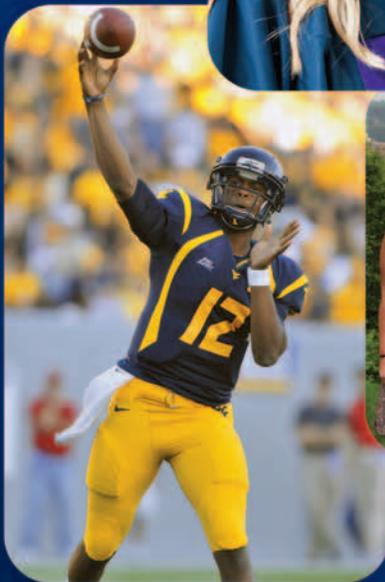


# West Virginia University Foundation *2010-2011 Annual Report*



**WVU**  
**FOUNDATION**

Securing and Administering  
Private Support for West Virginia University



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## *Annual Report*

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**July 1, 2010 to June 30, 2011**

**T**he 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, 2011.

**For further information, contact the WVU Foundation at:**

One Waterfront Place, Seventh Floor  
Morgantown, WV 26501

304.284.4000 ~ 800.847.3856

E-mail: [info@wvuf.org](mailto:info@wvuf.org)  
[www.wvuf.org](http://www.wvuf.org)

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## *A Message from the Chairman & the President*

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Dear Alumni and Friends of West Virginia University:

We at the WVU Foundation would like to express our sincere thanks and appreciation for another record-setting year. It is because of your loyalty and support that the Foundation enjoyed its highest fiscal year of giving ever in its 57-year history, receiving \$96.3 million in cash, pledges, and gifts-in-kind from July 1, 2010-June 30, 2011.

The \$16.3 million jump from last year's total contribution is a testament to our donors' unwavering commitment to the success of West Virginia University, despite difficult and sometimes tumultuous economic times. With these record-setting numbers, it is a clear indication that the University's alumni and friends are confident and excited about the direction and future of WVU.

In FY11, 21,613 donors made 35,230 gifts that helped support numerous scholarships and fellowships; professorships and chairs; creation and advancement of programs; and upgrades to facilities campus-wide.

The University requested \$50.6 million in support from the Foundation to fund programs and projects in accordance with donors' wishes. Total Foundation assets stood at \$1.1 billion, including endowed investments of \$470 million.

The University has experienced many changes over the past few years. With these changes, WVU is continuing to make great strides in the success and advancement of its academic and athletic programs.

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. Without question, the impact of private giving is becoming more important to the future of our great University.

The Foundation, with your help, will continue to support students, faculty, and programs to ensure opportunities of the highest quality are available. We want to thank you for all you have done, and look forward to working with you in the future to continue to improve our University and transform lives.



Verl O. Purdy  
Chairman of the Board



R. Wayne King  
President and CEO



*“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.”*

~ R. Wayne King and Verl O. Purdy

# Expanding the Impact of Private Philanthropy

## Year In Review

*The \$96.3 million in private support in FY 2010-2011 from 21,613 alumni and friends provides opportunity and promise to all areas of our great university. The following is just a sampling of the many gifts received and how your generosity is making a difference at WVU.*



### **Hazel Ruby McQuain Charitable Trust invests nearly \$10 million in graduate studies**

Graduate research at WVU took a major step forward with a \$4.6 million gift from the Hazel Ruby McQuain Charitable Trust, which combined with matching dollars from the state Research Trust Fund created a nearly \$10 million endowment in support of exceptionally talented graduate students from all over the world.

The gift creating the WVU Ruby Scholars Graduate Fellowship Program is the largest ever benefitting graduate research fellowships at the University.

“The goal of this new program is to attract and assist exceptionally talented graduate students from across the country who show extraordinary promise in scholarship, research, leadership and service to further develop these talents through the graduate school experience,” Stephen B.



WVU President Jim Clements (right) presents Steve (left) and George Farmer with Mountaineer statues as a thank you to the McQuain Trust for its continuing support of the University.

Farmer, member of the McQuain Trust board of trustees, said in announcing the gift.

“The Trust’s financial support will enable the WVU Ruby Scholars Graduate Research Fellows to commit themselves to expanding their talents and using those talents to benefit the people of West Virginia, present and future, as well as the nation and world,” Farmer said.

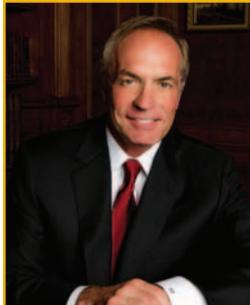
“This commitment from the Hazel Ruby McQuain Charitable Trust and the state’s Research Trust Fund is a game-changing investment in WVU’s graduate education experience for many exceptional students in the years to come,” said President Jim Clements. “For many students, a graduate fellowship will be a pivotal moment in their lives and give them wonderful opportunities to study and conduct research with some of the world’s top faculty right here at WVU.”

“I thank the members of the Trust for believing in the goals of our strategic framework for the future, which at the very core seeks to enhance academic and research opportunities for our students.”

Specifically, the endowment will create graduate fellowships and advance research in energy and environmental sciences; nanotechnology and material science; biological, biotechnological and biomedical sciences; and biometrics, security, sensing, forensic sciences and related identification technologies.



## Academics, athletics receive \$5 million gift from Cline Family Foundation



Chris Cline

WVU's School of Medicine and Department of Intercollegiate Athletics both benefitted from a \$5 million gift from the Cline Family Foundation.

Two million dollars will be used to create an endowed chair in orthopedic surgery while \$3 million is earmarked for the new basketball practice facility.

The Cline Family Foundation was established by Christopher Cline, a southern West Virginia native and highly successful coal operator.

"Chris Cline is a true West Virginian who has never forgotten his roots," said WVU President Jim Clements. "His generosity to WVU will be felt for years to come, especially as we continue to pursue first-class national-caliber academic, health care and athletic facilities and programs. I join the WVU community in expressing deep appreciation for this wonderful gift."

The endowment creates the Christopher Cline Chair in Orthopedic Surgery, and will qualify for matching funds from the state Research Trust Fund, making the total benefit to West Virginia University, \$4 million.



## Robbins' gift to create Center for Global Business and School of Public Health professorship

WVU alumnus Stuart M. Robbins, a retired financial industry executive, believes his alma mater is poised to make a great leap

forward and he and his wife Joyce want to help pave the way.

That's why Robbins, a native of Parkersburg who went on to a successful Wall Street career with Donaldson, Lufkin & Jenrette, and his wife donated \$3 million to be shared between two of WVU's colleges. The Stuart M. and Joyce N. Robbins Center for Global Business and Strategy 20/21 will be created within the College of Business and Economics with a \$2 million gift. The Stuart M. and Joyce N. Robbins Distinguished Professorship in Epidemiology will be endowed with a \$1 million gift.

The professorship, the first new endowed position within the new School of Public Health, is eligible for a dollar-for-dollar match from the state Research Trust Fund, making the total impact on the University \$4 million.

"WVU has tremendous momentum and is on the cusp of greatness," Robbins said. "The University's plans for the next decade and its dynamic organizational improvements show the creativity and determination necessary for a giant leap forward.

"We just want to be some small part of helping WVU achieve its goals and deserved recognition," he said. "We wanted to do something transformational!"



Celebrating the Robbins' most recent gift to WVU are, from left, Stu Robbins, Business & Economics Dean Zito Sartarelli, Foundation President Wayne King, Joyce Robbins, HSC Chancellor Chris Colenda and WVU President Jim Clements.

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## Tattersall gift largest single donation for distinguished endowed faculty chair in WVU history

**R**enowned investment expert and prominent Richmond, Va., businessman Fred Tattersall presented a gift of \$3 million to WVU's College of Business and Economics. The gift, which will be paid over three years, represents the largest single donation for an endowed faculty chair position in University history and the largest single donation ever to the WVU College of Business and Economics.

Tattersall, chairman of 1607 Capital Partners in Richmond and a 1970 alumnus of the WVU business school, said that the gift will be used to endow a faculty chair in the Finance Department of the College of Business and Economics. He said the gift will immediately affect business finance students and provide an avenue to give back by funding high quality faculty.

"I wanted to honor WVU, which gave me a business foundation from which I was able to build a successful investment career," said Tattersall. "By funding a distinguished endowed chair, WVU will be able to attract and retain a well regarded professor in the business finance field. To compete nationally, WVU needs more endowed chairs and I wanted to help (continue) enthusiasm for more chairs in the business school in the very near future. Many of my peers would see my lead which, hopefully, will create a snowball effect."



Fred Tattersall (center) announces a \$3 million donation to the College of Business and Economics as Provost Michele Wheatly and Dean Zito Sartarelli applaud.



The Ware-Jamison Gateway on the downtown campus

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## Ware-Jamison Gateway called 'gift of love to WVU, hometown'

**W**VU recognized the generous donation of a Morgantown couple by hosting a dedication of its first formal gateway to the campus.

In 2006, Dolores "Dee" Jamison Ware and Alfred "Al" F. Ware, both WVU alumni, donated land for the University's entrance park to the WVU Foundation. The plaza is located at the intersection of University and Beechurst Avenues.

Mrs. Ware called the land donation, "a gift of love for my university and my hometown."

The Wares also have established an enhancement fund through the Foundation for the Gateway plaza. Funds from the endowment will be used to add landscaping, plantings and other improvements to the site.

"Al and Dee Ware are long-time, generous supporters of their alma mater in so many ways," said WVU President Jim Clements. "This gateway is another part of their legacy at WVU, and we thank them for the heartfelt gift that made it possible."

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## WVU receives \$1 million for pediatric diabetes

WVU's efforts to combat pediatric diabetes received critical support with a \$1 million donation to WVU Children's Hospital and the WVU Department of Pediatrics from former state legislator, Mike Ross. Included in the gift is \$400,000 for research, which qualifies for a match from the state's Research Trust Fund.

The gift will create two separate funds in the name of the Mike Ross Family. One will provide support for the treatment and education of children with diabetes and their families. The other, the Mike Ross Family Pediatric Diabetes Research Fund, will fund pediatric diabetes research.

"Diabetes has touched nearly every family in West Virginia, including my own family," Ross said. "With this gift, I challenge all West Virginians to join me in the fight against this disease."



Joann and Mike Ross accept a piece of artwork designed by a patient at WVU Children's Hospital from Health Sciences Chancellor Chris Colenda.

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## Osher Lifelong Learning Institute at WVU awarded \$1 million endowment

The Osher Lifelong Learning Institute at WVU received a \$1 million endowment that will help to enrich the educational programs it offers to people age 50 and older. The endowment is from The Bernard Osher



Foundation, a 34-year old philanthropic organization that supports higher education and the arts.

"People come to OLLI because they have a love of learning," Suzanne Gross, president of the OLLI Board of Directors, said. "The students have bright minds and want to keep them engaged through retirement. Our teachers have a lifetime of expertise. Bring them all together and it makes for a very rich classroom experience."

Gross said previous support from the Osher Foundation has helped to build the program over the last several years. The endowment, she said, will help to sustain OLLI at WVU into the future.

"We are also very grateful for the support we've received from University President (James) Clements," Gross said. "He feels very strongly that the University has a responsibility to the community and has committed support that allows us to occupy our space here in Morgantown and offer unlimited classes at no additional charge to our members."

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## Alpha Natural Resources contributes \$300K to assist energy research

Energy and environmental sciences research at WVU will benefit from a \$300,000 donation from Alpha Natural Resources, Inc.

The gift to the College of Engineering and Mineral Resources establishes the Alpha Natural Resources Endowment for Energy Research, and is expected to qualify for a match from the

state Research Trust Fund, making the total gift \$600,000.

“We value the partnership the College has with Alpha and its generous support,” said Gene Cilento, Glen Hiner Dean of the College of Engineering and Mineral Resources. “We will use this endowment to build an industry-driven research center that focuses on all aspects of energy, from extraction to utilization. The research conducted will support the safety needs of the mineral resources industries, which remain vital to our state and nation.”



### 2010 Pride Travel Fund tops \$86K

The Pride Travel Fund had another successful campaign, receiving more than \$86,000 from over 1,000 donors. The ongoing fund helps defray the cost of travel for the WVU Marching Band, known as the “Pride of West Virginia.”

The private funding, combined with financial support provided by the University and the athletic department, enabled the band to travel to WVU’s away game in Baton Rouge, La., against Louisiana State University. The “Pride” also traveled to the Marshall game and participated in several exhibition performances across the region this past season. A pep band also made the trip to Pittsburgh for the annual “Backyard Brawl”.



The WVU Marching Band performs at Tiger Stadium during the WVU-LSU game.



Sara Aros with PNC Bank, second from right, presents a check from the PNC Foundation to, from left, Zito Sartarelli, dean of the College of Business and Economics, Dee Hopkins, former dean of the College of Human Resources and Education, and WVU Foundation VP for Development Lyn Dotson.



### Colleges of B & E, HR & E benefit from PNC Foundation grant

A \$150,000 grant from The PNC Foundation, which receives its principal funding from The PNC Financial Services Group, Inc., helped fund several speakers’ series and a teacher development program.

The College of Business and Economics received \$90,000 to create the PNC Practicum Series, while \$60,000 will go to the College of Human Resources and Education establishing the PNC Teacher Development Fund.

At B&E, the funding will be used to set up at least three distinct speakers’ series per year for a three-year period. The series will be established in the economics program, and the graduate programs in industrial relations and finance. Each series will bring in from nine to 17 speakers annually.

The teacher training program will have special emphasis on early childhood education, officials said, which aligns with PNC support for readiness through PNC Grow Up Great, a 10-year, \$100 million bilingual education initiative for children from birth to age 5. It will help teachers in rural settings effectively respond to the changes and challenges of the 21st-century classroom.

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### Gift from patients enhances WVU Eye Institute

Infants, children, and adults served by the WVU Eye Institute continued to benefit from the generosity and caring of two longtime fellow patients and friends of the Institute, Bill and Erna Atkinson.

The Atkinsons recently gave \$60,000 to the Eye Institute to support the continued training of clinical staff in the use of the RetCam, a tiny retinal camera used to diagnose vision problems in infants and children. A previous gift from the Atkinsons enabled the WVU Eye Institute to purchase the RetCam.

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### Endowment named for Clements' daughter established to aid speech pathology, audiology

The parents of WVU First Lady Beth Clements created an endowment through the College of Human Resources and Education to support scientific research in the Department of Speech Pathology and Audiology.

Clifton and Priscilla Smith have donated \$25,000 to establish the Grace Clements Speech Pathology and Audiology Research Endowment. Grace, the daughter of WVU President and First Lady Jim and Beth Clements and the Smith's granddaughter, has a condition known as apraxia, a neurological speech disorder.

"We have been significantly blessed in our lifetime and feel a responsibility to share those blessings to help make others' lives better," the Smiths said. "Grace is one of our richest blessings. In spite of her challenges, and maybe because of them, she has brought much love and joy into the lives of many people including ourselves.

"It is our strong hope that Grace and many others like her throughout our country and the world

will be able to live richer and fuller lives as a result of the medical breakthroughs we believe will come through research in speech and audiology at West Virginia University."

The endowment will advance biological, biotechnological and biomedical sciences, and qualifies for matching funds from the state Research Trust Fund.

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### 2011 Foundation Scholars

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 \$70,000 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.

The 2011 Foundation Scholars are: Colin Frosch, Fairmont, Notre Dame High School; Morgan Nowery, Parkersburg, Parkersburg South High School; Nikul Patel, Huntington, Cabell Midland High School; Morgan Riddle, Ravenswood, Ripley High School; Katie Stricker, Charleston, Charleston Catholic High School.



WVU Foundation President Wayne King, left, and WVU President Jim Clements, center, are joined by the 2011 Foundation Scholars, from left, Morgan Nowery, Morgan Riddle, Katie Stricker, Colin Frosch and Nikul Patel.

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## *Donor Recognition*

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### **Woodburn Circle Society**

**N**amed 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**

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



### **Foundation Partners & Associates**

**F**oundation 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**

**T**he 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**

**T**he 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 2010-11 Development, Finance, Investment Overview



#### Asset Management

Total Foundation assets were \$1.1 billion as of June 30, 2011. Included in total assets is \$432 million in endowed assets, \$157 million in non-endowed assets for the benefit of WVU, and \$451 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 \$96.3 million, including \$15.2 million in gifts in-kind, which were passed through directly to the University.

The combined gifts/commitments were made by 21,613 donors in 35,230 transactions.

#### *FY 2011 Gifts by Source Donors*

Category	Donors
Alumni .....	48.0%
Friends .....	38.6%
Corporations .....	12.0%
Foundations/Trusts .....	1.0%
Estates .....	0.2%
Other .....	0.2%

#### *FY 2011 Gifts by Source Dollars*

Category	Donors
Alumni .....	17.4%
Friends .....	7.8%
Corporations .....	41.3%
Foundations/Trusts .....	18.2%
Estates .....	2.8%
Other .....	12.5%

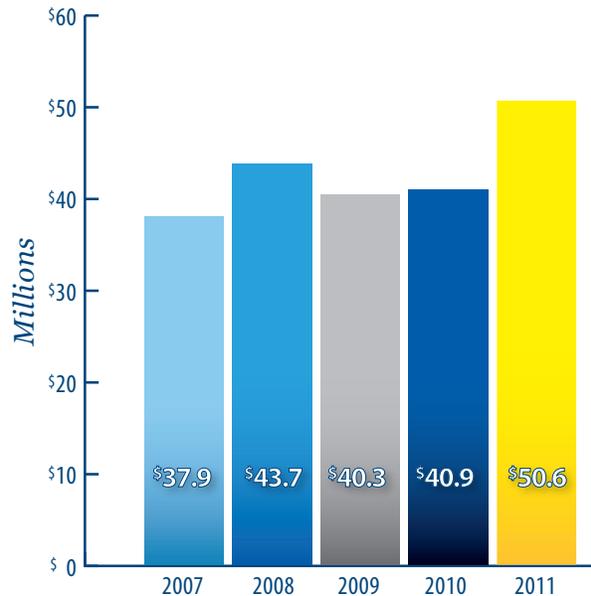


### Support

Donor gifts enabled the Foundation to disburse approximately \$50.6 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 \$213.4 million in direct support.

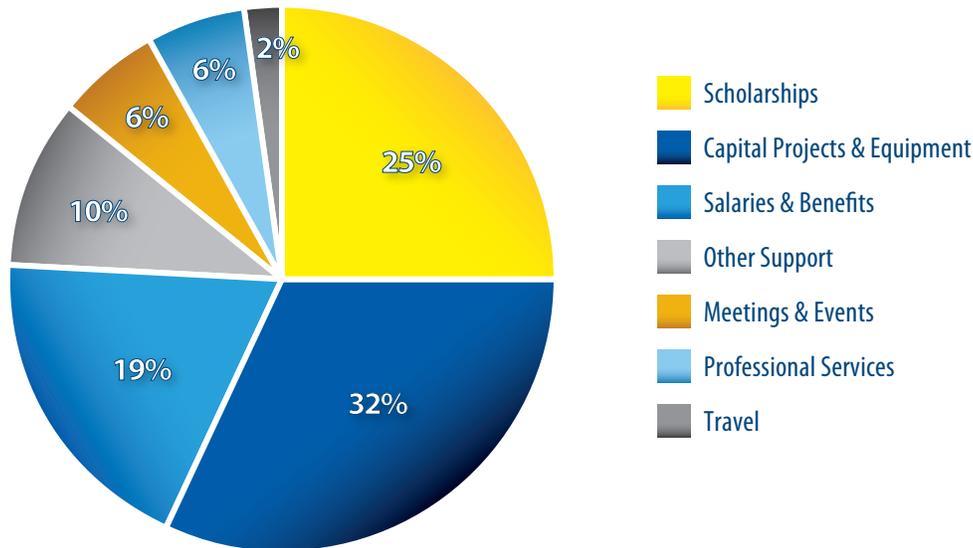
Of the \$50.6 million disbursed in fiscal 2011 to the University, \$12.4 million (or 25%) was directed toward student scholarship support, which made attendance at WVU a reality for many students by easing the financial burden. Another \$9.4 million (or 19%) was directed toward salaries and benefits, which enabled the University to attract and retain high caliber

#### Disbursements on Behalf of WVU



faculty for teaching, research and public service, and \$16.4 million (or 32%) was provided for capital projects and equipment.

#### Disbursements by Function





## Operating Expenses

The Foundation's annual operating expenses were \$8.6 million during the 2011 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.

With total annual operating expenses of \$8.6 million (including both fundraising and fund management expenses), the Foundation's revenue-to-expense ratio for the fiscal year was nearly 9 to 1. Direct fundraising costs for the year were \$4.6 million. Fundraising costs compared to gifts received of \$96.3 million generated a revenue-to-expense ratio of 21 to 1.



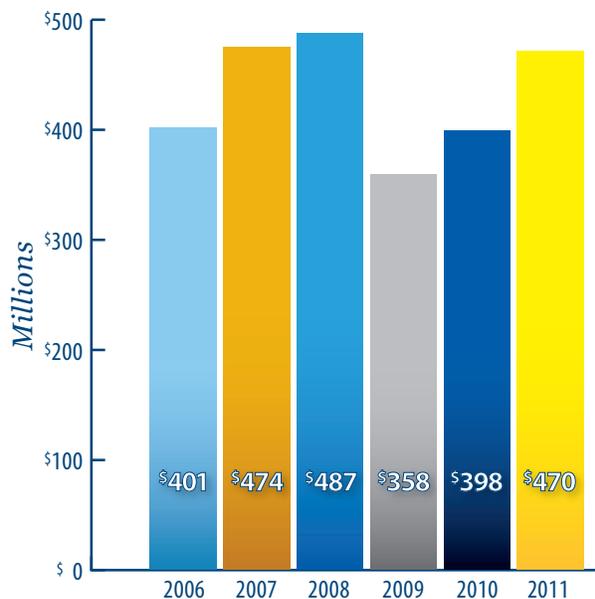
## Investment Management

The Foundation's endowed investments were \$470 million at June 30, 2011, an increase of \$72 million (or 18.1%) from the previous year. The value of the Foundation's endowment investment pool increased from \$337 million at the end of fiscal year 2010 to \$392 million at the end of fiscal year 2011. The net investment return for fiscal year 2011 was 18.4%.

The endowment investment pool was invested in 92 funds managed by 39 asset managers. As of June 30, 2011, 54% of the pool was invested in equities, 18% in fixed income, 17% in real assets, 9% 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 endowment investment pool in order to more closely match the needs and requirements of each individual donor. Two investment pools

## Long-Term Investments



(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 \$25.4 million at June 30, 2011.

## Condensed Statements of Financial Position

	June 30	
	2011	2010
<b>Assets</b>		
Cash and cash equivalents	\$ 11,401,864	\$ 8,848,059
Contributions receivable, net	41,552,584	38,908,101
Other receivables, net	4,046,838	4,616,932
Investments carried at fair value	969,991,314	762,782,401
Equity investment in limited partnership	3,693,215	3,923,254
Land, building, and equipment, net	21,076,044	22,149,875
Beneficial interest in external trusts at fair value	24,273,504	26,232,203
Other assets	<u>9,777,871</u>	<u>13,431,564</u>
Total assets	<u>\$1,085,813,234</u>	<u>\$ 880,892,389</u>
<b>Liabilities and net assets</b>		
Liabilities:		
Bonds payable, net	\$ 27,512,125	\$ 28,176,384
Accounts payable and accrued expenses	3,874,197	3,870,007
Deferred revenue	3,148,468	1,311,628
Accrued retirement benefits and deferred compensation	4,568,142	5,066,985
Annuities payable	13,169,005	11,611,884
Funds held in custody for others	<u>450,972,945</u>	<u>337,606,678</u>
Total liabilities	503,244,882	387,643,566
Net assets:		
Unrestricted	22,008,596	14,038,589
Net unrealized losses on donor restricted endowment assets below historical dollar value	<u>(6,302,503)</u>	<u>(23,665,248)</u>
Total unrestricted net (deficiency)	15,706,093	(9,626,659)
Temporarily restricted	216,643,974	183,971,863
Permanently restricted	<u>350,218,285</u>	<u>318,903,619</u>
Total net assets	<u>582,568,352</u>	<u>493,248,823</u>
Total liabilities and net assets	<u>\$1,085,813,234</u>	<u>\$ 880,892,389</u>

## Condensed Statements of Activity

	Years Ended June, 30	
	2011	2010
<b>Revenues and gains (losses)</b>		
Contributions	\$ 76,044,824	\$ 66,923,339
Investment earnings (losses)		
Net interest and dividends	8,261,698	6,424,426
Net realized gains (losses)	21,257,880	(10,222,754)
Net unrealized gains (losses)	45,262,793	42,592,480
Investment earnings (losses)	74,782,371	38,794,152
Lease revenue	1,810,417	2,139,583
Other revenue	2,839,839	2,589,387
Total revenues and gains (losses)	155,477,451	110,446,461
<b>Expenses and support</b>		
University Support		
Scholarships	12,424,205	12,356,065
Salaries and benefits	9,364,583	11,787,753
Travel	1,142,364	1,028,102
Meetings and events	3,234,425	2,806,719
Professional services	2,772,953	1,975,651
Capital projects and equipment	16,372,428	7,287,865
Other Support	5,295,405	3,674,260
	50,606,363	40,916,415
Foundation support	8,602,002	8,010,256
Interest and depreciation	2,374,950	2,399,924
Total expenses and support	61,583,315	51,326,595
Provision for uncollectible contributions	567,024	317,260
Revaluation of beneficial interests in external trusts	3,422,031	(715,206)
Net loss (gain) on revaluation of annuities payable	585,552	(3,040)
Total expenses and support	66,157,922	50,925,609
Change in net assets	89,319,529	59,520,852
Net assets at beginning of year	493,248,823	433,727,971
Net assets at end of year	\$ 582,568,352	\$ 493,248,823

## Condensed Cash Flows

	Years Ended June, 30	
	2011	2010
<b>Reconciliation of change in net assets to net cash used in operating activities</b>		
Change in net assets	\$ 89,319,529	\$ 59,520,852
Adjustments to reconcile change in net assets to net cash used in operating activities		
Actuarial loss (gain) on annuities payable	585,552	(3,040)
Revaluation of deferred compensation	(364,050)	433,000
Amortization of discount on bonds payable	36,000	34,000
Provision for uncollectible contributions	567,024	317,260
Contributions restricted for long-term investments	(34,829,961)	(27,708,810)
Depreciation expense	1,182,835	1,199,666
Decrease in equity method investment	230,039	166,061
Net realized (gains) losses on investments	(21,257,880)	10,222,754
Net unrealized (gains) losses on investments	(45,262,793)	(42,592,480)
Non-cash expenses	4,500,000	-
Revaluatoin of beneficial interest in external trusts	3,422,031	(715,206)
Changes in:		
Increase in contributions receivable	(3,211,507)	(4,820,516)
Investments held in custody	(112,859,776)	(66,319,266)
Change in beneficial interest in external trusts	(1,463,332)	(8,872,806)
Change in accounts payable and accrued expenses	4,190	248,884
Funds held in custody for others	113,366,267	65,149,452
Change in operating assets and liabilities	2,397,403	2,116,577
Net cash used in operating activities	(3,638,429)	(11,623,618)
<b>Cash flows from investing activities</b>		
Purchase of land, building, and equipment	(109,004)	(12,883)
Purchases of investments	(291,175,421)	(127,740,592)
Proceeds from sales and maturities of investments	263,346,698	102,873,946
Net cash used in investing activities	(27,937,727)	(24,879,529)
<b>Cash flows from financing activities</b>		
Proceeds from contributions restricted for long-term investment	34,829,961	27,708,810
Payments on bonds payable	(700,000)	(675,000)
Net cash provided by financing activities	34,129,961	27,033,810
Increase (decrease) in cash and cash equivalents	2,553,805	(9,469,337)
Cash and cash equivalents at beginning of year	8,848,059	18,317,396
Cash and cash equivalents at end of year	\$ 11,401,864	\$ 8,848,059
<b>Supplemental Information</b>		
Non-cash donation of scoreboards	\$ 4,500,000	\$ -
Interest paid	1,264,490	1,290,453

## 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.

	Years Ended June, 30	
	2011	2010
<b>Contributions</b>		
Contributions received as gifts by the Foundation	\$ 96,292,912	\$ 80,001,000
In-kind gifts received directly by the University	(15,224,135)	(14,299,000)
Amounts reported as other (revenue) expense	(1,556,030)	1,656,000
Net impact of adjustments to contributions receivable	2,644,484	5,271,000
Life income gifts reclassified to annuities payable	(558,695)	(1,927,000)
Contributions from perpetual trusts reclassified to interest income	(1,525,033)	(1,061,000)
Life income gifts released from annuities payable due to termination of trust	114,430	558,000
Contribution recorded as agency liability	(4,143,109)	(3,275,661)
Contributions per statements of activity	<u>\$ 76,044,824</u>	<u>\$ 66,923,339</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, 2011 and 2010, 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](http://www.wvuf.org).

## News & Notes

2010-2011

### Six join Foundation board

Six individuals were elected to the WVU Foundation Board of Directors. Each will serve a three-year term. They are **Gregory S. Babe, Susan Brewer, William “Billy” McCartney Jr., Robert R. Ruffolo Jr., Kathryn “Mikki” Van Wyk** and **Alan J. Zuccari**.

Babe is president and CEO of Bayer Corporation and senior Bayer representative for the United States and Canada. A native of New Martinsville, W.Va., he received a bachelor’s degree in mechanical engineering from WVU in 1980.

Brewer, of Morgantown, has been an attorney with Steptoe & Johnson PLLC for 30 years. She has been serving as CEO of the firm since January 2009, and focuses her practice in the area of litigation, with a particular concentration on professional liability. Brewer received her legal education at George Mason University School of Law.

McCartney is a partner and energy trader with Vitol Capital Management where he currently

manages a crude oil and natural gas derivatives portfolio. He received his bachelor’s degree in chemical engineering from WVU in 1995, and currently resides in Houston, Texas.

Dr. Ruffolo is retired president of research and development for Wyeth (now Pfizer) Pharmaceuticals, and corporate senior vice president of Wyeth. He is currently adjunct professor of physiology and pharmacology at the WVU School of Medicine

Van Wyk is a native of Iowa who now resides in Potomac, Md. She graduated from the University of Maryland with a bachelor’s degree in criminology and subsequently worked as a cryptanalyst at the National Security Agency. She has been a member of the visiting committees of both the School of Medicine and the Creative Arts Center.

Zuccari, of McLean, Va., is president and CEO of Hamilton Insurance, a nationally independent insurance brokerage company ranked in the top 50 nationally and top ten regionally. He is a 1973 graduate of WVU with a degree in political science.



Babe



Brewer



McCartney



Ruffolo



Van Wyk



Zuccari



WVU Foundation President Wayne King (left) and WVU President Jim Clements (right) are joined by the 2011 WVU Foundation Outstanding Philanthropists Al and Dee Ware, Bill Nutting (representing the Nutting Foundation), Fred Tattersall, and Richard Adams (representing United Bankshares, Inc.).



## 2011 Outstanding Philanthropy Awards

**F**red Tattersall of Richmond, Va., was honored for his commitment and generosity to WVU.

A renowned investment expert and prominent businessman, Tattersall recently provided a gift of \$3 million to the WVU College of Business and Economics. The gift represents the largest single donation for an endowed faculty chair position in University history, and the largest single donation ever to the WVU College of Business and Economics.

Tattersall graduated with honors in 1970 from WVU's College of Business and Economics with a degree in finance. He currently serves on the WVU Foundation Board of Directors.

Woodburn Circle Society charter members, **Alfred and Dolores Ware**, were honored for their strong history of support for WVU, both through their wide-ranging philanthropy and leadership.

Most recently, the Wares donated a piece of land along with funds to maintain a large gateway plaza, serving as a marker for the historic downtown campus.

The Wares and the Ware Family Foundation have supported a wide range of programs and initiatives at the University, including the Ware Distinguished Professorship in Physical Education, Ware Student-Athlete Scholarships, the Ware Presidential Scholarship for Monongalia County, Blaney House renovations, and the Erickson Alumni Center, where the Ware Family Alumni Walk is named in their honor.

Al and Dee Ware both earned bachelor's degrees from the WVU School of Physical Education in 1950 and 1952, respectively.

The **Nutting Foundation** was recognized for its commitment and service to WVU.

The Nutting Foundation and Nutting family have made many contributions to the University including Nutting Hall at Blaney House, the Ogden Newspapers Visiting Professorship in Journalism, the Ogden Newspapers Seminar Series in Journalism, the Ogden Newspapers Multimedia Classroom in the P.I. Reed School of Journalism, the Ogden Newspapers Scholarships for the School of Journalism, and the Nutting Gallery at the Erickson Alumni Center.

**United Bankshares Inc.** was recognized for its unwavering support of WVU and many of its endeavors.

United is well-known throughout the WVU community as a primary sponsor of Mountaineer athletics. Other areas of support for WVU include the Erickson Alumni Center, Rosenbaum Family House, Mary Babb Randolph Cancer Center, Blanchette Rockefeller Neurosciences Center and general scholarship support.

United Bankshares is West Virginia's largest bank and the only Fortune 500 company headquartered in the state.

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### Puskar honored for 'game-changing' generosity



Milan "Mike" Puskar

The Foundation recognized one of WVU's biggest benefactors by permanently naming one of the Foundation's most significant awards in his honor.

Established in 2005, the Foundation's outstanding philanthropist award will now be known as the Milan "Mike" Puskar Outstanding Philanthropist Award. Puskar, who died October 7, 2011, was the inaugural recipient of this award.

"Mike has been a real game-changer in the growth and development of West Virginia University," said R. Wayne King, president and CEO of the WVU Foundation. "He was a tremendous supporter over the years, and he is most deserving of this recognition."

Co-founder and former chairman of Mylan Laboratories Inc., Puskar contributed more than \$22 million to the WVU Foundation for the benefit of WVU. His largest gift was a \$20 million contribution for the University's Building Greatness campaign in 2003. He has the distinction of making the largest onetime cash gift in the Foundation's history.

Also, during Puskar's tenure as chairman of the board of directors of Mylan, the company gave more than \$6 million to the Foundation.

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### Augustine, Kraich join Foundation

Richard "Rick" S. Kraich was appointed vice president for investments and chief investment officer and Michael "Mike" Augustine was named vice president, finance and chief financial officer.

Kraich comes to Morgantown from Atlanta where he spent the past three years as chief investment officer for Homrich Berg, a wealth management firm. Prior to that, he was senior director of investments for the Georgia Tech Foundation, and spent 25 years in a variety of investment, finance and engineering roles at BellSouth Corporation.

Kraich earned his master's degree in business administration from the University of Florida and his bachelor's degree in industrial engineering from the Georgia Institute of Technology. He is a Chartered Financial Analyst (CFA).

Augustine spent the past three years as vice president and chief financial officer for the Torrey Pines Institute for Molecular Studies (TPIMS) in Port St. Lucie, Fla. Prior to joining TPIMS, Augustine spent ten years with the Western Pennsylvania Conservancy, including serving as vice president, CFO & chief administrative officer. From 1993 – 1998, he served as director of finance and administration with the West Virginia Network for Educational Telecomputing (WVNET) in Morgantown.



Kraich



Augustine

Augustine earned his master's degree in business administration from Florida Institute of Technology and his bachelor's degree in business administration from California University of Pennsylvania. He is a Certified Public Accountant, Certified Management Accountant, member of the AICPA and National Institute of Certified Management Accountants.



### School of Journalism celebrates loyal donors

The P.I. Reed School of Journalism created a new organization to honor its donors. The SOJ Loyalty Club is for donors who have given \$1,000 or more during the School's annual campaign.

Dean Maryanne Reed, SOJ faculty, alumni and friends gathered in Martin Hall to celebrate at the School's second annual Donor Recognition Ceremony.

"Each of you has invested in our mission," said Reed. "And I want to ensure you that your investment has paid off in multiple ways."



Broadcast news major Amina McWilliams shared a slideshow of photos from her summer internship at CBS News in Washington, D.C., partially funded by the School's annual giving dollars.



### Mountaineer Connection moves forward

Mountaineer Connection, the electronic communication platform and online community for alumni and friends of WVU, made significant advancements in fiscal year 2011.

The Foundation welcomed Jennifer Thomas to the team as interactive media/online community manager. As part of her role in this newly created position, she manages Mountaineer Connection, and works with the University's schools and colleges on creation and distribution of electronic messaging.

"I am excited to join the WVU Foundation and the Mountaineer family in support of Mountaineer Connection. This online community helps alumni and friends of WVU to stay connected to each other and the University in a number of ways. I hope that everyone with a passion for WVU will take some time to visit [www.mountaineerconnection.com](http://www.mountaineerconnection.com) and see what we have to offer," Thomas said.

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.



### Foundation's One Waterfront Place becomes 'heartsafe' with addition of AEDs

Time is the most critical factor when someone suffers a sudden cardiac arrest, and the only definitive treatment is a defibrillation shock administered within the first few minutes after the incident.

The WVU Foundation made its building at One Waterfront Place "heartsafe" by installing

an automated external defibrillator (AED) on every floor. Six of the building's floors are leased to WVU, with the seventh occupied by the Foundation. It is believed that One Waterfront Place is the first WVU-occupied building to have an AED on every floor.

One of the defibrillators was donated by Cardiac Science, and the others were purchased by the Foundation. Cardiac Science is a global leader in the development, manufacture, and marketing of diagnostic and therapeutic cardiology products.



### National Philanthropy Day



WVU students participated in National Philanthropy Day by calling donors to let them know their support of the University is appreciated.



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## 2010-2011 Board of Directors & Officers

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### Directors

**Gregory S. Babe '80**

Bayer Corporation  
Pittsburgh, PA

**Irene C. Berger '76, '79**

U.S. District Judge  
Beckley, WV

**Susan Brewer**

Steptoe & Johnson PLLC  
Morgantown, WV

**Marcia A. Broughton '76, '79**

Jackson Kelly PLLC  
Clarksburg, WV

**James H. Chamberlain '69**

Thousand Oaks, CA

**John B. Gianola '75**

Ernst & Young  
Charleston, WV

**John C. Harmon '77**

Lovett, Bookman, Harmon,  
Marks  
Pittsburgh, PA

**Patrice A. Harris '82, '86, '92**

Fulton County Health Services  
Atlanta, GA

**Peter J. Kalis '72**

K&L Gates  
Pittsburgh, PA

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

Arizona Diamondbacks  
Phoenix, AZ

**R. Wayne King**

WVU Foundation  
Morgantown, WV

**Pamela M. Larrick '72**

Javelin Marketing Group  
New York, NY

**J. Franklin Long '77**

Bluefield, VA

**Ed H. Maier**

Maier Foundation  
Sarasota, FL

**William McCartney Jr. '95**

Vitol Capital Management  
Houston, Texas

**Robert A. McMillan**

Jefferson Distributing  
Company  
Martinsburg, WV

**Dan R. Moore**

Moore Auto Group  
Williamson, WV

**Gary R. Pell '73**

Myrtle Beach, SC

**Verl O. Purdy '64, '09 Hon.**

Cadrillion Capital  
Charlotte, NC

**Robert L. Reynolds '74, '07 Hon.**

Putnam Investments  
Boston, MA

**Robert R. Ruffolo Jr. '07 Hon.**

WVU School of Medicine  
Morgantown, WV

**Joan Corson Stamp '73**

Wheeling, WV

**Benjamin M. Statler '73, '09 Hon.**

Naples, FL & McMurray, PA

**Fred T. Tattersall '70**

1607 Capital Partners LLC  
Glen Allen, VA

**Douglas R. Van Scoy '66, '68**

Sullivan's Island, SC

**Kathryn Van Wyk**

Potomac, MD

**Alan J. Zuccari '73**

Hamilton Insurance  
Fairfax, VA



### Directors Emeritus

**Carolyn Eberly Blaney '48, '98 Hon.**

The Eberly Foundation  
Chalk Hill, PA

**C. Howard Hardesty Jr. '49**

Vero Beach, FL

**James H. Harless '81 Hon.**

International Industries  
Gilbert, WV

**Elmo J. Hurst '53**

Beckley, WV

**Lacy I. Rice Jr.**

Bowles Rice McDavid Graff & Love  
Martinsburg, WV

**John C. Shott '48**

Bluefield, WV



### Ex Officio Directors

**James P. Clements**

West Virginia University  
Morgantown, WV

**Nancy DiPaolo '76**

Spring, TX



### WVU Foundation Officers

**Chair**

Verl O. Purdy

**Vice Chair**

Robert L. Reynolds

**Secretary**

Marcia A. Broughton

**Assistant Secretary**

Joan Stamp

**President & CEO**

R. Wayne King

**Vice President for Development**

D. Lyn Dotson '76

**Vice President for Development –  
Health Sciences**

Julia W. Phalunas '88, '91

**Vice President, Finance, CFO & Treasurer**

Patricia D. Robertson

**Vice President, Investments & CIO**

Richard S. Kraich

**Vice President, Technology & Facilities**

Mark W. Cottrill '79

**Associate Vice President,  
Finance & Assistant Treasurer**

Jeffrey K. Dunn '81



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## *Our Core Values*

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**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

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*“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.”*



West Virginia University Foundation  
One Waterfront Place, Seventh Floor  
Morgantown, WV 26507-1650  
304-284-4000 • 800-847-3856  
[www.wvuf.org](http://www.wvuf.org)