

WVU FOUNDATION

2013-2014 ANNUAL REPORT

Maximizing Private Charitable Support for West Virginia University



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ANNUAL REPORT

JULY 1, 2013 - JUNE 30, 2014

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.

The Foundation's 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 Foundation operations.

The following pages contain information regarding the Foundation's activities during the fiscal year which ended June 30, 2014.

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"While there is great reason to celebrate, much work remains to be done. The University still has many needs. We are excited about the strong partnership that exists between WVU President Gordon Gee and the University leadership, and the leadership at the Foundation."

- Robert L. Reynolds & Cynthia L. Roth

A MESSAGE FROM THE CHAIRMAN & PRESIDENT

Dear Alumni and Friends of West Virginia University:

On behalf of the entire WVU Foundation team, we would like to express our sincere gratitude and appreciation for another outstanding year.

It is because of your loyalty and commitment that the Foundation enjoyed its fourth highest fiscal year of production in its 60-year history, receiving \$105.6 million in new gifts and pledges from July 1, 2013-June 30, 2014.

In FY14, 20,786 donors made 38,306 gifts that helped support numerous scholarships and fellowships; professorships and chairs; creation and advancement of academic programs; and upgrades to facilities across all campuses.

Donor investments enabled the Foundation to provide \$59 million in support in FY14 as requested by the University. Total Foundation assets stood at \$1.4 billion, including long-term investments of \$635 million.

As a result of your continued generosity, donations to ***A State of Minds: The Campaign for West Virginia's University*** reached \$772.6 million through June 30, 2014, exceeding the original \$750 million goal 18 months early. The campaign is being extended through December 2017 with a new goal of \$1 billion.

All of this speaks to the amazing pride, passion and generosity of our alumni and friends. We cannot thank you enough for your gifts which come in many forms from financial resources, your time, your talent, and your expertise.

While there is great reason to celebrate, much work remains to be done. The University still has many needs. We are excited about the strong partnership that exists between WVU President Gordon Gee and the University leadership, and the leadership at the Foundation. With your help, together we will continue to work tirelessly to support students, faculty and programs to ensure opportunities of the highest quality are achieved, helping the University move from excellence to eminence.

We want to again thank you for your support, and look forward to partnering with you in the future to continue transforming lives and improving West Virginia University.



Robert L. Reynolds
Chairman of the Board



Cynthia L. Roth
President and CEO

EXPANDING THE IMPACT OF PHILANTHROPY

Private support provides opportunity and promise to all areas of West Virginia University. The following is just a sample of the many gifts received in FY2013-2014 and how your generosity is making a difference at WVU.

BUSINESS SCHOOL TO CREATE CENTER FOR FREE ENTERPRISE WITH \$5 MILLION IN GIFTS

WVU received a commitment of \$5 million from business school alumnus Ken Kendrick and his wife, Randy, and the Charles Koch Foundation as a lead gift to launch a new center to study the economic, political and social factors that increase prosperity.

The gift will enable the College of Business and Economics to create a center for free enterprise, led by co-directors and associate economics professors Joshua Hall and Andrew Young. The new center will advance teaching and research on the roles that the principles and institutions of a free society play in creating widely shared prosperity and improving quality of life, and will complement more than a decade of B&E support for the study of free market economics.

Plans for the center also include hiring a managing director and five or more visiting faculty fellowships as well as providing 17 or more four-year Ph.D. student fellowships over the next five years.

“We are very excited about the creation of this Center and its ability to build on an area of growing expertise at our college,” said Jose “Zito” Sartarelli, B&E’s Milan Puskar Dean. “The center will join several others that, through independent academic inquiry, seek to complement the education of our students, who will be eventual creators and beneficiaries of a prosperous free society.”



Celebrating the gift to Business and Economics are, from left, WVU Board of Governors Chair James Dailey II, Foundation President Cindi Roth, Ken Kendrick and B&E Dean Zito Sartarelli.

WEHRLE FAMILY AND FOUNDATION PROVIDE \$1.5 MILLION FOR BUSINESS PROGRAM, LAW SCHOOL EXPANSION

A \$1.25 million gift by a Charleston, W.Va., area couple will create a supply chain management program and provide funds for the law school building expansion.

H. Bernard “Bernie” Wehrle, III, and his wife, Cecilia, made a gift of \$750,000 to the College of Business and Economics for the creation of a Supply Chain Non-endowed Professorship to initiate a supply chain

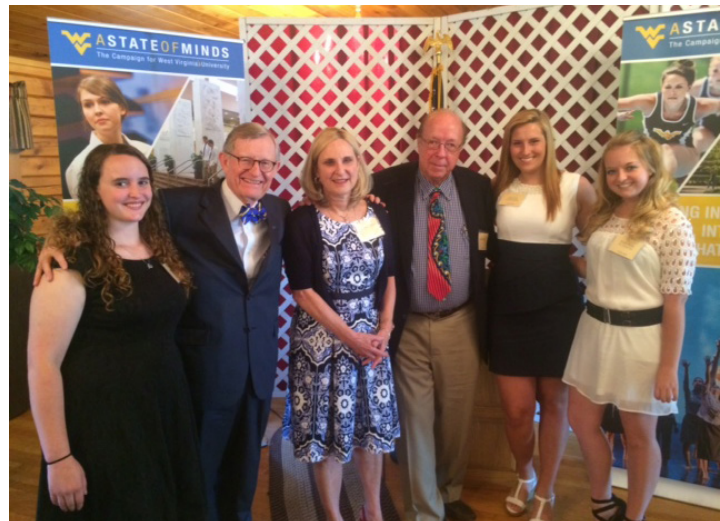
management program, as well as a \$500,000 gift to the WVU College of Law building expansion and redesign.

Additionally, a gift of \$250,000 was donated from the H.B. Wehrle Foundation to support the Supply Chain Non-endowed Professorship at B&E. The foundation principals include Henry B. Wehrle Jr. and his sons and daughters — Bernie Wehrle, Steve Wehrle, Beth Wehrle and Lynne Zande.

MORGANTOWN COUPLE DONATES \$3 MILLION FOR SCHOLARSHIPS

An alumnus and his wife donated \$3 million to WVU to establish endowed scholarships for students attending the University from Preston County as well as student-athletes in WVU's basketball program.

By naming the WVU Foundation as a beneficiary of part of a life insurance policy, John and Mary Anne Hardesty donated \$1 million to establish the John R. Hardesty, Jr. and Mary Anne Hardesty Preston County Scholarship. The Hardestys also contributed an additional \$1 million to a WVU basketball scholarship fund they established several years ago in memory of their son, Johnny Hardesty. Use for the remaining gift is yet to be determined by the Hardestys.



Scholarship recipients join WVU President Gordon Gee and the Hardestys for the gift announcement.

"Sincerest thanks to John and Mary Anne for their continued generosity to West Virginia University — particularly as they help young people from their hometown area fulfill their dreams of a college education and honor their late son, Johnny, through a basketball scholarship fund in his name," said WVU President Gordon Gee. "Such generous support will continue to foster excellence at our University."

COUPLE PLEDGES \$1 MILLION TO ENGINEERING COLLEGE IN SUPPORT OF NEW FACULTY

An alumnus and his wife are continuing their history of giving back to WVU. New faculty members in the Statler College of Engineering and Mineral Resources will now have access to funds to support travel, research and technology enhancements thanks to a \$1 million endowed gift made by J. Wayne Richards and his wife, Kathy.

The Wayne and Kathy Richards Faculty Scholars Fund, a first-of-its-kind endowment at WVU, will provide flexible funds to allow the college to hire, retain, reward and recognize faculty members who have not yet achieved tenure. It will be awarded for a period of three years and is renewable if the recipient shows progress toward granted tenure.

"This gift is unique in the fact that it addresses a real need in helping to set the stage for faculty support and tenure in the Statler College," said J. Wayne Richards, who serves as president and chief executive officer of GR Energy Services, a Houston, Texas-based oilfield products and services company. "It provides a wide

range of support geared toward attracting and retaining top-quality educators that will allow WVU to compete on a national stage in STEM-associated areas for research dollars and grants.

“Our hope is this unique gift will give leaders in the Statler College the latitude to address shortcomings in compensation that can occur during a normal academic year.”

OSHER FOUNDATION AWARDS \$1 MILLION GRANT TO FUND SCHOLARSHIPS



Non-traditional students looking to earn a college degree at WVU will have the opportunity to receive scholarship support thanks to a \$1 million endowed grant from The Bernard Osher Foundation.

The Osher Reentry Scholarship Program is for individuals who have experienced an interruption in their education of five or more years and want to resume their education at the undergraduate level. The endowment provides a permanent funding source for a scholarship program that The Osher Foundation has supported at WVU with \$50,000 annual grants for the past three years.

The endowment will fund a minimum of 10 scholarships annually, each valued at \$5,000 which can be used solely for tuition and fees. It is intended to benefit students who have considerable years of employability ahead of them.

SCHOOL OF MEDICINE RECEIVES GIFT FROM THE HEALTH PLAN

The Health Plan presented a \$250,000 gift for the West Virginia Simulation Training and Education for Patient Safety (WV STEPS) Center at the WVU Health Sciences Center.

“Each year we make it a priority to reinvest initiatives that benefit our communities, particularly in students,” Phillip D. Wright, president and chief executive officer for The Health Plan, said. “Our insurance network officially covers all of the state of West Virginia, and we hope that this gift will provide much needed equipment to expand training and teaching opportunities for our state’s health professions students.”

WV STEPS includes a state-of-the-art, hands-on simulation laboratory equipped with realistic manikins programmed to mimic life-threatening medical conditions that assist clinical learners in improving their analytical, diagnostic, communications, and crisis intervention skills.



Philip D. Wright, president and CEO of The Health Plan (second from left), presents a \$250,000 check to WVU School of Medicine Dean Art Ross (second from right), for the WV STEPS Center. Also present from STEPS were Dr. David Wilks (far left) and Daniel Summers.

ENTREPRENEUR MING HSIEH DONATES 250K TO FORENSICS PROGRAM

Accomplished entrepreneur and philanthropist Ming Hsieh pledged \$250,000 from the Hsieh Family Foundation over the next five years to support exemplary faculty in the WVU Forensic and Investigative Science Program.

The Ming Hsieh Faculty Development Fund will support critical investments that enhance the ability of faculty to successfully obtain competitive research grant awards.

“This donation will greatly assist the Forensic and Investigative Science department in developing new research directions, enhance the research experience of our students, and grow the scientific support for the greater forensic science community,” said Keith Morris, Ming Hsieh Distinguished Professor for Forensic and Investigative Science.



Ming Hsieh talks with WVU Forensic and Investigative Science professor Keith Morris.

COLLEGE OF MEDIA RECEIVES MAJOR GIFT FOR NEW MEDIA INNOVATION LAB



Alexis and Jim Pugh

The Reed College of Media received its first major gift toward its Media Innovation Center. Alumna Alexis Costanzo Pugh and her husband, James H. “Jim” Pugh Jr., gave \$250,000 to support the new media innovation lab in Martin Hall. The lab serves as both a high-tech classroom and an incubator for emerging media products and applications.

The Alexis and Jim Pugh Media Innovation Lab in Martin Hall is an open, flexible environment that offers students access to the latest media technology and fosters creativity, ideation and product development.

Dean Maryanne Reed said this gift will help the College strengthen its position as a leader in modern media education.

“This gift from Alexis and Jim Pugh is truly transformational,” Reed said. “It will provide our students with the latest media tools and technology and help them develop the creative problem-solving skills and entrepreneurial mindset they need to be successful in the changing media industry.”

DR. JUDITH BUFF MEMORIAL SCHOLARSHIP FUND CREATED FOR COAL MINERS’ DAUGHTERS

A half million dollar endowment providing scholarships for female students enrolled at the School of Medicine was made possible by the late Ruth St. John in memory of her daughter.

The Dr. Judith Buff Memorial Scholarship Fund will benefit female students who are West Virginia residents and are either the first in their families to attend an institution of higher education, descendants of West Virginia coal miners or interested in coal miners' health.

St. John, a native of Charleston, never set foot herself on the WVU campus, but the recent resurgence of coal workers' pneumoconiosis – black lung disease – as well as her late daughter's perseverance in the medical field inspired her generosity. St. John passed away in 2011.

LONGTIME SUPPORTER OF CHEMISTRY MAKES GIFT FOR LAB RENOVATIONS



*Edna Bennett Pierce and
WVU President Gordon Gee*

The C. Eugene Bennett Department of Chemistry began a project to renovate lab spaces thanks to a generous \$200,000 gift from Edna Bennett Pierce.

As the Department of Chemistry continues to grow and improve, these lab spaces demand heavy upgrades to accommodate new faculty and meet standards for research. Private support was critical to supplement state funding for this project. As an unwavering supporter of the department, Pierce recognized this need and pledged to help.

Pierce's commitment to the Department of Chemistry spans many years, starting with her late husband, C. Eugene Bennett, after whom the department is named. Together, the couple provided significant support for program improvements, faculty recruitment, academic enrichment and more, a tradition of giving that Pierce herself has maintained long after the passing of her late husband.

ANTERO GIVES \$100K TO COLLEGE OF LAW

Management and employees of Antero Resources Corporation made a \$100,000 pledge to the College of Law.

The gift will help support the Center for Energy and Sustainable Development. Founded in 2011, the center provides students with opportunities to gain the experience necessary to practice law in the energy sector. It also conducts objective, unbiased research and policy analyses on energy issues.

A portion of the Antero Resources gift will also establish the Kevin and Amy Ellis Endowed Scholarship at the College of Law. Kevin Ellis is a 2005 WVU Law graduate and is employed at Antero Resources in its Bridgeport, W.Va. office.

"We are deeply grateful to the leadership at Antero Resources for their significant support," said Joyce E. McConnell, then dean of the College of Law. "When a forward-thinking corporation like Antero makes an investment in legal education, it's an across-the-board success."

HUGGINS FAMILY DONATE \$100,000 TO CPASS

Bob and June Huggins donated \$100,000 to the College of Physical Activity and Sport Sciences. These funds will be used to create an endowment for undergraduate athletic coaching education students and to provide support for CPASS' new building.

The Bob and June Huggins Academic Endowment for Athletic Coaching Education will provide scholarship awards for two undergraduate students each academic year majoring in athletic coaching education.



Bob and June Huggins and the new CPASS building.

Huggins, a native of Morgantown, is a two-time Academic All-American and graduated from the College of Physical Activity and Sport Sciences, magna cum laude, in 1977. He received his master's in health administration from WVU in 1978. Huggins was a three-year letterman for the Mountaineers from 1975-77 and was named MVP, helping the basketball team to an 18-11 record, the team's highest win total in nine seasons. He was introduced as WVU's 21st men's basketball coach in April 2007.

FARM CREDIT GIFT SUPPORTS GRADUATE EDUCATION IN AGRICULTURE

The Davis College of Agriculture, Natural Resources and Design received an endowment of \$100,000 from the Farm Credit of the Virginias.

The gift will create the Farm Credit Agriculture Graduate Student Fund for students in agriculture-related master's and doctoral programs in the Davis College. It will provide research seed money, defray the costs of conference and research travel, support study abroad opportunities and enable other activities that enhance graduate education.

"Farm Credit of the Virginias is excited to support the Davis College and make this investment in the future leaders of agriculture," said David Lawrence, CEO of the company. "We view this as a way of paying forward, supporting the next generation of great thinkers in our industry."

FOUNDING CHAIRMAN OF STATISTICS DEPARTMENT LEAVES LEGACY FOR GRAD STUDENTS

A \$50,000 gift made through the estate of the late Stanley Wearden ensured continued support for recruitment and retention of top graduate students in the Department of Statistics.

Starting his career at WVU in 1966, Wearden served as a statistics professor, founding chairperson of the Department of Statistics and Computer Science, dean of Graduate Studies, dean of the College of Arts and Sciences, and associate provost for Research and Graduate Studies.

The \$50,000 estate gift, made in conjunction with his wife, will support high-achieving graduate students. This incentive will allow the Department of Statistics to maintain a competitive edge in recruiting students who will excel in teaching and research.

In addition to the gift from his estate, nearly \$6,000 was given in his memory by family and friends to be added to the Stanley Wearden Memorial Graduate Endowment.

WILKINSON ENDOWMENT ENHANCES STUDENT EXPERTISE IN ARTS RESEARCH, WRITING

For more than 35 years, music history professor Christopher Wilkinson was known by his students at the Creative Arts Center for three things – his rigorous courses, his sense of humor, and especially his emphasis on scholarly writing.

Dr. Wilkinson is now professor emeritus, having retired from the faculty of the School of Music in 2013, but he and his wife Carroll have ensured that the groundwork he laid at the University will live on by establishing an endowment to promote innovative teaching of the arts.

The endowment will assist faculty in developing new courses and coursework in the College of Creative Arts that will help students cultivate research writing skills, information literacy capabilities and critical engagement in the areas of art history, musicology, ethnomusicology, theater history or dance history.



Carroll and Chris Wilkinson

ENDOWED SCHOLARSHIP CREATED IN MEMORY OF WVU ALUMNA



Jennifer Baxter, left, with her mother Starlyn and sister Rachel

Jennifer lived a life to serve young people,” said Starlyn Baxter, Jennifer’s mother.

A late WVU graduate’s legacy of caring for young people will live on through an endowed scholarship established in her memory by family and friends. Jennifer Marie Baxter died in 2002 after contracting a fatal lung disease – just one year after earning her degree in childhood development and family studies from WVU.

“Her love of children fueled her passion for her studies, and was apparent in her relationships with her younger cousins. From lifeguarding at a local pool to interning at WVU Children’s Hospital,

“It just seemed a natural progression to take the money that was given in her memory and invest it toward

a scholarship,” explained Baxter. “It was all because of her love for children and her studies that we created one to benefit students studying child development.”

The gift provides scholarships to undergraduate and graduate students with financial need who are majoring in child development and family studies in WVU’s College of Education and Human Services.

ALUMNUS PAYS IT FORWARD WITH ENDOWED SCHOLARSHIP

The idea of paying it forward is at the heart of a recent gift made by alumnus Chet Allen and his wife, Kay, to WVU. The \$30,000 gift will endow scholarships for students from West Virginia to study engineering in the Statler College of Engineering and Mineral Resources.

Allen is the first to admit he would not have been able to attend WVU if it had not been for the help of scholarship money.

“I grew up in a family of four children with only a loving mother since our father had passed away when we children were very young,” Allen said. “We had very little money, received food assistance from the state and worked hard in the summers to buy our own school clothes. We managed to save some money that would help pay for part of our college education but I could not have gone to WVU without the help of scholarship money. I now want to give that same opportunity to other West Virginia residents.”

RICHARD POWELL MEMORIAL SCHOLARSHIP ESTABLISHED IN SCHOOL OF MUSIC

Richard E. “Dick” Powell, professor of trombone in the School of Music from 1968 to 1995, passed away in 2001, but his legacy lives on in the many students whose lives he touched during almost 30 years of teaching at the University.

As part of this legacy, Powell’s former student Jon Youngdahl and his wife Sharon pledged \$25,000 to the College of Creative Arts to establish the Richard Powell Trombone Scholarship in the School of Music.

The scholarship is for undergraduate or graduate students who are either trombone performance majors or whose primary instrument is the trombone.

“Professor Powell gave all of himself - everything he had – to his students,” Youngdahl said. “He was not just a teacher, he was a great friend to all of us.”



Jon Youngdahl and WVU professor Dick “Boog” Powell chat at the 1984 Navy Band International Trombone Symposium.

PROFESSOR EMERITUS CREATES ENDOWED FUND TO ASSIST FOOD BANK

For more than 40 years before his retirement in 2009, Joginder Nath helped WVU students by mentoring and sharing his knowledge as a genetics professor. Now, he is giving back in a different way, but helping students is still at the core.

Through the WVU Foundation, Nath, now an emeritus professor, has established the Nath Student Food Pantry Endowment that will provide funds to purchase food for distribution to students from “The Rack”, WVU’s student food pantry.

“Students have been my life,” Nath said. “I would not be where I am today if it wasn’t for the students. So we must take care of them. They are very precious.”

“The Rack” at WVU is funded solely through private donations and grants. The Nath donation is the first ever endowment in support of the initiative.

NEW FUND CREATES OPPORTUNITIES FOR DAVIS COLLEGE



Suellen and Joel Newman

Joel and Suellen Newman believe in the possibilities of the Davis College of Agriculture, Natural Resources and Design. They endowed a fund that will help make those possibilities realities.

The Newmans have created the Joel and Suellen Newman Dean’s Opportunities Fund, which will provide discretionary funds to support salaries, scholarships, research and other opportunities to advance the college’s mission and goals.

“Suellen and I feel it is very important to repay, in a small way, what we received from WVU, and contribute to the experience that the current students and our future leaders are enjoying,” said Joel Newman, president of the American Feed Industry Association and ‘71 graduate of the Davis College’s program in animal and nutritional sciences.

“I have enjoyed a very diverse and progressive career,” added Newman, who was inducted into the WVU Academy of Distinguished Alumni in 2013. “WVU and the Davis College gave me the foundation to build on and achieve this success.”

ALUMNA GIVES BACK TO HER ALMA MATER, HONORS FAMILY THROUGH EMPLOYER GIFT MATCHING PROGRAM

Alumna Rhonda Radcliff is passionate about helping students while paying tribute to her family’s legacy. Since graduating from WVU in 1989, Radcliff, of Mountain View, Calif., has created five endowed scholarships and two fellowships through her employer’s gift matching program. All provide assistance to students in the Benjamin M. Statler College of Engineering and Mineral Resources, and are named after members of her family.

Radcliff earned her degree from WVU in chemical engineering and immediately went to work for ExxonMobil where she continues her employment today. She became excited after learning about ExxonMobil’s Educational Matching Gift Program.

Radcliff hopes the seven scholarships and fellowships she has created at WVU will make it easier for students to focus on their studies rather than worrying about finances.

BY THE NUMBERS

FY 2013-14 DEVELOPMENT, FINANCE, INVESTMENT OVERVIEW

Asset Management

Total Foundation assets were \$1.4 billion as of June 30, 2014. Included in total assets is \$520 million in endowed assets, \$202 million in non-endowed assets, and \$607 million managed by the Foundation for WVU affiliated agencies including WVU Hospitals, WVU Research Corp., and other University affiliates.

New Gifts and Pledges

New gifts and pledges received for the fiscal year totaled \$105.6 million. The combined gifts were made by 20,786 donors in 38,306 transactions.

FY 2014
Gifts by Source - Donors

<i>Category</i>	<i>Donors</i>
Alumni	49.8%
Friends	37.0%
Corporations.....	9.1%
Foundations/Trusts.....	1.2%
Estates	0.1%
Other	2.8%

FY 2014
Gifts by Source - Dollars

<i>Category</i>	<i>Donors</i>
Alumni	37.2%
Friends	12.6%
Corporations.....	28.1%
Foundations/Trusts.....	19.3%
Estates	1.4%
Other	1.4%

Support

Donor gifts enabled the Foundation to disburse approximately \$59 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 \$266.3 million in direct support.

Of the \$59 million disbursed in fiscal 2014 to the University, \$17.1 million (or 29%) was directed toward student scholarship support, which made attendance at WVU a reality for many students by easing the financial burden. Another \$10.6 million (or 18%) was directed toward salaries and benefits, which enabled the University to attract and retain high caliber faculty for teaching, research and public service, and \$18.5 million (or 32%) was provided for capital projects and equipment.

Operating Expenses

The Foundation's annual operating expenses were \$11.6 million during the 2014 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.

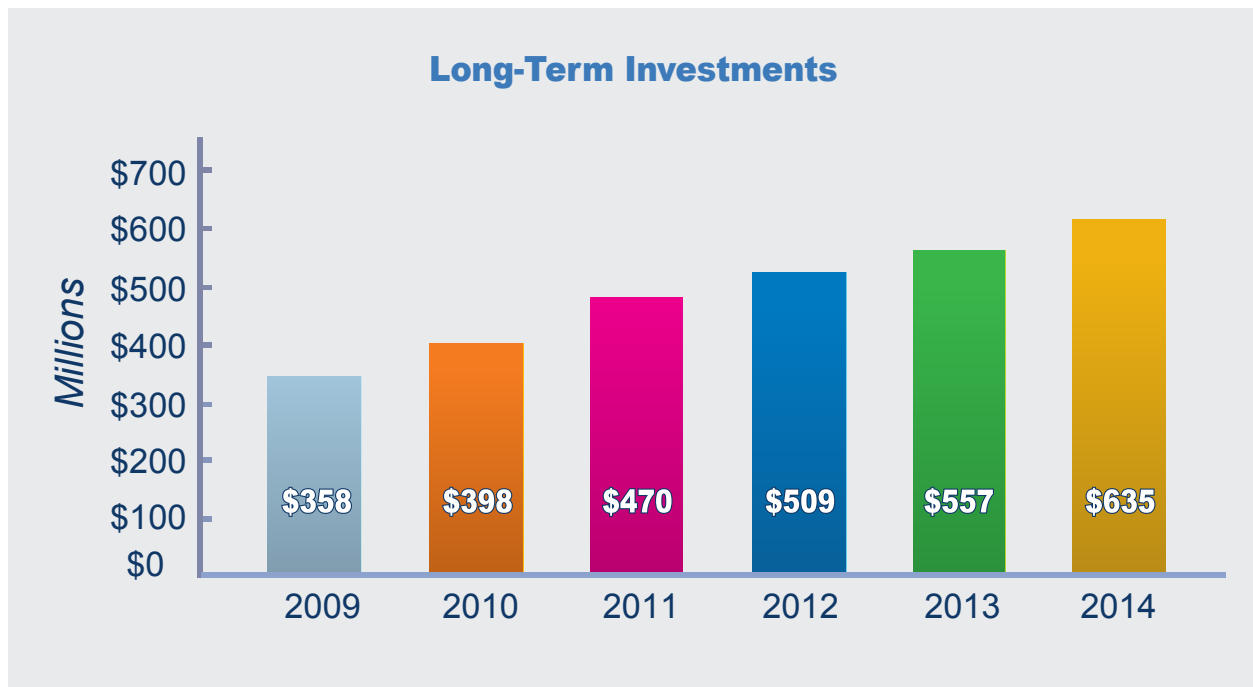
Direct fundraising costs for the year were \$6.7 million. Fundraising costs compared to new gifts and pledges of \$105.6 million generated a revenue-to-expense ratio of 15 to 1.

Investment Management

The Foundation's total long-term investments were \$635 million as of June 30, 2014, an increase of \$77 million (or 14%) from the previous year. The value of the Foundation's long-term investment pool increased from \$461 million at the end of fiscal year 2013 to \$534 million at the end of fiscal year 2014. The net investment return for fiscal year 2014 was 16.4%.

The long-term investment pool was invested in 112 funds managed by 56 well respected asset managers. As of June 30, 2014, 67.5% of the pool was invested in equities, 17.8% in fixed income, 12.3% in real assets, 0.3% in diversifying strategies, and 2.1% in cash.

The Foundation employs 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 and are diversified among several well-known mutual fund managers. Each life income portfolio is typically invested as a fixed percentage of each pool. As of June 30, 2014, the value of the life income accounts totaled \$22.2 million.



CONDENSED STATEMENTS OF FINANCIAL POSITION

	June 30,	
	<u>2014</u>	<u>2013</u>
Assets		
Cash and cash equivalents	\$ 23,757,032	\$ 22,444,818
Contributions receivable, net	48,670,719	48,070,475
Other receivables, net	3,872,880	3,709,011
Investments carried at fair value	1,303,039,219	1,114,893,389
Land, building, and equipment, net	18,698,717	19,790,292
Beneficial interest in external trusts at fair value	32,020,656	28,692,707
Other assets	7,296,186	7,864,119
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Total assets	\$ 1,437,355,409	\$ 1,245,464,811
	<hr/>	<hr/>
Liabilities and net assets		
Liabilities:		
Bonds and notes payable, net	\$ 35,168,320	\$ 36,063,130
Accounts payable and accrued expenses	4,567,038	4,110,537
Deferred revenue	2,254,889	5,577,221
Accrued retirement benefits and deferred compensation	4,097,994	3,989,885
Annuities payable and unitrusts	11,707,467	12,216,938
Funds held in custody for others	606,904,279	510,839,749
	<hr/>	<hr/>
Total liabilities	664,699,987	572,797,460
Net assets:		
Unrestricted	36,807,588	27,379,183
Net unrealized losses on donor restricted endowment assets below historical dollar value	(244,430)	(5,863,907)
	<hr/>	<hr/>
Total unrestricted	36,563,158	21,515,276
Temporarily restricted	304,591,782	243,991,507
Permanently restricted	431,500,482	407,160,568
	<hr/>	<hr/>
Total net assets	772,655,422	672,667,351
	<hr/>	<hr/>
Total liabilities and net assets	\$ 1,437,355,409	\$ 1,245,464,811
	<hr/>	<hr/>

CONDENSED STATEMENTS OF ACTIVITY

	Years Ended June 30,	
	2014	2013
Revenues and gains		
Contributions	\$ 72,739,663	\$ 74,460,418
Investment earnings		
Net interest and dividends	18,269,990	13,420,421
Net realized gains	27,112,129	22,427,589
Net unrealized gains	50,843,524	21,203,614
Investment earnings	96,225,643	57,051,624
Lease revenue	2,059,745	1,984,974
Other revenue	3,110,376	3,772,527
Total revenues and gains	174,135,427	137,269,543
Expenses and support		
University support		
Scholarships	17,132,990	15,502,848
Salaries and benefits	10,624,240	12,698,285
Travel	1,637,030	1,705,991
Meetings and events	3,153,010	3,211,975
Professional services	1,797,653	2,189,281
Capital projects and equipment	18,460,869	9,130,494
Other support	5,906,587	5,621,833
	58,712,379	50,060,707
Foundation support	11,685,606	10,632,550
Interest and depreciation	1,705,347	1,735,687
Total expenses and support	72,103,332	62,428,944
Provision for uncollectible receivables	2,014,644	1,273,358
Loss on revaluation of real estate investment	2,178,054	-
Revaluation of beneficial interests in external trusts	(1,936,835)	(2,721,011)
Net loss on revaluation of annuities payable and unitrusts	(211,839)	422,861
Total expenses and support	74,147,356	61,404,152
Change in net assets	99,988,071	75,865,391
Net assets at beginning of year	672,667,351	596,801,960
Net assets at end of year	\$ 772,655,422	\$ 672,667,351

CONDENSED STATEMENTS OF CASH FLOWS

	Years Ended June 30,	
	2014	2013
Reconciliation of change in net assets to net cash (used in) provided by operating activities		
Change in net assets	\$ 99,988,071	\$ 75,865,391
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Actuarial (gain) loss on annuities payable	(211,839)	422,861
Provision for uncollectible receivables	2,014,644	1,273,358
Contributions restricted for long-term purposes	(22,595,859)	(19,947,301)
Depreciation expense	1,144,009	1,085,434
Net realized gains on investments	(27,112,129)	(22,427,589)
Net unrealized gains on investments	(50,843,524)	(21,203,614)
Loss on revaluation of real estate investment	2,178,054	-
Decrease in equity method investment	122,867	207,474
Noncash contributions	-	(377,733)
Revaluation of beneficial interest in external trusts	(1,936,835)	(2,721,011)
Changes in:		
Contributions receivable	(2,614,888)	1,193,057
Investments held in custody	(94,450,669)	(66,806,334)
Beneficial interest in external trusts	(1,391,114)	-
Accounts payable and accrued expenses	456,501	(1,483,986)
Deferred revenue	(3,322,332)	(5,197,447)
Funds held in custody for others	96,064,530	67,362,841
Operating assets and liabilities	(2,086,380)	(2,012,071)
Net cash (used in) provided by operating activities	(4,596,893)	5,233,330
Cash flows from investing activities		
Purchase of land, building, and equipment	(52,434)	(477,614)
Purchases of investments	(151,000,339)	(243,947,073)
Proceeds from sales and liquidations of investments	135,260,831	226,101,467
Net cash used in investing activities	(15,791,942)	(18,323,220)
Cash flows from financing activities		
Proceeds from contributions restricted for long-term purposes	22,595,859	19,947,301
Payments on bonds and notes payable	(894,810)	(865,978)
Net cash provided by financing activities	21,701,049	19,081,323
Increase in cash and cash equivalents	1,312,214	5,991,433
Cash and cash equivalents at beginning of year	22,444,818	16,453,385
Cash and cash equivalents at end of year	\$ 23,757,032	\$ 22,444,818
Supplemental Information		
Interest paid	\$ 747,727	\$ 776,562

INDEPENDENT AUDITOR'S OPINION

The condensed financial statements on the preceding pages have been derived from audited financial statements of the Foundation. Dixon Hughes Goodman issued an unmodified opinion on the Foundation's statements of financial position as of June 30, 2014 and 2013, 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.



One Waterfront Place – Home of the WVU Foundation

FOUNDATION NEWS & NOTES

2013-2014

WVU tops \$750M fundraising goal early, increases goal to \$1 billion



A STATE OF MINDS

The Campaign for West Virginia University

The largest fund-raising effort in WVU's history shattered its \$750 million goal more than a year before the original deadline. As a result, the State of Minds campaign has been extended through December 2017 with a new goal of \$1 billion.

Alumni and friends of WVU contributed \$772.6 million through June 30, topping the campaign's initial goal by \$22 million.

"West Virginia University's alumni and friends are some of the most generous and genuine people I've ever met," President Gordon Gee said. "It is because of them that we are able to expand this effort and increase our goal."



"I am confident we'll reach a billion dollars – and perhaps beyond – over the next few years. It is an exciting time to be a part of this great land-grant university."

Campaign donations thus far have established 524 student scholarships, 41 chairs and professorships, 181 funds to assist research efforts and 200 funds to aid WVU in its efforts to improve the state's health, economy and quality of life.

The campaign's quiet phase began July 1, 2007, and was publicly launched June 2, 2012. The Foundation Board of Directors approved the extension and new goal, acting on the recommendation of the national campaign committee.

"Response to the campaign from day one has been nothing short of phenomenal," said Verl Purdy, a 1964 alumnus and national co-chair of the campaign. "An investment of this proportion by our passionately committed University family is having a tremendous impact, transforming lives not only in Morgantown, but across our state, country and the world."

Fundraising has focused on University-wide campaign priority areas that align with the University's 2020 Strategic Plan for the Future.

Foundation officials say 71,324 donors have given 255,318 gifts to the campaign. This includes donations from 30,861 alumni. The largest percentage of donations to the campaign, 44 percent, has come from individuals. The rest of the contributions have come from a number of different sources including corporations, foundations, trusts and estates.

Foundation names Cynthia L. Roth as next president, CEO



Cindi Roth

A senior executive with more than 25 years of experience in fundraising, finance and program development was chosen as the new president and chief executive officer of the WVU Foundation. Cynthia L. Roth began work at the Foundation Jan. 1 after serving several years as associate vice chancellor of institutional advancement at the University of Pittsburgh.

“Cindi Roth brings outstanding leadership and development experience to the WVU Foundation,” said Foundation Board Chairman Bob Reynolds. “She has a lifelong track record of success. We are confident she can – and will – lead the Foundation to even greater achievements for our University.”

“It is a great privilege to be chosen to lead the West Virginia University Foundation at this important time,” Roth said. “The University is experiencing great momentum and the enthusiasm and commitment of everyone I’ve had the pleasure to meet thus far is palpable. I am truly honored.”

Roth earned her master of public management degree from the Heinz School of Public Policy at Carnegie Mellon University and her bachelor of science degree in nursing from the University of Pittsburgh. She is a professional registered nurse in the state of Pennsylvania.

Roth is a former trustee of the University of Pittsburgh (2000-2004) and a past president of the University of Pittsburgh National Alumni Association (1998-2000).

Roth became the first female president and CEO and the sixth president and CEO of the WVU Foundation since it was established in 1954.

2014 Outstanding Philanthropists

The 2014 recipients were Earl G. “Ken” and Randy Kendrick, Milan Puskar Outstanding Philanthropists; Curtis H. “Hank” and Joanne Harner Barnette, Outstanding Volunteer Philanthropists; Daywood Foundation, Hazel Ruby McQuain Outstanding Philanthropic Foundation; and Mylan and Mylan Charitable Foundation, Outstanding Philanthropic Corporation.

Over the years, **Ken and Randy Kendrick’s** gifts have primarily benefited the College of Business and Economics, WVU Athletics and programs dedicated to the pediatric vision research. The most



From left are WVU Foundation President Cindi Roth, WVU President Gordon Gee, Ken Kendrick, Joanne Barnette, Joe Duda representing Mylan, Hank Barnette and WVU Foundation Board Chairman Bob Reynolds.

transformative, however, remains the Ken and Randy Kendrick Fund for Free Market Research.

Hank and Joanne Barnette have established three scholarships at WVU; scholarships at Manchester University for WVU students; and student scholarships at six other universities based upon merit and need with preference given to West Virginians. They also created a professorship in political science at WVU, established a board of governors' room at Erickson Alumni Center, and have other projects pending.

The majority of the **Daywood Foundation's** contributions to WVU have been given in support of WVU Hospitals. In 2003, the Daywood Foundation honored Arthur Dayton with the creation of the Arthur S. Dayton Professorship of Law. In 2009, the Daywood Foundation made a major gift toward construction of the new WVU Art Museum in recognition of Ruth Woods Dayton's interest in art.

Mylan's corporate giving in Morgantown spans across a variety of important causes, including the United Way of Monongalia and Preston Counties, the local American Red Cross chapter, the Bartlett House, Big Brothers Big Sisters of North Central West Virginia and BOPARC programming, to name a few. In addition to its corporate giving, Mylan provides funding to the Mylan Charitable Foundation, which has supported local programs and community facilities in Morgantown and elsewhere.

WVUF board members honored



Doug Van Scoy



Fred Tattersall

Two current members of the WVU Foundation Board of Directors were recognized for their successful careers and service to their alma mater in 2014.

Doug Van Scoy, who earned two degrees from WVU in 1996 and 1968, was inducted into the Order of Vandalia, the highest honor for extraordinary service to WVU.

Fred Tattersall, a 1970 finance graduate, received an honorary degree from WVU during May commencement. The degree was awarded during the College of Business and Economics graduation ceremony.

2014 Foundation Scholars

The 2014 Foundation Scholars were named during a May ceremony at Blaney House. Receiving WVU's most prestigious scholarship are Savannah Lusk of Covell, Nicole Hegele of Shady Spring, Anna Cokeley of Harrisville, Daniel Berrebi of Morgantown, and Kensey Bergdorf of Evans. The scholarship is valued at \$80,000 and provides full tuition and fees plus room-and-board to five in-state students.



The 2014 Foundation Scholars stand in front of Blaney House.

Donors contribute record \$103K to WVU Foundation's 2013 Pride Travel Fund



The WVU Marching Band performs at Oklahoma Memorial Stadium during halftime of the 2013 WVU-Oklahoma football game.

Fans of the WVU Marching Band again went above and beyond in support of the Pride of West Virginia in 2013. The Pride Travel Fund received a record \$103,232 from over 900 donors.

The annual campaign was established to help defray the costs of travel for the band, including transportation, hotels and food for nearly the 400 members and staff.

"The generous support of alumni and friends who have helped us to travel again 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 of our fans, we are able to carry the Mountaineer spirit far and wide."

Ann Bowser retires

After 34 years of dedicated service to the WVU Foundation, Ann Bowser retired in 2014. Bowser served as executive assistant to five WVU Foundation presidents: Lysander Dudley, Jim Robinson, Duke Perry, Wayne King and Cindi Roth.

She also served as chief liaison between the Foundation Board of Directors and administrative staff.

In Ann's honor, the Board created a scholarship in her name.



Ann Bowser



James H. "Buck" Harless

In Memoriam: James H. "Buck" Harless

The WVU Foundation lost a dear friend on January 1, 2014, with the death of James H. "Buck" Harless. Along with his distinguished record of giving to WVU, Buck served 19 years on the WVU Foundation Board of Directors. He was currently serving as honorary chairman of "A State of Minds: The Campaign for West Virginia's University." Buck's legacy of philanthropy will live on for many years to come.

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OUR CORE VALUES



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

OUR MISSION & VISION



The mission of the WVU Foundation is to enrich the lives of those touched by West Virginia University by maximizing private charitable support and providing related services to the University and its affiliated organizations.

The WVU Foundation will be a model for excellence in fundraising, management, investments and stewardship.



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