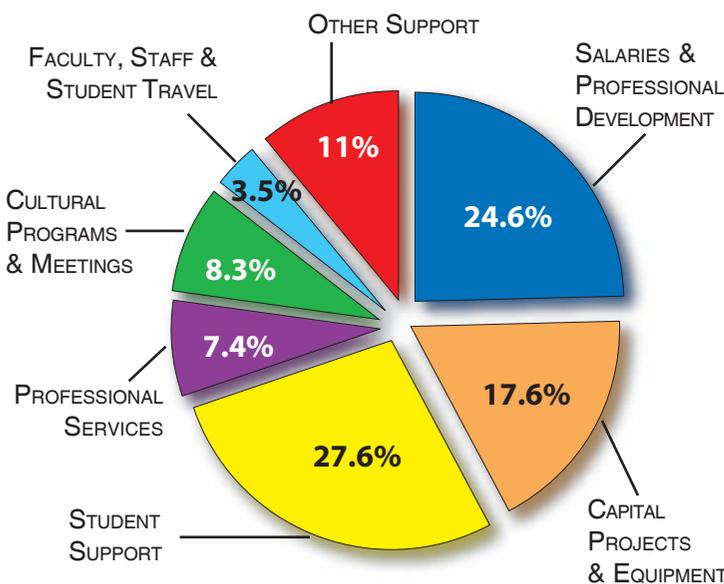
Budget officers forward requests to the Foundation for the expenditure of funds for purposes consistent with the terms and restrictions of the respective funds.

USE OF UNRESTRICTED GIFTS

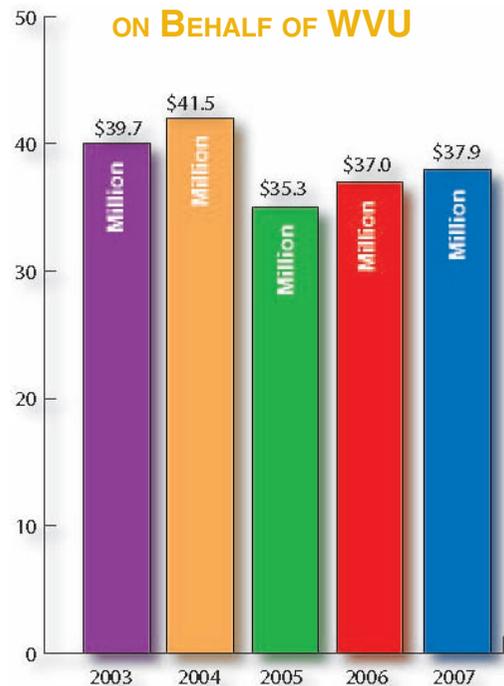
UNRESTRICTED FUNDS SUPPORT numerous University programs such as student activities; scholarships; faculty research; travel; faculty and staff development; awards for public service, teaching and research; conferences; and art gallery collections. No unrestricted gifts are used to fund the Foundation’s operations.

The uses of unrestricted gifts are based upon the most important and urgent needs of the University. As fiduciary of gift dollars, the Foundation maintains continual interaction with the University to enable effective use of unrestricted contributions. While the amount of unrestricted gifts is relatively small, these gifts are extremely valuable to the University. (see *the Fund for WVU* on page 24.)

DISBURSEMENTS BY FUNCTION



DISBURSEMENTS ON BEHALF OF WVU



DEVELOPMENT PROGRAMS

DEVELOPMENT'S ROLE

THE WVU FOUNDATION coordinates the college, school and unit development efforts on behalf of West Virginia University, Potomac State College of WVU, the Mountaineer Athletic Club and West Virginia 4-H.

The Foundation's central development programs consist of:

- Donor Relations
- Major Gifts
- WVU Unit Development
- Robert C. Byrd Health Sciences Center
- The University Fund
- Research & Prospect Management

Individual colleges, schools and selected programs have development offices, who work closely with the Foundation on all fund-raising activities.

DONOR RELATIONS

THE STEWARDSHIP AND Donor Relations Office was created to fulfill the WVU Foundation's commitment to maintain and strengthen its relationship with those donors who provide essential support for the needs of West Virginia University.

Recognition groups and programs within Donor Relations include:

WOODBURN CIRCLE SOCIETY

Named for the original three buildings on campus – Woodburn, Martin and Chitwood – considered to be the foundation of today's West Virginia University, the Society recognizes those who have made gifts of \$100,000 or more to benefit the University and its affiliated organizations. Members are honored at an annual induction dinner, invited to special events, dedications and lectures, and listed on the Foundation's electronic Donor Honor Wall.



ENDOWMENT CLUB

The Club recognizes those who have made financial investments in the future of West Virginia University by creating an endowed fund through the WVU Foundation. Members receive financial reports on their endowments at the end of each fiscal year, the Foundation's Annual Report and invitations to special events, dedications and lectures.

IRVIN STEWART SOCIETY

Named for WVU's 13th president, the Society honors those individuals whose planned gifts provide for the future of the University. Founded in 1992, the Stewart Society has more than 650 living members. Membership is bestowed upon donors of gifts made through wills or revocable trusts, income-producing gifts, testamentary retirement account gifts, life insurance and real estate remainder interest gifts.



SCHOLARSHIP, FELLOWSHIP & STUDENT AWARD BRICKS

The brick program honors the donors of endowed funds benefiting students in a visible and permanent way. The Foundation engraves the name of each endowed scholarship, fellowship and student award at WVU into a brick. These bricks serve as the pathway of the Ernest L. Hogan Scholars Walk located directly in front of the University's Downtown Library Complex.



SCHOLARSHIP WEB PAGE

A comprehensive privately-funded scholarship search site, which allows information on all endowed scholarships administered by the Foundation and awarded by the University to be accessible via the Internet. Scholarship descriptions on the site include selection criteria and biographical information about the individual(s) for whom each scholarship is named. The web page can be accessed through the WVU Foundation's website at www.wvuf.org.

MAJOR GIFTS

THE MAJOR GIFTS Program is an essential component of WVU's development efforts in that it focuses on endowment level gifts and beyond. Gifts of this size (\$25,000 or more) have the potential to impact WVU's mission in a permanent and/or prominent way. The WVU Foundation's four functional and integrated areas of giving – Corporate Giving, Foundation Giving, Individual Giving, and Planned Giving, – collectively make up the Foundation's Major Gift Program. The primary role of the Program, and all development staff across the University engaged in the major gift process, is to build relationships that ultimately result in maximizing donor support.

Components of the Major Gifts program include:

CORPORATE GIVING

The long-term vision of the Office of Corporate Giving is to partner with business and industry to maximize strategic relationships and align corporate interests with the priority needs of the University's schools and colleges. The Office of Corporate Giving serves as both the liaison and advocate for business through a variety of means: a corporate foundation, direct giving program, marketing program, or in-kind giving.

FOUNDATION GIVING

The mission of the Office of Foundation Giving is to increase foundation support for West Virginia University by facilitating mutually beneficial relationships with foundations that support the priority needs of WVU's colleges and schools.

INDIVIDUAL GIVING

The Foundation's Individual Giving program works with all colleges, schools and programs of the University to reach out to donors across the country. Each member of the Individual Giving staff is assigned to specific geographic areas and works to identify the interests of WVU alumni and other friends helping them shape their future support of the University. The staff presents the highest priorities of the institution and its colleges, schools and programs to individuals with the resources

and interest in making gifts of \$25,000 or more.

PLANNED GIVING

The Planned Giving program assists those who choose to support West Virginia University, Potomac State College of WVU, Mountaineer Athletic Club, or West Virginia 4-H through estate or retirement planning gift options, including wills, life income gifts, life insurance, testamentary transfers of retirement account assets, and real estate with retained life interests. Information about those options is made available through personal contact, mailings, newsletters, the Foundation's planned giving website, publications and seminars. The Planned Giving Office also provides appropriate assistance to financial advisors through similar resources. The Foundation also is a partner in the nationwide LEAVE A LEGACY program.

WVU UNIT DEVELOPMENT

THE WVU UNIT DEVELOPMENT program provides leadership, management, direction, training and evaluation for the Eberly College of Arts and Sciences; Davis College of Agriculture, Forestry, and Consumer Sciences; the Colleges of Business and Economics, Creative Arts, Engineering and Mineral Resources, Human Resources and Education,

and Law; P.I. Reed School of Journalism, School of Physical Education, WVU Alumni Association, Department of Intercollegiate Athletics/Mountaineer Athletic Club, WVU Libraries, WVU Extension Service/West Virginia 4-H, and Potomac State College of WVU. The WVU Unit Development program is directed by the Foundation's Assistant Vice President for Development.

RCB HEALTH SCIENCES CENTER



The Robert C. Byrd Health Sciences Center development program is directed by the Foundation's Vice President for Development for Health Sciences. The Health Sciences' fund-raising efforts embrace the Schools of Dentistry, Medicine, Nursing, and Pharmacy, the Blanchette Rockefeller Neurosciences Institute, Mary Babb Randolph Cancer Center, Rosenbaum Family House, WVU Children's Hospital, and WVU's Charleston and Eastern divisions.



THE UNIVERSITY FUND

THE UNIVERSITY FUND IS an important source of private financial support that ensures students receive a quality education at West Virginia University. The University Fund provides vital resources that allow WVU to excel as a world-class research facility and an exemplary teaching institution. Those resources also enable the University to perform services and outreach to the state, region and nation, thus fulfilling its land-grant mission.

University Fund programs include:

FOUNDATION PARTNERS

Honors alumni and friends who provide WVU with a solid base of ongoing private financial support by contributing \$1,000 or more each year. All gifts made during the fiscal year (July 1– June 30)

are applied toward membership.

While enhancing the academic environment for students, Foundation Partners inspire others to raise their own philanthropic sights and follow suit. Partners are listed



on the Foundation's electronic Donor Honor Wall.

FOUNDATION ASSOCIATES

Acknowledges donors who for five consecutive years have made gifts to the Foundation to benefit WVU.

To be honored as a member of Foundation Associates, a donor must make a minimum annual gift of \$100 during five consecutive fiscal years. Charter members include those who have made gifts during fiscal years 2001, 2002, 2003, 2004 and 2005.



Foundation Associates are listed on the Foundation's electronic Donor Honor Wall.

AUGUSTA SCHOLARSHIP

Enables family, friends and organizations to honor or memorialize an individual who has ties to the University.

All undesignated Tribute gifts – IMO/IHO gifts – become a part of the principal of the Augusta Scholarship Fund endowment. The cash expenditures are split between West Virginia residents or legacies and non-West Virginia residents. Legacy is defined as a sibling, child, stepchild, or grandchild of a WVU alumnus or alumna.

The names of those memorialized or



honored by donors contributing \$5,000 or more will be listed on the WVU Foundation's electronic Donor Honor Wall; on its scholarship website; in the Augusta Scholars register, located in the Mountainlair on the downtown campus; and in an issue of the *WVU Alumni Magazine*.

CAMPUS CAMPAIGN

Each year the faculty and staff make gifts to financially strengthen the University. Generous internal financial contributions are an excellent example of how WVU faculty and staff support the University beyond their day-to-day responsibilities.



STUDENT SUPPORT FUND

Is a way for parents of WVU undergraduate students to further maintain and enhance the excellence of the University. Gifts to the fund directly benefit current undergraduates. Among the programs the fund helps are Mountaineer Parents Club, WVU Libraries, WVU All Night, Student Emergency Relief Fund and University Health Services Student Assistance Fund.



THE FUND FOR WVU

Donors have an opportunity to contribute unrestricted dollars for WVU's greatest needs. Most major gifts to the University are restricted to particular areas of a college, school, department or program. However, needs can arise unexpectedly and must be met immediately. They may include scholarships and loan funds for needy students, laboratory and library acquisitions, scholarly travel, or extra learning resources. Unrestricted gifts can be directed by the University President and other senior administrators to meet those most urgent needs.



MOUNTAINEER LINE

Through the Foundation's telemarketing program, WVU students contact alumni and friends of the University on behalf of its colleges, schools and selected programs. Integral to the University's development efforts, the callers add personality and style to WVU's outreach to alumni and friends. Mountaineer Line students inform alumni of campus news and events, update personal records, answer questions and ask for financial support of various programs.



MOUNTAINEER MARK

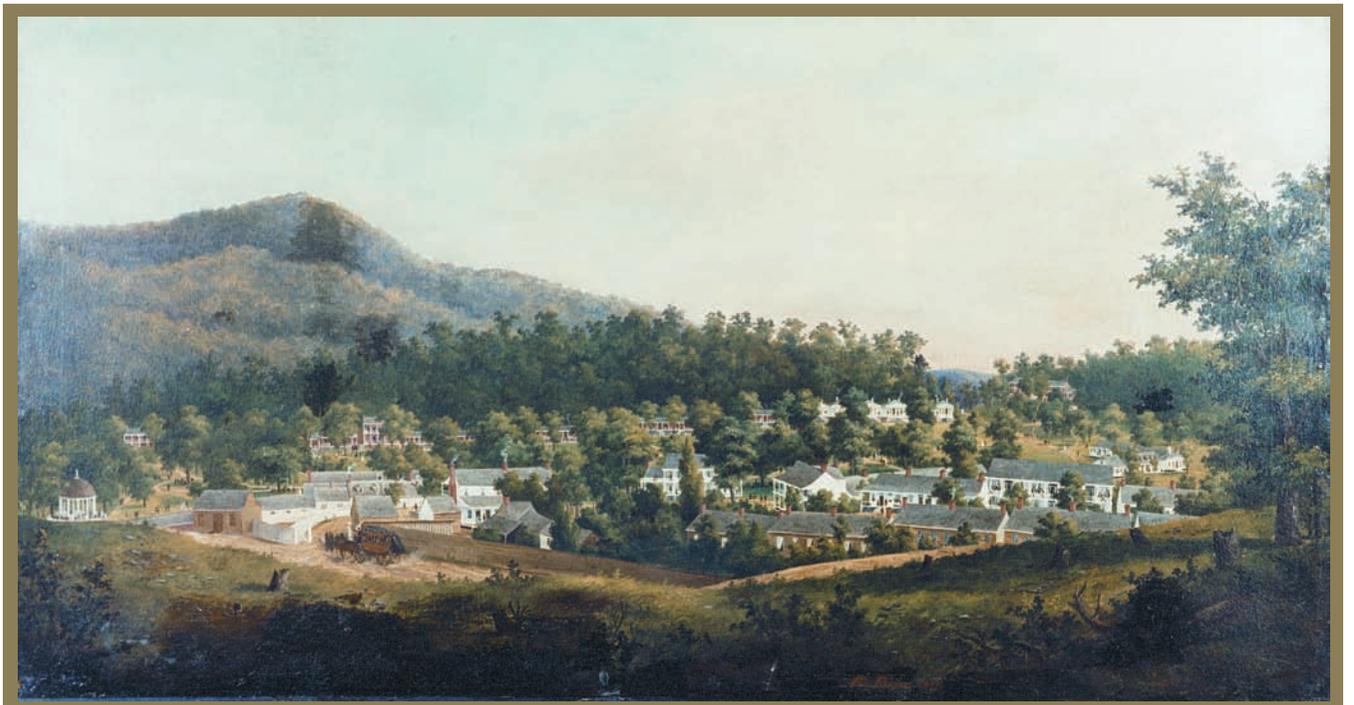
Gives West Virginia University undergraduate seniors and final-year professional students an opportunity to make their first-ever gift to WVU's academic programs. All student donors have their names placed on a plaque to honor their senior gift.



RESEARCH & PROSPECT MANAGEMENT

The Research and Prospect Management Department identifies potential contributors and their possible interests in the University's colleges, schools, units and programs. Through these efforts, the Foundation attempts to provide investment opportunities in WVU's programs of particular interest to individuals, corporations and philanthropic foundations, which are worthy of their generous financial support.

WVU
FOUNDATION



2006-2007
Annual Report

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