



WEST VIRGINIA UNIVERSITY FOUNDATION 2011-2012 ANNUAL REPORT



WVU
FOUNDATION

Securing and Administering Private Support for West Virginia University

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WEST VIRGINIA UNIVERSITY

ANNUAL REPORT

JULY 1, 2011 TO JUNE 30, 2012

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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 enrich the lives of those touched by West Virginia University by maximizing private charitable support and providing services to the University and its affiliated organizations.

The Foundation is governed by the Board of Directors, 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. Each donor's gift is applied directly to the purpose for which it is given. No unrestricted gifts are used to fund operations.

The following pages contain information regarding the Foundation's activities during the fiscal year which ended June 30, 2012.

For further information, contact the WVU Foundation at:

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A MESSAGE FROM THE CHAIRMAN & THE PRESIDENT

Dear Alumni and Friends of West Virginia University:

The West Virginia University Foundation is very grateful for your support of WVU. Because of the continued generosity of alumni and friends like you, the Foundation once again experienced a record-setting fiscal year.

Cash and gifts-in-kind from July 1, 2011-June 30, 2012 totaled \$173.9 million, the highest amount ever received in the Foundation's 58-year history. This included the largest single in-kind software donation ever in the University's history valued at \$71.2 million. Not including the large in-kind gift, the remaining \$102.7 million donated in FY12 also set an all-time record for contributions – topping last year's record high of \$96.3 million.

Having record-setting years back-to-back shows that our donors are excited about the direction the University is going and the leadership that is in place. It truly is a testament to the fierce loyalty and passion that runs so deep among supporters of our great University.

In FY12, 21,988 donors made 35,548 gifts that helped support numerous scholarships and fellowships; professorships and chairs; creation and advancement of programs; and upgrades to facilities across campus.

Donor gifts enabled the Foundation to provide approximately \$66 million in support in FY12 as requested by the University, also a record. Total Foundation assets stood at \$1.1 billion, including long-term investments of \$508 million.

While proud of these accomplishments, we are well aware that the financial foundation of public universities is ever-changing, and that philanthropy will play an even larger role in the future.

In June, the WVU Foundation launched its largest comprehensive campaign in the history of the University, \$750 million. *A State of Minds: The Campaign for West Virginia's University* brought in \$538 million during the quiet phase. The public phase runs through December 2015.

We invite you to consider supporting *A State of Minds* if you have not already. We at the Foundation, with your help, will continue to support students, faculty and programs to create an even brighter future in the years to come.

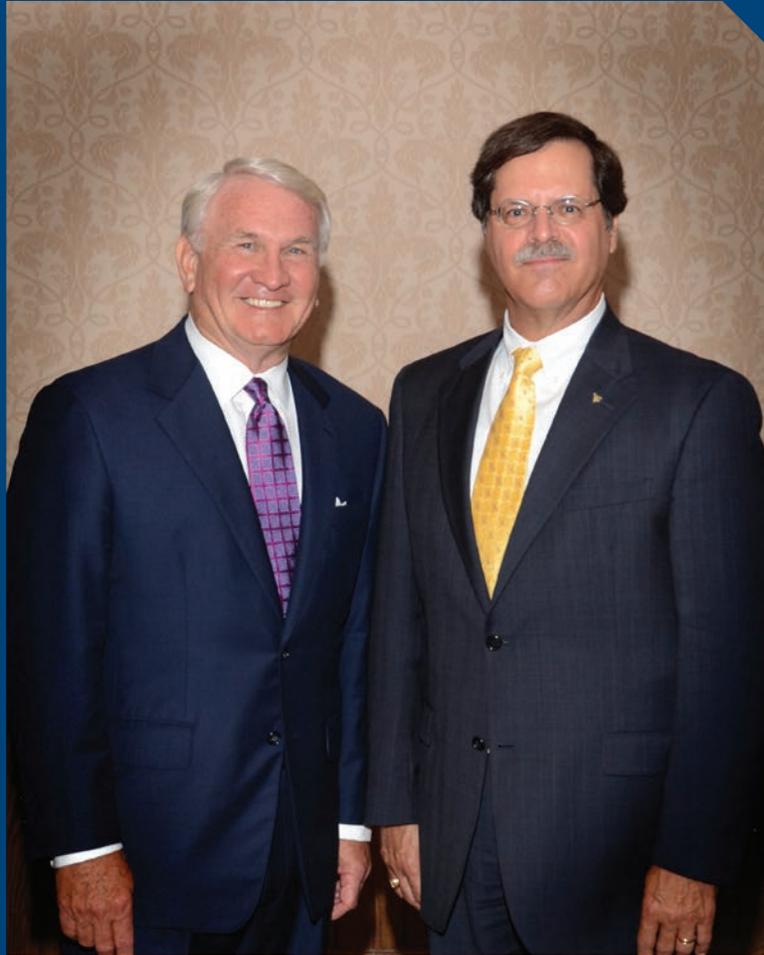
Again, thank you for partnering with us. We will steward your gifts to help ensure West Virginia University attains national research prominence, thereby enhancing educational achievement, global engagement, diversity, and the vitality and well-being of the people of West Virginia.

A handwritten signature in black ink, appearing to read "Verl O. Purdy".

Verl O. Purdy
Chairman of the Board

A handwritten signature in black ink, appearing to read "R. Wayne King".

R. Wayne King
President and CEO



We will steward your gifts to help ensure West Virginia University attains national research prominence, thereby enhancing educational achievement, global engagement, diversity, and the vitality and well-being of the people of West Virginia.

~ VERL O. PURDY AND R. WAYNE KING

EXPANDING THE IMPACT OF PRIVATE PHILANTHROPY

THE RECORD \$173.9 MILLION IN PRIVATE SUPPORT IN FY2011-2012 FROM 21,988 DONORS PROVIDES OPPORTUNITY AND PROMISE TO ALL AREAS OF OUR GREAT UNIVERSITY. THE FOLLOWING IS A JUST A SAMPLE OF THE MANY GIFTS RECEIVED AND HOW YOUR GENEROSITY IS MAKING A DIFFERENCE AT WVU.

Engineering and mineral resources college named for alumnus Ben Statler

WVU's engineering and mineral resources college was named the Benjamin M. Statler College of Engineering and Mineral Resources in honor of businessman, philanthropist and alumnus Ben Statler.

Statler and his wife, Jo, pledged \$34 million to the College – the largest single gift commitment ever to the University and to a college. Eleven million of the donation qualified for a match from the state Research Trust Fund, making the total value of the naming gift \$45 million. A portion of the pledge comes from a previously announced commitment.

Over the years, the Statlers have supported many WVU initiatives including the comprehensive breast cancer program at WVU's Mary Babb Randolph Cancer Center; the new Erickson Alumni Center building; the Basketball Practice Facility; and other Athletics capital improvements, including the Coliseum scoreboards. The direct impact of their lifetime of support to WVU, including this gift announcement, is nearly \$60 million.

WVU President Jim Clements said the naming recognizes the generosity and support of two extraordinary individuals committed to academic excellence and WVU's land-grant mission.

"This is an extraordinary gift from extraordinary people," Dr. Clements said. "Ben and Jo Statler's ties to WVU go back to their childhoods when they met in 4-H and through their many gifts those ties will go on forever. From health care, to athletics, to academics, the Statlers have been extremely generous in helping WVU help others. The College of Engineering and Mineral Resources is already outstanding on many fronts

and this gift will truly take the College to the next level and benefit the students, faculty, and staff in countless ways. On behalf of a very grateful University community, I extend our heartfelt thanks to Ben and Jo Statler for their incredible support of excellence in our academic mission."

The gift includes funds for the new advanced engineering research facility to be built on the Evansdale campus beginning in 2012, and the establishment of the Statler Research Scholars program.

This endowment, when matched with state RTF dollars, will provide scholarships and research support for 20 or more undergraduate students



WVU's engineering and mineral resources school proudly displays the name of its largest benefactor.

majoring in engineering. This College-wide initiative will provide an opportunity to reach a large number of meritorious undergraduates by easing their financial burden to attend WVU and enriching their education through a research experience.

The gift also creates and supports three endowed faculty chairs in energy research, and funds a graduate research fellows program to support research. The RTF matching dollars will be used initially for research focused on energy.

"While Jo and I are pleased to be in a position to make this commitment, our goal with this gift is not merely to provide financial support to the University and the state, but rather to identify areas that could have a meaningful and long-lasting impact on WVU and on the lives of West Virginians," said Ben Statler. "West Virginia is blessed with a wealth of natural and human resources and we believe that our University should lead the nation in areas such as energy research and engineering. We're confident that the faculty, staff and students, whose efforts these funds will help support, are the ones who will turn the vision behind our gift into reality."

WVU receives in-kind software gift with a commercial value of more than \$425 million



Benjamin M. Statler College of Engineering and Mineral Resources students are now be able to use the same product lifecycle management software in their classrooms that is utilized by leading companies around the world thanks to Siemens PLM Software's in-kind software grant with a commercial value of more than \$425 million, the largest in-kind grant in the history of the institution.

The in-kind grant was provided by Siemens PLM Software's Global Opportunities in PLM, a program that delivers PLM technology to more than one million students yearly at more than 11,000 global institutions, where it is used at every academic level – from grade schools to graduate engineering research programs.

The software will be integrated in two Statler College departments: the Department of Mechanical and Aerospace Engineering and the Lane Department of Computer Science and Electrical Engineering. It is estimated that the grant will immediately benefit more than 700 students throughout WVU.

For counting purposes in the *A State of Minds* campaign, the commercial value of the software gift-in-kind was significantly discounted, a common practice among university foundations across the country.

WVU taps out state Research Trust Fund, hitting \$35 million in eligible private gifts

In the four years since the West Virginia Research Trust Fund was established by the state Legislature, private donors contributed \$35 million to WVU, bringing in a total of \$70 million targeted to specific programs – and exhausting the available dollar-for-dollar match from the state.

"I want to thank our donors for their incredible support over the past few years," President Jim Clements said. "Through their generosity, in tough economic times, WVU has built a strong foundation of support for projects that directly help the State, as well as provide opportunities for undergraduate and graduate

students to participate in world class research with the highest caliber faculty and research staff at WVU.

“I also want to thank all of the State and University leaders who made the program possible,” he said. “Our University, and West Virginia, is a better, stronger place because of their efforts. We have more donors ready to participate, so we are hopeful of continued support from the legislature for this economic development and research initiative.”



The state Legislature created the Research Trust Fund in 2008 with an initial appropriation of \$50 million – \$35 million for WVU, \$15 million for Marshall – and a focus on economic development, job growth and health care. The universities are able to tap into this fund to double private gifts. At WVU, the funds are used for biomedical sciences, energy, biometrics and nanotechnology.

Business school alum makes gift to College of B&E

Doug Van Scoy wears several hats when it comes to his alma mater. Alumnus, board member, mentor, advisor, campaign chairman and donor. Make that “major donor.”



Doug Van Scoy, left, his wife, Pam, and WVU College of B&E Dean Zito Sartarelli discuss the Van Scoy's \$1.5 million gift to the college.

Doug and Pam Van Scoy's gift of \$1.5 million to the College of Business and Economics is only the latest gesture of their love for the place where they both earned degrees.

“West Virginia University and the College of Business and Economics provided me with the tools I needed not only for the business world, but for life overall,” said Doug Van Scoy, who earned a finance degree from B&E in 1966 and a subsequent graduate degree from WVU in 1968.

“Out in the real world, I quickly found out that the skills, training and education I received at WVU allowed me to be competitive at the highest levels. I've never forgotten that. This gift, however, is about the future of B&E,” Van Scoy said.

The \$1.5 million gift will be divided three ways: one-third to the WVU Center for Innovation and Entrepreneurship, housed in the College of Business and Economics; one-

third to B&E's Hospitality & Tourism Program, which operates in the Management Department; and one-third to the B&E Dean's Discretionary Fund.

The donation was the first major gift in the public phase of *A State of Minds: The Campaign for West Virginia's University*.

Davis College receives first named professorship

Just about any WVU graduate can quickly name their favorite professors, the ones who aided in their education and guided them through their careers. One alumnus and his wife decided to honor his WVU mentors with a named professorship.

Tom and Sue Tatterson of Martinsburg, W.Va., pledged \$350,000 to the creation of the Ray Marsh and Arthur Pingree Dye Professorship, the first gift dedicated to the creation of a named professorship for WVU's Davis College of Agriculture, Natural Resources, and Design. The professorship will advance teaching, research and service by providing a broad range of support to an outstanding faculty member in the Davis College's Division of Plant and Soil Sciences.

The late Professors Marsh and Dye taught in WVU's horticulture program when Tom Tatterson was pursuing his bachelor's and master's degrees in that discipline. Raised on a dairy farm near Fairmont, Tom Tatterson came to WVU following in the footsteps of his two older brothers, both of whom had earned degrees in agriculture here.

The Tattersons hope their gift will increase the Davis College's ability to attract and retain outstanding scholars and students, particularly in horticulture. They also hope it may inspire other alumni to offer their support to WVU.



Sue and Tom Tatterson

Foundation Scholars for 2012

With the continued support of donors, the Foundation once again awarded four-year, full scholarships to five of West Virginia's most promising high school seniors.

The award – which provides full tuition and fees, plus room and board and books for four years – is valued at approximately \$75,000 when paired with the state's PROMISE Scholarship. In addition, the scholarship includes a \$4,500 stipend for academic enhancement, which is commonly used for study abroad, internships and other advanced learning opportunities.



Left to right are WVU President Jim Clements, scholars Tess McCloud, Joy Wang, Eric Kinney, Clara Beth Novotny, Emily Vandevender, Provost Michele Wheatly and WVU Foundation President and CEO Wayne King.

The 2012 Foundation Scholars are: Eric Kinney, Bridgeport, Bridgeport High School; Tess McCloud, Bluefield, Bluefield High School; Clara Beth Novotny, Falling Waters, Hedgesville High School, Emily Vandevender, Smoot, Greenbrier County; and Joy Wang, Charleston, Capital High School.

Harless gift establishes John W. Fisher II Courtroom at College of Law

A \$1 million gift from James "Buck" and Hallie Harless of Gilbert, W.Va., was donated to the College of Law in honor of Dean Emeritus John W. Fisher II. The gift is part of the building and renovation project at the College of Law and will be used to create the John W. Fisher II Courtroom.

"The Harless family has been friends with John Fisher since early in the tenure of Gordon Gee as president," Buck Harless said. "That friendship has strengthened over the years. We have always admired John's strength of character, honesty, loyalty and dedication to the University. During John's 10 years as dean he was responsible for raising more money for the law school than all prior deans before him. The Harless family is very proud of John Fisher."



A rendering of the new entrance planned for the College of Law

WVU has committed \$13 million in capital funds for the College of Law's renovations, with the remaining funds expected to come from private sources.

The \$25 million project will include construction of a 20,000 square foot addition to the College of Law, which will house the new Center for Energy and Sustainable Development, the high tech Fisher Courtroom, two classrooms, a distance learning classroom, and a wing dedicated to clinical law programs and faculty offices. Renovations also will be made to the interior of the existing building.

Law firms make gifts

Two law firms have each given \$500,000 to the College of Law. The gifts come from Bowles Rice McDavid Graff & Love, LLP and Steptoe & Johnson PLLC.

Bowles Rice is a full service regional law firm with more than 125 lawyers. The firm has offices in Charleston, Morgantown, Martinsburg and Parkersburg, as well as Lexington, Ky., Winchester, Va., Moundsville and Canonsburg, Pa.

More than 100 of Steptoe & Johnson's 230 lawyers are WVU Law alumni. The firm, a leader in the energy industry, is headquartered in Bridgeport, W.Va., and has 11 offices – six in West Virginia, two in Pennsylvania and one each in Kentucky, Ohio and Texas.

"West Virginia University College of Law is at a critical moment in its growth," WVU College of Law Dean Joyce McConnell said. "These generous gifts will make it possible to support its upward trajectory. We are proud of our role in creating lawyers and leaders who contribute so much to the state and beyond. We are grateful to our alumni and friends for enhancing the College of Law for the future."

Dentistry alum gives \$100K for research

To welcome Dr. David Felton, the new dean of the WVU School of Dentistry to the University and the state, Dr. Thomas Jarrett, a 1975 graduate of the School, and his wife, Sally, donated \$100,000 to create the Jarrett Family Research Endowment for Dentistry. The contribution was matched by the West Virginia Research Trust Fund, generating a combined gift of \$200,000.

"I want Dr. Felton to feel welcome and know the alumni are supportive of him and care greatly about the School of Dentistry and the oral healthcare of the people in the state," Dr. Jarrett said. "I also thank the Good Lord for Bill Jarrett (my father) and former Dean Dr. W. Robert Biddington, for getting a wayward kid into dental school."

Dr. Jarrett is a third generation West Virginia dentist. His gift also honors his father, Dr. William M. Jarrett, the state's first board-certified orthodontist, and his grandfather, Dr. Warren Victor Jarrett, a general dentist in Richwood, W.Va. Each has been very involved in organized dentistry for many years.



WVU alumnus Dr. Tom Jarrett and School of Dentistry Dean Dr. David Felton

Pride Travel Fund campaign nets over \$92K for 2011

The Foundation's 2011 Pride Travel Fund received a record \$92,320 from 780 donors surpassing the previous record of \$86,000 raised in 2010.

The annual campaign was established to help minimize the financial burden of travel for the WVU Marching Band, known as the "Pride of West Virginia."



Members of the Mountaineer Marching Band thank donors for supporting the 2011 Pride Travel Fund.

With the financial assistance of the University, the athletic department, and generous donors, the "Pride" was able to travel to two away football games. This year's destinations included Piscataway, N.J., and Cincinnati, Ohio, for the Rutgers and University of Cincinnati games. Along with the football games, the Pride participated in several exhibition performances across the state this season.

"The generous support of the many donors who have helped us to travel again this season is humbling to all of us," said Jay Drury, WVU Marching Band director. "The members of the band are proud to represent both the University and the great state of West Virginia when we travel, and with the continued help from friends of the band, we are able to carry the banner for 'Mountaineer Nation' far and wide!"

WVU alumni create scholarship for medical school

More scholarship money will now be available to students at the School of Medicine thanks to contributions from WVU alumni David and Dr. Jo Ann Goldbaugh Shaw.

The Shaws, from Wheeling, created a scholarship focused on helping students from each of the four years of medical school.

"We wanted to give financial aid to those students who have severe financial needs and help them focus more on their academic studies. There are bright people who want to go to medical school, but can't afford it. These are the future students you want to capture and bring to WVU," Dr. Shaw said.

"We are incredibly grateful to alumni like the Shaws for their generous and thoughtful contributions to the School of Medicine. These funds will significantly impact both the academic lives and personal well-being of our students through the enhancement of our curriculum and ability for us to offer more in the way of scholarships," said Dr. Arthur J. Ross, dean of the WVU School of Medicine.

Ancient artifacts donated to WV Natural History Museum



Capsian Culture Neolithic Arrowheads

Displays in WVU's Natural History Museum aren't simply wild – they're prehistoric.

The Museum received an in-kind donation of world class stone-age artifacts displaying and representing the entire range of paleolithic tool technology dating from 2.5-million-year-old Unifacial Mode I Oldawan cobble choppers to the 5,000-year-old neolithic hafted arrowheads and includes every major tool tradition in between. The donation is valued at \$367,000.

Housed in the Division of Forestry and Natural Resources in the WVU Davis College of Agriculture, Natural Resources and Design, the Museum is home to hundreds of taxidermy specimens and, now, an impressive array of ancient artifacts which span the pre-history of mankind from *Homo habilis* to *Homo sapien*.

"The donor, who wishes to remain anonymous, has a great interest in history and preserving natural and cultural history collections," said Jim Anderson, professor of wildlife and fisheries resources and Davis-Michael Professor of Forestry and Natural Resources. "He wanted to donate hunting and gathering artifacts to WVU for our Natural History Museum for education and display purposes."

WVU alumni endow James Miltenberger Piano Scholarship in School of Music

WVU music alumna Lydia E. Weisser and her husband, Roland J. "Bud" Weisser, an alumnus of the School of Medicine, have established an endowment in the WVU School of Music to fund the James Miltenberger Piano Scholarship, honoring Professor of Piano James Miltenberger, who celebrated his 50th year on the WVU music faculty.

"Doc Miltenberger possesses that rare combination of incredible talent, intuition, dedication, humility, passion for teaching, and a love of music that separates him from all other teachers," Lydia Weisser said. "His inspiration and encouragement shaped my self-discipline at the keyboard which, in turn, enabled me to persist through medical school. He has been my mentor for many years, and I am proud to also call him a great friend."



WVU Professor of Piano Dr. James Miltenberger

"The college is much appreciative of the generosity of Drs. Lydia and Bud Weisser," said Dean Paul Kreider. "Their gift is a tribute to Dr. Jim Miltenberger's 50 years of dedicated and superb teaching. He has no doubt touched the lives of many students like Dr. Weisser."

"I am honored to have a scholarship endowment in my name," Miltenberger said. "It will be a pleasure to help an undergraduate or graduate pianist beginning this coming year. I want to thank Lydia and Bud Weisser for their generosity."

WVU School of Journalism establishes new scholarships

P.I. Reed School of Journalism alumnus Ray Gillette and his wife Susan were the first in their family to go to college. The experience changed their lives and motivated them to help future generations.

"We realize that our parents worked hard to help put us through school," said Gillette. "Today it is even harder to send a child to college. This is especially true for minority students. My wife and I have been successful in life, and we feel fortunate to be able to give this scholarship."

The Raymond and Susan Gillette Minority Scholarship is one of several endowed scholarships established for journalism students during the past year. Others include The Arnold Agency Scholarship, the Col. Thomas J. Boyd Scholarship, and the William and Jean Reed Scholarship.

DONOR RECOGNITION

Woodburn Circle Society

Named for the original three buildings on campus – Woodburn, Martin and Chitwood – considered to be the foundation of today’s WVU, the Society recognizes those who have made gifts of \$100,000 or more to benefit the University and its affiliated organizations.

Irvin Stewart Society

Named for WVU’s 13th president, the Society honors those individuals whose planned gifts provide for the future of the University.

Foundation Partners & Associates

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

Endowment Club

The Club recognizes those who have made financial investments in the future of WVU by creating an endowed fund through the Foundation.

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.

BY THE NUMBERS

FY 2011-12 DEVELOPMENT, FINANCE, INVESTMENT OVERVIEW

Asset Management

Total Foundation assets were \$1.1 billion as of June 30, 2012. Included in total assets is \$454 million in endowed assets, \$171 million in non-endowed assets, and \$443 million managed by the Foundation as investment agent for WVU affiliated agencies including WVU Hospitals and WVU Research Corp.

Gifts

Gifts received/committed for the fiscal year totaled \$173.9 million, including \$73.3 million in gifts in-kind, which were passed through directly to the University.

The combined gifts/commitments were made by 21,988 donors in 35,548 transactions.

FY 2012 GIFTS BY SOURCE – DONORS	
Category	Donors
Alumni.....	47.0%
Friends.....	40.2%
Corporations.....	11.4%
Foundations/Trusts.....	0.9%
Estates.....	0.1%
Other.....	0.4%

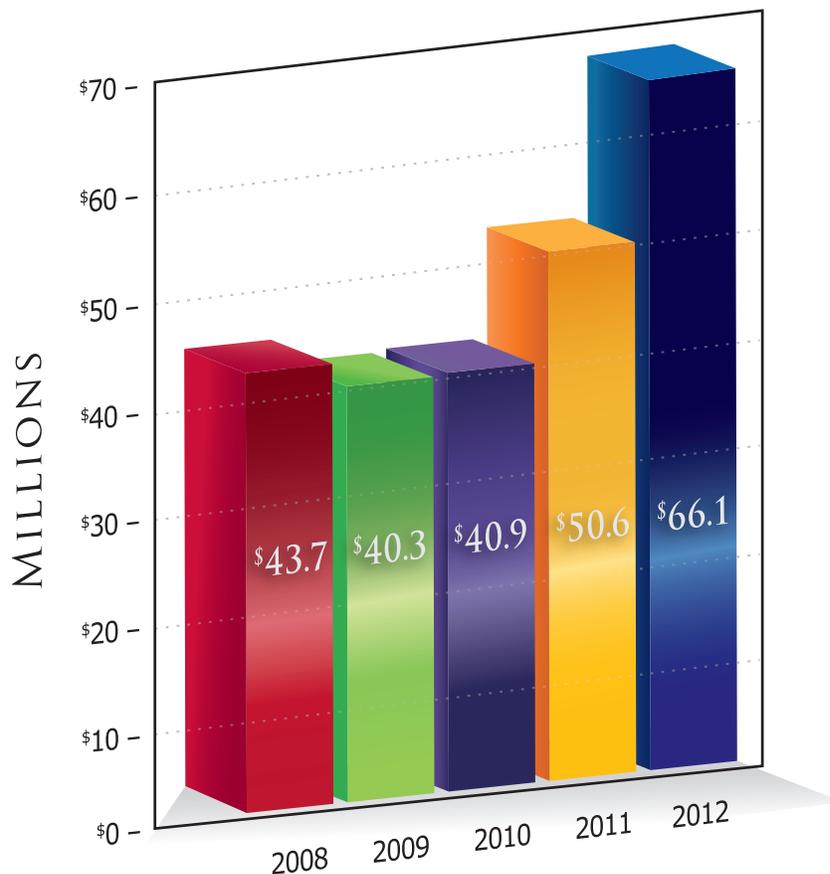
FY 2012 GIFTS BY SOURCE – DOLLARS	
Category	Donors
Alumni.....	9.6%
Friends.....	9.6%
Corporations.....	58.3%
Foundations/Trusts.....	10.4%
Estates.....	1.0%
Other.....	11.1%

Support

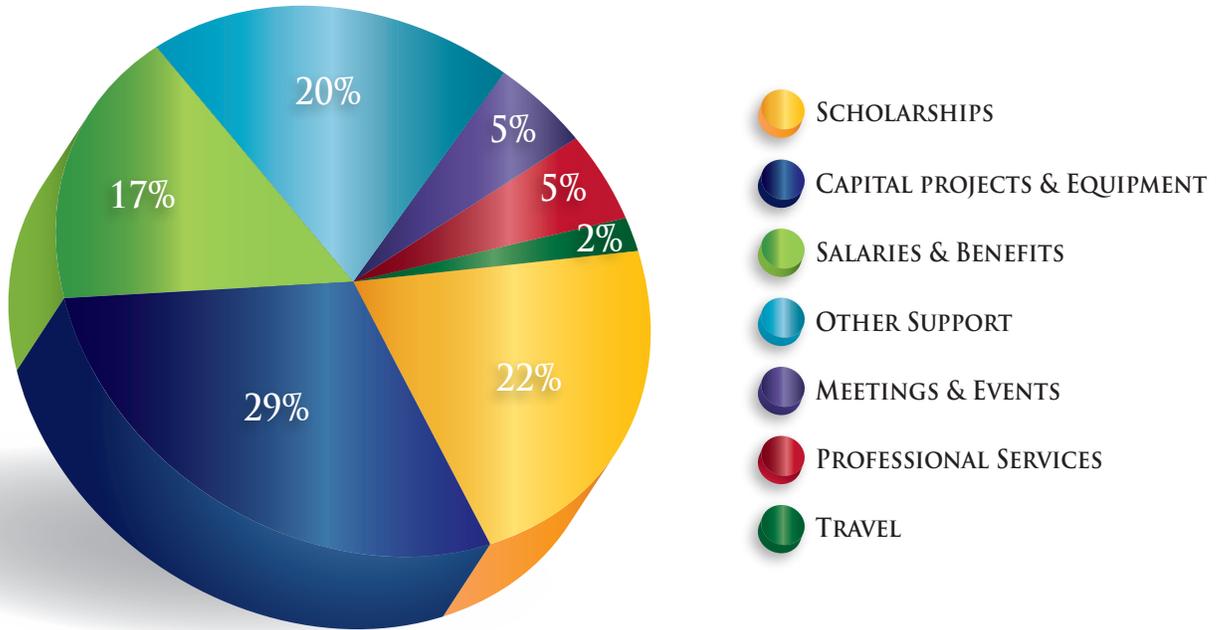
Donor gifts enabled the Foundation to disburse approximately \$66.1 million in funds on behalf of the University to support many purposes, including scholarships and fellowships; academic program development; chairs and professorships; faculty development and research; equipment and facilities; and libraries. Over the past five years, the Foundation has provided the University with \$241.6 million in direct support.

Of the \$66.1 million disbursed in fiscal 2012 to the University, \$14.5 million (or 22%) was directed toward student scholarship support, which made attendance at WVU a reality for many students by easing the financial burden. Another \$11.4 million (or 17%) was directed toward salaries and benefits, which enabled the University to attract and retain high caliber faculty for teaching, research and public service, and \$19 million (or 29%) was provided for capital projects and equipment.

DISBURSEMENTS ON BEHALF OF WVU



DISBURSEMENTS BY FUNCTION



Operating Expenses

The Foundation's annual operating expenses were \$9.2 million during the 2012 fiscal year, representing less than 1% of total assets under management. Each donor's gift is applied directly to the purpose for which it is given. No unrestricted gifts are used to fund Foundation operations.

Direct fundraising costs for the year were \$4.9 million. Fundraising costs compared to total gifts received of \$173.9 million generated a revenue-to-expense ratio of 35 to 1.

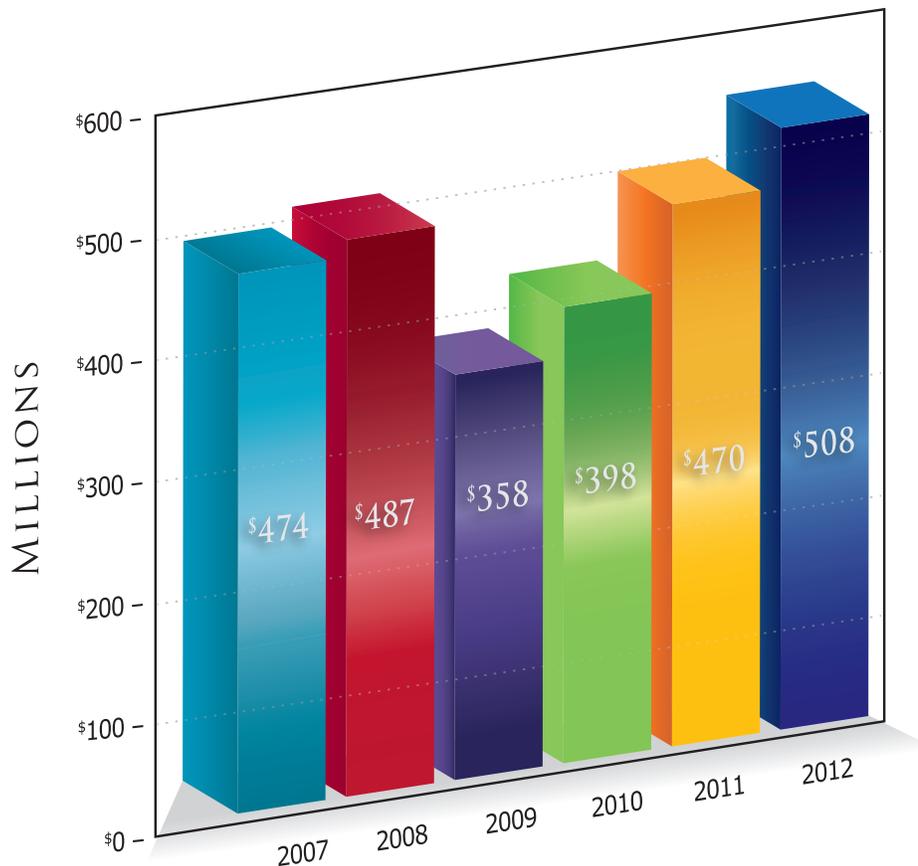
Investment Management

The Foundation's long-term investments were \$508 million at June 30, 2012, an increase of \$38 million (or 8.1%) from the previous year. The value of the Foundation's long-term investment pool increased from \$392 million at the end of fiscal year 2011 to \$418 million at the end of fiscal year 2012. The net investment return for fiscal year 2012 was -0.1%.

The long-term investment pool was invested in 98 funds managed by 45 asset managers. As of June 30, 2012, 53% of the pool was invested in equities, 21% in fixed income, 17% in real assets, 7% in diversifying strategies, and 2% in cash.

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 long-term investment pool 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 portfolio is typically invested as a fixed percentage of each pool. Such gifts totaled \$24.4 million at June 30, 2012.

LONG-TERM INVESTMENTS



WEST VIRGINIA UNIVERSITY FOUNDATION, INCORPORATED

CONDENSED STATEMENTS OF FINANCIAL POSITION

	June 30	
	2012	2011
Assets		
Cash and cash equivalents	\$ 16,453,385	\$ 11,401,864
Contributions receivable, net	50,536,890	41,552,584
Other receivables, net	3,537,631	4,046,838
Investments carried at fair value	986,610,246	969,991,314
Equity investment in limited partnership	3,658,895	3,693,215
Land, building, and equipment, net	20,180,379	21,076,044
Beneficial interest in external trusts at fair value	25,971,696	24,273,504
Other assets	3,495,974	9,777,871
Total assets	<u>\$ 1,110,445,096</u>	<u>\$ 1,085,813,234</u>
Liabilities and net assets		
Liabilities:		
Bonds and notes payable, net	\$ 36,929,108	\$ 27,512,125
Accounts payable and accrued expenses	5,594,523	3,874,197
Deferred revenue	10,774,668	3,148,468
Accrued retirement benefits and deferred compensation	4,199,017	4,568,142
Annuities payable	12,668,912	13,169,005
Funds held in custody for others	443,476,908	450,972,945
Total liabilities	<u>513,643,136</u>	<u>503,244,882</u>
Net assets:		
Unrestricted	20,365,454	22,008,596
Net unrealized losses on donor restricted endowment assets below historical dollar value	(13,692,810)	(6,302,503)
Total unrestricted net asset	<u>6,672,644</u>	<u>15,706,093</u>
Temporarily restricted	205,585,869	216,643,974
Permanently restricted	384,543,447	350,218,285
Total net assets	<u>596,801,960</u>	<u>582,568,352</u>
Total liabilities and net assets	<u>\$ 1,110,445,096</u>	<u>\$ 1,085,813,234</u>

WEST VIRGINIA UNIVERSITY FOUNDATION, INCORPORATED

CONDENSED STATEMENTS OF ACTIVITY

	Years Ended June 30	
	2012	2011
Revenues and gains (losses)		
Contributions	\$ 87,157,850	\$ 76,044,824
Investment earnings (losses)		
Net interest and dividends	10,905,585	8,261,698
Net realized gains	12,004,135	21,257,880
Net unrealized (losses) gains	(22,831,669)	45,262,793
Investment earnings	<u>78,051</u>	<u>74,782,371</u>
Lease revenue	1,975,000	1,810,417
Other revenue	<u>5,670,487</u>	<u>2,839,839</u>
Total revenues and gains	<u>94,881,388</u>	<u>155,477,451</u>
Expenses and support		
University Support		
Scholarships	14,511,598	12,424,205
Salaries and benefits	11,358,772	9,364,583
Travel	1,043,492	1,142,364
Meetings and events	3,200,642	3,234,425
Professional services	3,185,314	2,772,953
Capital projects and equipment	19,000,554	16,372,428
Other support	13,818,227	5,295,405
	<u>66,118,599</u>	<u>50,606,363</u>
Foundation support	9,171,094	8,602,002
Interest and depreciation	<u>3,053,879</u>	<u>2,374,950</u>
Total expenses and support	<u>78,343,572</u>	<u>61,583,315</u>
Provision for uncollectible receivables	634,878	567,024
Revaluation of beneficial interests in external trusts	404,081	3,422,031
Net loss on revaluation of annuities payable	<u>1,265,249</u>	<u>585,552</u>
Total expenses and support	<u>80,647,780</u>	<u>66,157,922</u>
Change in net assets	14,233,608	89,319,529
Net assets at beginning of year	<u>582,568,352</u>	<u>493,248,823</u>
Net assets at end of year	<u>\$ 596,801,960</u>	<u>\$ 582,568,352</u>

WEST VIRGINIA UNIVERSITY FOUNDATION, INCORPORATED

CONDENSED CASH FLOWS

	Years Ended June 30	
	2012	2011
Reconciliation of change in net assets to net cash used in operating activities		
Change in net assets	\$ 14,233,608	\$ 89,319,529
Adjustments to reconcile change in net assets to net cash used in operating activities		
Actuarial loss on annuities payable	1,265,249	585,552
Revaluation of deferred compensation	(114,050)	(364,050)
Amortization of discount on bonds payable	797,875	36,000
Provision for uncollectible receivables	634,878	567,024
Contributions restricted for long-term purposes	(34,714,243)	(34,829,961)
Depreciation expense	1,066,766	1,182,835
Decrease in equity method investment	34,320	230,039
Net realized gains on investments	(12,004,135)	(21,257,880)
Net unrealized losses (gains) on investments	22,831,669	(45,262,793)
Noncash contributions of artwork / scoreboard	5,519,447	4,500,000
Revaluation of beneficial interest in external trusts	404,081	3,422,031
Changes in:		
Contributions receivable	(9,398,306)	(3,211,507)
Investments held in custody	9,084,037	(112,859,776)
Beneficial interest in external trusts	(2,102,273)	(1,463,332)
Accounts payable and accrued expenses	1,720,326	4,190
Deferred revenue	7,626,200	1,836,840
Funds held in custody for others	(7,496,037)	113,366,267
Changes in operating assets and liabilities	(969,638)	560,563
Net cash used in operating activities	<u>(1,580,226)</u>	<u>(3,638,429)</u>
Cash flows from investing activities		
Purchase of land, building, and equipment	(171,101)	(109,004)
Purchases of investments	(199,632,566)	(183,108,004)
Proceeds from sales and liquidations of investments	163,102,063	155,279,281
Net cash used in investing activities	<u>(36,701,604)</u>	<u>(27,937,727)</u>
Cash flows from financing activities		
Proceeds from contributions restricted for long-term purposes	34,714,243	34,829,961
Promissory note proceeds	10,000,000	-
Mortgage note proceeds	24,000,000	-
Payments on bonds and notes payable	(25,380,892)	(700,000)
Net cash provided by financing activities	<u>43,333,351</u>	<u>34,129,961</u>
Increase in cash and cash equivalents	5,051,521	2,553,805
Cash and cash equivalents at beginning of year	11,401,864	8,848,059
Cash and cash equivalents at end of year	<u>\$ 16,453,385</u>	<u>\$ 11,401,864</u>
Supplemental Information		
Interest paid	<u>\$ 1,955,784</u>	<u>\$ 1,264,490</u>

WEST VIRGINIA UNIVERSITY FOUNDATION, INCORPORATED

CONDENSED RECONCILIATION OF CONTRIBUTIONS

The schedule below reconciles contributions as reported from Foundation fundraising activities with contribution revenue determined in accordance with GAAP as reported in the accompanying Statements of Activity.

	June 30	
	2012	2011
Contributions		
Contributions recognized as gifts by the Foundation	\$ 173,932,242	\$ 96,292,912
Noncash contributions received directly by the University	(73,277,988)	(15,224,135)
Amounts reported as deferred / other revenue	(15,007,083)	(2,123,053)
Net impact of changes in contributions receivable	9,398,306	3,211,507
Life income gifts reclassified to annuities payable	(467,237)	(558,695)
Contributions from perpetual trusts reclassified to interest income	(1,660,783)	(1,525,033)
Life income gifts released from annuities payable due to termination of trust	71,966	114,430
Amounts recorded as agency liability	(5,831,573)	(4,143,109)
Contributions per statements of activity	<u>\$ 87,157,850</u>	<u>\$ 76,044,824</u>

The condensed financial statements on the preceding pages have been derived from audited financial statements of the Foundation. Dixon Hughes Goodman issued an unqualified opinion on the Foundation's statements of financial position as of June 30, 2012 and 2011, and the related statements of activity and cash flows for the years then ended. The audited financial statements and the report of independent auditors on such financial statements may be obtained from the Foundation's website at www.wvuf.org.

NEWS & NOTES

2011-2012

Foundation launches “A State of Minds,” largest private fundraising campaign in University history

WVU has a lofty goal for the next few years – raise \$750 million.

President Jim Clements joined WVU Foundation representatives June 2 in announcing the official kickoff of a comprehensive campaign to raise private dollars for the state’s flagship university and its regional campuses through December 2015.

A State of Minds: The Campaign for West Virginia’s University will ensure WVU’s continued prominence in delivering high-quality education and building pathways for innovation, research and opportunities between the state, nation and world,” Clements said.

“Now, more than ever, in our current economic climate, donor generosity is helping us fulfill our land-grant mission to West Virginia,” he said.

A State of Minds is the largest private fundraising campaign in WVU’s history. The \$750 million goal is three times larger than the previous “Building Greatness” campaign from 1998-2003.

During the silent phase of the campaign that began July 2007, \$538 million was raised.

Fundraising will focus on six University-wide campaign priority areas that align with the University’s 2020 Strategic Plan for the Future:

- Enhance the undergraduate student experience and global education
- Advance the research initiative of the University
- Enable WVU to improve West Virginia’s health, economy and quality of life
- Foster faculty excellence
- Enhance WVU through professional and graduate education
- Support healthcare through research, education and patient care

“Ten years ago, our donors showed their faith in WVU through the Foundation’s ‘Building Greatness’ campaign,” Clements said. “Today, thanks in large part to that generosity, our University is having a more positive impact on our students, our state, and our world than ever before.



Russell Falstad of the Dueling Fiddlers of Lewisburg, W.Va., entertains luncheon-goers during the kickoff.



Campaign Co-Chairman Bob Reynolds talks about the importance of volunteers in meeting the \$750 million goal.



A video animation was used to roll out the goal for A State of Minds.



"To continue our momentum, we are once again calling on everyone who cares about WVU to support our life-changing work. The goal for this campaign is ambitious, but reachable, and I am confident that the Mountaineer family will once again push us beyond the finish line."

Chairman of Putnam Investments and 1974 alumnus Robert Reynolds and Cadrillion Capital President Verl Purdy, a 1964 WVU graduate, are the national campaign co-chairmen. James "Buck" Harless is the national campaign honorary chairman. All three have made significant contributions to WVU, both of their time and resources.

"I attribute much of the success I've had in my life to the time I spent at West Virginia University," said Reynolds, who is now chair of the WVU Foundation Board of Directors. "I love the University...I feel an obligation to give back. It afforded me opportunities that I wouldn't have had if I hadn't come here. I feel blessed with the career I have, but I don't think it would have happened if it wasn't for WVU."

Purdy, who is past chairman of the Foundation Board, added, "WVU gave me and generations of others a great education. It changed our lives. With great leadership, great faculty and staff, and great students, we are poised for a new era of impact – if only we have the resources to realize our potential. 'A State of Minds' gives us the opportunity to leverage the power of our intellectual enterprise. It allows us to expand and extend our land-grant mission by serving our national and global communities through the accomplishments we achieve here at home."

Wayne King, Foundation president and CEO, noted this will be the first comprehensive campaign for WVU which will utilize hundreds of volunteers. Along with a 23-member national volunteer committee, the campaign also will have West Virginia and regional volunteer chairs. Each college and school will have its own campaign committee with its chair also serving on the national committee.

Visit www.astateofminds.com for information on how you can help support the campaign.

Outstanding Philanthropy Awards - 2012

Stuart and Joyce Robbins were honored for their history of generosity and leadership at WVU.

In May 2011, Mr. and Mrs. Robbins announced a \$3 million commitment to establish the Stuart M. and Joyce N. Robbins Center for Global Business and Strategy 20/21 within the College of Business and Economics, and the Stuart M. and Joyce N. Robbins Distinguished Professorship in Epidemiology, the first endowed position within the School of Public Health. The professorship was eligible for a dollar-for-dollar match from the West Virginia Research Trust Fund, making the total impact of the Robbins' most recent commitment \$4 million.

WVU men's head basketball coach **Bob Huggins** was honored for his commitment and generosity to the University. Huggins has not only led his alma mater to an unprecedented level of sustained success on the court, but has used his stature and notoriety to raise awareness and funds for causes off the court and close to his heart.

Foremost among these causes has been the Norma Mae Huggins Cancer Research Endowment, established in memory of the coach's mother who died of cancer. Through various fundraising efforts, he has mobilized an incredible number of donors around the state and nation in support of cancer research at WVU's Mary Babb Randolph Cancer Center. The endowment has quickly grown to over \$600,000 with no indication of slowing down.

Since being established in 2005 by the late West Virginia businessman and philanthropist Lawson W. Hamilton, Jr. and his wife, Jeanne, the **Hamilton Family Foundation** has had a significant impact on WVU and the state of West Virginia.

Mr. Hamilton was a tireless supporter of educational and community organizations throughout the state from the time he began his line of successful coal businesses in the mid-1940s until his death in 2007. Prior to establishing the foundation, he made significant gifts to the Mary Babb Randolph Cancer Center, and also made gifts supporting the Statler College of Engineering & Mineral Resources and WVU Athletics.

The Hamilton Family Foundation, administered by Jeanne Hamilton and her son, Lawson W. Hamilton, III, has continued Mr. Hamilton's legacy of support, with gifts supporting the Cancer Center, WVU Children's Hospital, the School of Medicine and the WVU Eye Institute.

Siemens was honored for its commitment to the education of WVU students and researchers.

WVU received an in-kind grant from Siemens with a commercial value of \$425 million, through the company's Global Opportunities in Product Lifecycle Management program. The range of software provided includes applications that are widely used by many multi-national companies in industries around the globe and will be incorporated into the curricula of two academic departments within the Statler College of Engineering & Mineral Resources.



WVU Foundation President and CEO Wayne King, left, is joined by 2012 Outstanding Philanthropists Bob Huggins, Stu Robbins and Howard West, representing Siemens PLM Software.

Philanthropist Hazel Ruby McQuain, McQuain Charitable Trust honored

The Foundation recognized one of WVU's most generous benefactors by permanently naming one of the Foundation's annual awards in its honor.

Established in 2005, the Foundation's outstanding philanthropic foundation award is now known as the Hazel Ruby McQuain Outstanding Philanthropic Foundation Award.

"This honor recognizes Mrs. McQuain's service and philanthropy during her lifetime, as well as her foresight in establishing the Hazel Ruby McQuain Charitable Trust to carry on her extraordinary legacy of philanthropy," said Wayne King, WVU Foundation president and CEO.

Following the extraordinary example of its founder, the McQuain Charitable Trust has made donations to a wide variety of causes and programs across the University, including WVU Hospitals, School of Medicine, College of Law, WVU Alumni Association, Athletics, as well as the establishment of the cross-disciplinary Ruby Scholars Graduate Research Fellowships. The combined value of Mrs. McQuain's giving and the McQuain Charitable Trust's grants to WVU is nearly \$40 million.

McQuain, who passed away in 2002 at the age of 93, endowed four chairs in the WVU School of Medicine; created the Hazel Ruby McQuain WVU College of Law Deans Endowment Fund; and generously supported various University programs and recreational facilities. Mrs. McQuain also made an \$8 million gift toward the construction of Ruby Memorial Hospital, which was named after her late husband, J.W. Ruby. She served as an 11-year member of the WVU Foundation Board of Directors.



Hazel Ruby McQuain

Two join Foundation board

Two WVU alumni were elected to the WVU Foundation Board of Directors.



Marty Becker

W. Marston (Marty) Becker is president and CEO of Alterra Capital Holdings Limited (Nasdaq-ALTE), a global specialty insurer/reinsurer headquartered in Bermuda. In addition, Becker currently serves as chairman of West Virginia Media Holdings, a statewide media company that he co-founded in 2001. He earned his juris doctor and bachelor of science in business administration degrees from WVU. He resides in Bermuda; Charleston, W.Va.; and Jupiter, Fla.

Robert O. (Bob) Orders, Jr. of Charleston, W.Va., is president of Orders Construction Company, Inc., a highway, utility and industrial construction company with operations in West Virginia and Virginia. Orders is a 1972 graduate of WVU with a bachelor of science degree in civil engineering.

Each will serve a three-year term.



Bob Orders, Jr.

Current, former WVUF board members honored

Four current and former members of the WVU Foundation Board of Directors were recognized at WVU's 143rd Commencement in May.

Ben Statler, who currently sits on the board, was inducted into the Order of Vandalia, the highest honor for extraordinary service to WVU.

Greg Babe, also a current member, along with former board members Ogden Nutting and Stuart Robbins received honorary degrees.

Irvin Stewart Society celebrates 20 years

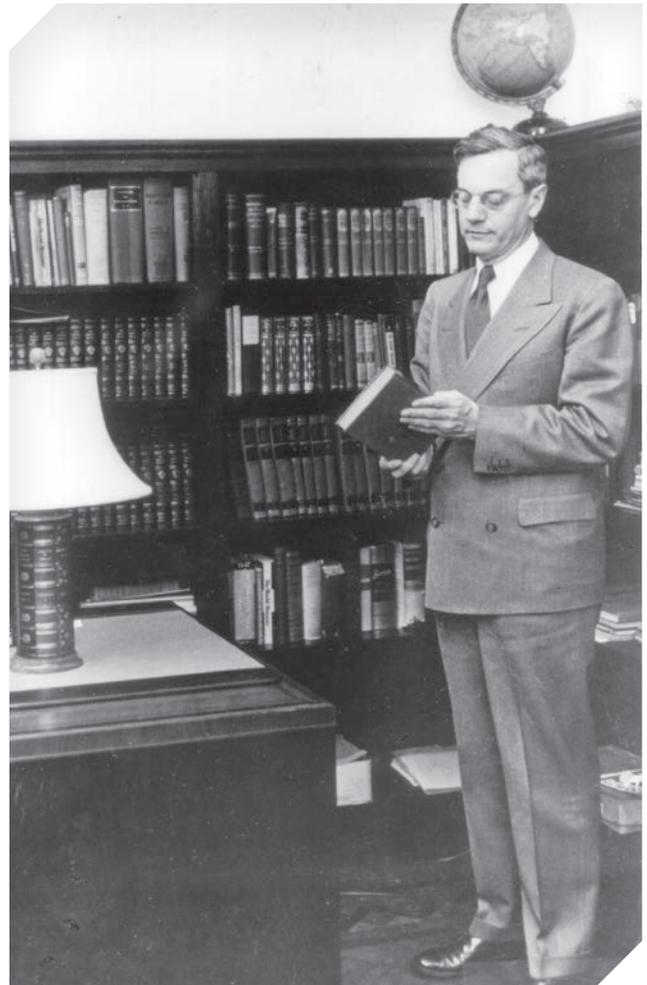
2012 marked twenty years since the founding of the Irvin Stewart Society with 94 charter members. Included in that group were President Irvin Stewart's secretary and students who had lived in Purinton House, the president's home, because of the shortage of student housing in the post-war days.

Current membership has grown to nearly 800, ranging from alumni in the Class of 1934 through the Class of 2004, faculty, and many others who appreciate this important way to leave a legacy for WVU.

Stewart Society membership is open to anyone who has included any type of support for West Virginia University, Potomac State College of WVU, the Mountaineer Athletic Club, West Virginia 4-H or WVU Institute of Technology in their estate plans, such as a gift provision in their will or revocable trust. Also, life income gifts, life insurance, annuity policies, retirement account and real estate remainder gifts qualify for membership.

Members are invited to an annual luncheon to celebrate the value of this type of support and are listed (with their permission) on the www.wvuf.org web site under Donor Recognition.

Of the original charter members, 56 are able to celebrate this noteworthy anniversary and reflect on how WVU has changed during those decades, as well as think about how it will evolve in the coming years. They know that private support will make a difference in those future endeavors.



Dr. Irvin Stewart

Mountaineer Connection program continues to grow

Mountaineer Connection, the online community and electronic communication platform for alumni and friends of WVU, continued to provide a valuable benefit to alumni and friends of WVU as well as the University community in the 2012 fiscal year.

For alumni and friends, Mountaineer Connection allows users to read the latest news from the WVU community, keep personal contact information up to date, connect with fellow Mountaineers using the Alumni Directory, access MountaineerTRAK to search for a job, post a job opening, or sign up to become a WVU Career Mentor.

Additionally, Mountaineer Connection provides communication tools to the University community. As colleges and units find value in including electronic communications in their overall communication plans, use of these tools has become increasingly important. University participants include University Relations, the Alumni Association, and a majority of the University's colleges and schools.

For fiscal year 2012, 131 email distributions were sent by 22 different academic and administrative units totaling more than 3,139,000 individual messages. These messages included electronic newsletters, event information and invitations, special program announcements, solicitations and surveys, all of which serve to engage and inform our Mountaineer family.



WVU Foundation President & CEO Wayne King and his wife, Mary, serve guests at the Foundation's tailgate tent prior to the WVU-LSU football game. Over one-thousand alumni and friends enjoyed the pre-game festivities. Each fall, the Foundation selects one home football game to host a pre-game tailgate party providing food and beverages to invited guests.

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OUR CORE VALUES

- **Accountability** – We are responsible for our actions.
- **Service** – We perform our duties in a helpful manner.
- **Professionalism** – We perform our responsibilities as skilled practitioners, meeting our goals and tasks in a timely and effective manner.
- **Integrity** – We conduct our activities in an independent, fair and honest manner.
- **Relationships** – We value relationships and community involvement as fundamental to achieving our goals.
- **Exceeding Expectations** – We continually set new standards of excellence.

OUR MISSION

"To enrich the lives of those touched by West Virginia University by maximizing private charitable support and providing services to the University and its affiliated organizations."



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