

WEST VIRGINIA UNIVERSITY FOUNDATION 2012-2013 ANNUAL REPORT



Securing and Administering Private
Support for West Virginia University





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ANNUAL REPORT

JULY 1, 2012 - JUNE 30, 2013

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

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

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

The following pages contain information regarding the Foundation's activities during the fiscal year which ended June 30, 2013.

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"When you see all the great things happening at our University each day, especially the work of our faculty and students, you cannot help but be inspired."

- R. Wayne King & Robert L. Reynolds

A MESSAGE FROM THE CHAIRMAN & THE PRESIDENT

Dear Alumni and Friends of West Virginia University:

As leaders of the West Virginia University Foundation, we feel an extraordinary and humbling responsibility. The staff of the Foundation works tirelessly to connect the passions of more than 20,000 donors each year with the ambitions of nearly 40,000 students, faculty and staff throughout WVU.

As we look back at 2012-13, this feeling of responsibility is joined by a sense of accomplishment and appreciation.

Because of the continued generosity of alumni and friends like you, donations to the WVU Foundation totaled nearly \$100 million and contributions to “A State of Minds: The Campaign for West Virginia’s University” topped \$660 million through June 30, 2013.

Cash and gifts-in-kind from July 1, 2012 – June 30, 2013 totaled \$99.5 million. In FY13, 20,920 donors made 35,093 gifts that helped support scholarships and fellowships; professorships and chairs; creation and advancement of academic programs; and facility improvements across campus.

The comprehensive campaign “A State of Minds”, the largest fundraising effort in the history of WVU with a goal of \$750 million, brought in \$668.7 million through June 30 or 89 percent with two-and-a-half years remaining in the campaign.

Donor gifts enabled the Foundation to provide approximately \$50 million in support in FY13 as requested by the University. Total Foundation assets stood at \$1.2 billion, including long-term investments of \$557 million.

As you read the 2012-13 WVU Foundation Annual Report, we hope that you can be as proud of West Virginia University as we are. When you see all the great things happening at our University each day, especially the work of our faculty and students, you cannot help but be inspired. Private support from our alumni and friends is essential for maintaining this positive momentum.

On behalf of those who benefit from your generosity and believe in the power of higher education, we thank you. With your support, we will continue to positively impact the lives of our many students, faculty and staff.



Robert L. Reynolds
Chairman of the Board



R. Wayne King
President and CEO

EXPANDING THE IMPACT OF PRIVATE PHILANTHROPY

The \$99.5 million in private support in FY2012-2013 from 20,920 donors provides opportunity and promise to all areas of our great University. The following is just a sample of the many gifts received and how your generosity is making a difference at WVU.

McQuain Trust gives \$7.5 million to law school



WVU, WVU Foundation and Hazel Ruby McQuain Trust officials admire a rendering of the new entrance to the College of Law.

The College of Law received \$7.5 million from the Hazel Ruby McQuain Charitable Trust, the largest capital gift in the law school's history. The gift will help fund a \$25 million renovation and building project that broke ground in 2012.

"As for all of the law students and the faculty, who we have tremendous respect for, this gift is less about them, and more about the people that they will help in their lives," said Stephen P. Farmer, a member of the McQuain Trust Board of Trustees. "As they go forward and live their legal career as a lawyer, or lawmaker, judge or educator, they will work tirelessly every day and they will on a day-to-day basis improve the lives of the people they come in contact with."

Joyce McConnell, the William J. Maier, Jr. Dean and Thomas R. Goodwin Professor of Law called the gift "transformative" and said it will "launch the law school into a new era of legal education and service. It will have a direct impact on the lives of our students, on our alumni and on the state's attorneys who continue their education at the law center. It will also have an impact on those in our state who depend on the legal services provided by our law clinics."

The renovation and building project, funded 50/50 by state and private support, includes an additional 20,000 square feet for classrooms, law clinics and the Center for Energy and Sustainable Development.

WVU Business College, Athletics receive \$4 million gift from BrickStreet Foundation

The College of Business and Economics and Department of Intercollegiate Athletics received a boost with a \$4 million contribution from the BrickStreet Insurance Foundation.

The gift included \$3 million to the College of Business and Economics' Center for Innovation and Entrepreneurship, which will now be known as the BrickStreet Center for Innovation and Entrepreneurship, and \$1 million to the Department of Intercollegiate Athletics for improvements to athletic facilities for student-

athletes. The gift to the College of Business and Economics is the largest corporate gift in the college's history.

"I want to thank the BrickStreet Foundation for this investment in our students and in the future of West Virginia," WVU President Jim Clements said. "This gift to our College of Business and Economics will help our faculty and staff inspire entrepreneurship in our students and open doors for future generations to find success right here in West Virginia."

"The gift to our athletics program will help us to provide quality athletic facilities for student-athletes and a great opportunity for our students in majors such as athletic training and exercise physiology to learn in a state-of-the-art environment. We are very grateful for these incredible gifts from the BrickStreet Foundation and look forward to seeing the positive impacts for years to come."



WVU President Jim Clements, left, is joined by Greg Burton of BrickStreet, College of Business and Economics Dean Zito Sartarelli and Athletic Director Oliver Luck.

BrickStreet is committed to giving back to its community through a strong corporate giving program, said Greg Burton, BrickStreet Mutual Insurance president & CEO.

WVU receives in-kind software grant with a commercial value of \$17.8 million

Students in the Statler College of Engineering and Mineral Resources and Eberly College of Arts and Sciences will continue to gain industry-standard geology and geophysics software knowledge thanks to two major grants from Schlumberger with a combined commercial value of \$17.8 million.

Schlumberger, one of the world's leading oilfield services companies, provided updated software plug-ins, licenses and maintenance to WVU under the latest agreements. In 2007, the company made its initial in-kind software donation to the University in conjunction with the Schlumberger Worldwide University Software Program. The program was founded in 1998 and strives to provide students and faculty of earth sciences departments all over the world with hands-on experience through technology advancement.

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

Professor leaves \$3.4 million to CPASS

The WVU College of Physical Activity and Sport Sciences received its largest donation in history – approximately \$3.4 million – from the late Dr. Patricia K. Fehl.

The donation from Fehl's estate will provide scholarships for CPASS undergraduate students and funding for the College's new facility scheduled to open in fall 2014. Fehl is a former department chair at CPASS who died in 2012.



Patricia K. Fehl

"This extraordinary gift will transform and move the College forward as we enter a new era in our history," said Dean Dana D. Brooks. "Pat's generosity will help current and future students by providing new learning opportunities, ensure we have high quality faculty and assist in the construction costs of a new building that will house our College on the Evansdale Campus. We are truly grateful."

Brooks noted Fehl's positive impact on the College during her tenure, including the implementation of the College's Basic Instruction Program and the community-based children and adult programs known as the Lifetime Activities Program.

The gift establishes a number of College funds, including Dr. Pat Fehl Undergraduate Scholarships, an endowed professorship and an academic enhancement endowment. The donation will also be used to support the Dr. Pat Fehl International Program Endowment, wellness/health fund and the CPASS building fund.

Hospitality industry executive, business school alum makes major gift to WVU



WVU College of Business and Economics Dean Zito Sartarelli, left, speaks with Mike Bodnar and WVU President Jim Clements.

There are few people who were as excited about the addition of the Hospitality Management Program at WVU as Mike Bodnar. He has been a major supporter of the program that is well on its way to becoming a major in the College of Business and Economics, and now Bodnar is putting his money, well, where his heart is.

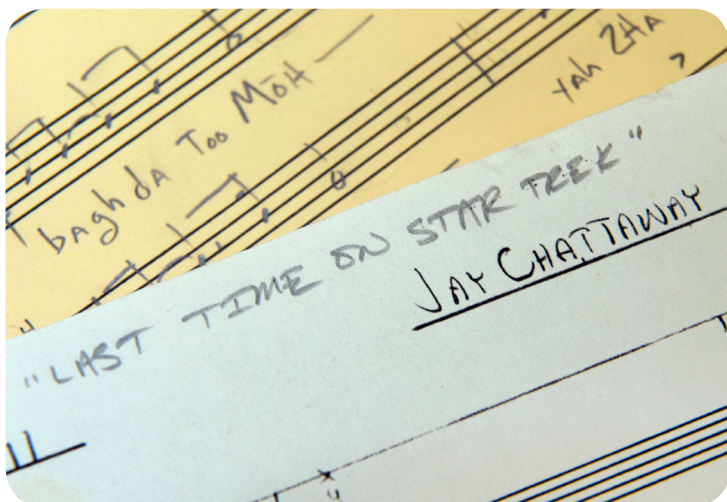
A highly successful restaurant executive and president of Bodnar Investment Group, Inc., J. Michael Bodnar, a Nashville, Tenn., area resident, announced a gift of \$1 million to B&E. The gift is the latest in a long line of giving back to the business school where he earned a M.B.A. in 1969, and will be divided into two equal parts - \$500,000 to establish the J. Michael Bodnar Entrepreneurship and

Innovation Endowment and \$500,000 for the J. Michael Bodnar Hospitality Tourism Support Fund.

"I am happy and honored to announce this gift to the College of Business and Economics," said Bodnar, who was named to the inaugural class of the WVU College of Business and Economics Roll of Distinguished Alumni in 2011. "The College is making great strides in the areas of entrepreneurship, innovation and hospitality, and those are things I am very passionate about in my life. It's important to me to provide this kind of support, which will only help the College advance in these areas."

WVU grad Chattaway donates 'Star Trek' music

For almost 20 years on "Star Trek," the starship Enterprise soared through the galaxies to the musical motifs of composer Jay Chattaway, a graduate of WVU's College of Creative Arts.



For nearly 20 years, WVU alumnus Jay Chattaway composed for the Star Trek franchise.

and composing from one of the greatest in the field. We are just blown away by this unique and valuable gift."

Chattaway's gift includes materials related to the music he composed for Seasons 3-7 of "Star Trek: The Next Generation", Seasons 1-6 of "Star Trek: Deep Space Nine", Seasons 1-7 of "Star Trek: Voyager" and Seasons 1-4 of "Star Trek: Enterprise".

Statler College receives software donation from ANSYS

The Benjamin M. Statler College of Engineering and Mineral Resources received a software bundle donation from ANSYS Inc., a global innovator of simulation software and technologies designed to optimize product development processes. The technology, valued at over \$175,000, will be used for research and teaching in the Department of Mechanical and Aerospace Engineering.

ANSYS' Academic Partnership Program is designed to provide students, faculty and educational institutions access to advanced simulation software. Students gain hands-on, real-world experience that can help jump-start their careers, while at the research level, faculty and graduate students will be able to solve the same complex problems as those in the industry.



Alumni couple donates to Pharmacy, Nursing

Vince Anido, Ph.D., a graduate of the School of Pharmacy, wants to make a difference in the lives of student pharmacists. Dr. Anido established the Anido Family Pharmacy Scholarship in the amount of

As part of a new enterprise, Chattaway presented his entire "Star Trek" music collection to the WVU School of Music.

"Jay Chattaway is one of our most cherished graduates, and his work as one of America's premier composers for film and television makes him a tremendous role model for our students," said WVU President Jim Clements.

"I am deeply grateful for his extraordinary gift of his musical scores and materials, and I join the College of Creative Arts in our heartfelt thanks," Clements said. "This gift will help our current and future music students learn the art of arranging

\$50,000. The scholarship will provide assistance to deserving students currently enrolled in the WVU School of Pharmacy.

Hoping to make a difference in nursing students' quality of life, WVU School of Nursing alumna Patricia Chambers Anido has established the Anido Family Nursing Scholarship.

Her \$50,000 scholarship gift will be split equally between a \$25,000 endowment and a cash fund to provide immediate support to WVU undergraduate nursing students.

Couple makes gift to WVU engineering college's new research facility

In September 2012, representatives from WVU and the Benjamin M. Statler College of Engineering and Mineral Resources broke ground on the Advanced Engineering Research Building. A recent gift from alumnus J. Wayne Richards and his wife, Kathy, will be used to help make the building a reality.

The Richards, natives of South Charleston, recently pledged \$250,000 to the Statler College Building Fund to help fund construction of the new facility, which is expected to open in 2014. It will house offices, classrooms, computer classrooms, a learning center and graduate student space, as well as a clean room to meet the needs of high-technology learning and discovery.



Kathy and J. Wayne Richards

Sincell-Wagoner families establish student travel endowment at WVU

The Sincell and Wagoner families of western Maryland have strong multigenerational ties to WVU that have helped them go places in life.

The families are giving back to WVU – to help current and future students find their own success – by pledging \$25,000 to the College of Creative Arts to establish the Sincell-Wagoner Family Travel Endowment.

The endowment will assist students in the schools of Art & Design, Music, and Theatre & Dance who wish to travel in the United States or abroad, for study, research and performance opportunities.

It was established by Donald W. Sincell, Suzanne B. Sincell, Mary Sincell McEwen, and John McEwen, owners of Sincell Publishing Company and publishers of The Republican newspaper in Oakland, Md. The company has been owned by the Sincell family since 1890.

Estate donation honors legacy, helps Lewis County students attend WVU

Lewis County High School graduates will now have the opportunity to further their education at WVU at an affordable cost thanks to a donation of \$541,478 from the estate of Judge William L. Fury.

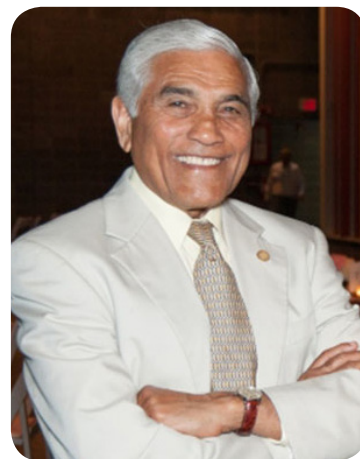
The Elizabeth Aspinall Fury Scholarship will provide undergraduate or graduate scholarships for West Virginia resident students who are graduates of Lewis County High School or its successor enrolled at WVU. The scholarship was made available through a bequest in Judge Fury's will and is named in honor of his wife, Elizabeth.

Professor emeritus makes additional gift to art museum

WVU emeritus professor of genetics Joginder Nath made an additional gift to the College of Creative Arts to benefit the Art Museum of WVU, which is under construction adjacent to the Creative Arts Center.

In 2008, Nath made a significant contribution to the art museum creating a sculpture garden and courtyard area that will be named in his honor. The Joginder Nath Sculpture Garden and Courtyard will feature an outdoor exhibit area.

The Art Museum of WVU will incorporate the former Erickson Alumni Center, which became the Museum Education Center in 2010, as well as a new building addition. Nath's latest major gift will be earmarked toward the new construction. At the request of the donor, gift amounts are not being disclosed.



Professor Emeritus Jo Nath

"Jo Nath's most recent gift to the Art Museum is a testament not only to his generosity and commitment but also to his vision and enthusiasm for what the Art Museum can become in the future for the University and the community," said Joyce Ice, Art Museum director.

Facemire-Roll Scholarship to benefit accounting and finance students

Rob and Penni Roll, both of whom earned undergraduate accounting degrees from WVU, established the Facemire-Roll Scholarship through a gift of \$105,000 to the College of Business and Economics. The endowment will provide scholarships for undergraduate and graduate students in accounting and finance.

"This gift is fantastic because it really fills an ongoing need at B&E," said Jose "Zito" Sartarelli, Milan Puskar Dean. "Scholarships are necessary to attract highly credentialed students to our school, and this generous gift by Rob and Penni will certainly help do that."

"We have a great reputation for the excellent students that graduate from our accounting and finance programs," he added, "and scholarships are an important component in helping us earn that reputation."

Couple's gift celebrates Greek life at WVU

Billy and Christie (Mullett) McCartney remember their time on the WVU campus with fond memories, particularly of the activities they participated in as part of Greek life. Billy, a member of Phi Sigma Kappa, and Christie, a member of Kappa Kappa Gamma, met and later married as a result of their involvement with these organizations.

The McCartney Greek Wall recently was unveiled at The Erickson Alumni Center.



The McCartney Greek Wall at the Erickson Alumni Center

The wall, a celebration of Greek life at WVU, is part of a \$200,000 gift made by the couple to the WVU Alumni Association. The couple, who have been actively engaged in the life of WVU since graduation, wanted to do something special to celebrate these organizations that meant so much to them.

"Greek life at WVU presented both of us with many opportunities – opportunities to meet new friends, to take on large responsibilities, and to learn from our experiences," Billy said. "It was great training for the real world."

Spikers' gift boosts future of athletic training



A rendering of the new CPASS building

John and Sabra Spiker of Morgantown extended their support for the College of Physical Activity and Sports Sciences with a gift that will go toward the construction of a new CPASS building and scholarships for students majoring in athletic training.

The gift will establish a classroom and laboratory, called the John and Sabra Spiker Athletic Training Classroom/Laboratory. Also, the John C. Spiker Student Athletic Training Enhancement Fund will provide scholarships for qualified undergraduate athletic training students

and support related educational enhancement opportunities including conference travel, special learning opportunities and related expenses.

"I am grateful for the opportunities that I have been afforded as a graduate of WVU," John Spiker said, "and want to assist current and future students in their professional growth to take full advantage of the exceptional learning opportunities fostered through the Athletic Training major in the College of Physical Activity and Sports Sciences."

Endowed scholarship established

WVU students will benefit from a new scholarship created in honor of a long-time dean of student affairs.

The Herman Moses Scholarship has been established with a \$25,000 donation by family of the late Dr. Carl R. Adkins. The scholarship will benefit undergraduate and graduate students who are employed as student workers in the Division of Student Affairs.

"Our family has always admired Dean Moses for being such a person of integrity and a wonderful ambassador for WVU," said Susan Adkins, Dr. Adkins' wife. "Also, he challenged the students, but at the same time he was their best advocate and cheerleader. His dedication was inspiring."

Academic enhancement funds created

Two private funds have been established at Potomac State College of WVU to help the college achieve its mission of providing high quality education at the lowest possible cost to students and their families.

Campus Provost Leonard Colelli has pledged \$36,000 to the college to create an academic teaching endowment as well as a demand fund to help off-set some of the loss of state-level funding and to support the teaching/learning process.

WVU Statler College, B&E to benefit from \$250K donation



Greg Babe

Successful businessman and alumnus Gregory Babe and his wife, Carla, gave back to WVU with a gift of \$250,000.

The pledge will benefit both the Benjamin M. Statler College of Engineering and Mineral Resources (\$200,000) and the College of Business and Economics (\$50,000) by providing program support for both students and faculty.

A West Virginia native, Babe earned his bachelor's degree in mechanical engineering from WVU in 1980. That set him down the path to a successful 32-year career with Bayer Corp., one of the world's top chemical and pharmaceutical companies. Babe retired as the company's president and chief executive officer in 2012. He currently serves on the WVU Foundation Board of Directors.

"I am proud of West Virginia University, its great tradition and the impressive progress that is being made under the leadership of President (Jim) Clements, Dean Cilento, Dean Sartarelli and Dr. Jacky Prucz, among many others," Babe said. "I know that they will leverage this investment many times over to strengthen the University and fulfill its mission of educating and developing future leaders."

Donors contribute record \$103K to 2012 Pride Travel Fund

Supporters of the WVU Marching Band again stepped up to support the Pride of West Virginia in 2012. The Pride Travel Fund received a record \$103,083 from over 900 donors.

The annual campaign was established to help defray the costs of travel for the band, known as the Pride of West Virginia.

"We are very humbled by the outpouring of support from the many alumni and fans of the WVU Marching Band," said Director Jay Drury. "The record support from these wonderful donors allows the Pride to continue to take West Virginia University to the people of our great state, and also to represent both the state and the university on a national stage."



The WVU Marching Band performs at halftime of the WVU-James Madison University football game played at FedEx Field in Washington, D.C.

BY THE NUMBERS

FY 2012-13 DEVELOPMENT, FINANCE, INVESTMENT OVERVIEW

Asset Management

Total Foundation assets were \$1.2 billion as of June 30, 2013. Included in total assets is \$494 million in endowed assets, \$190 million in non-endowed assets, and \$511 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 \$99.5 million, including \$22.6 million in gifts-in-kind, which were passed through directly to the University.

The combined gifts/commitments were made by 20,920 donors in 35,093 transactions.

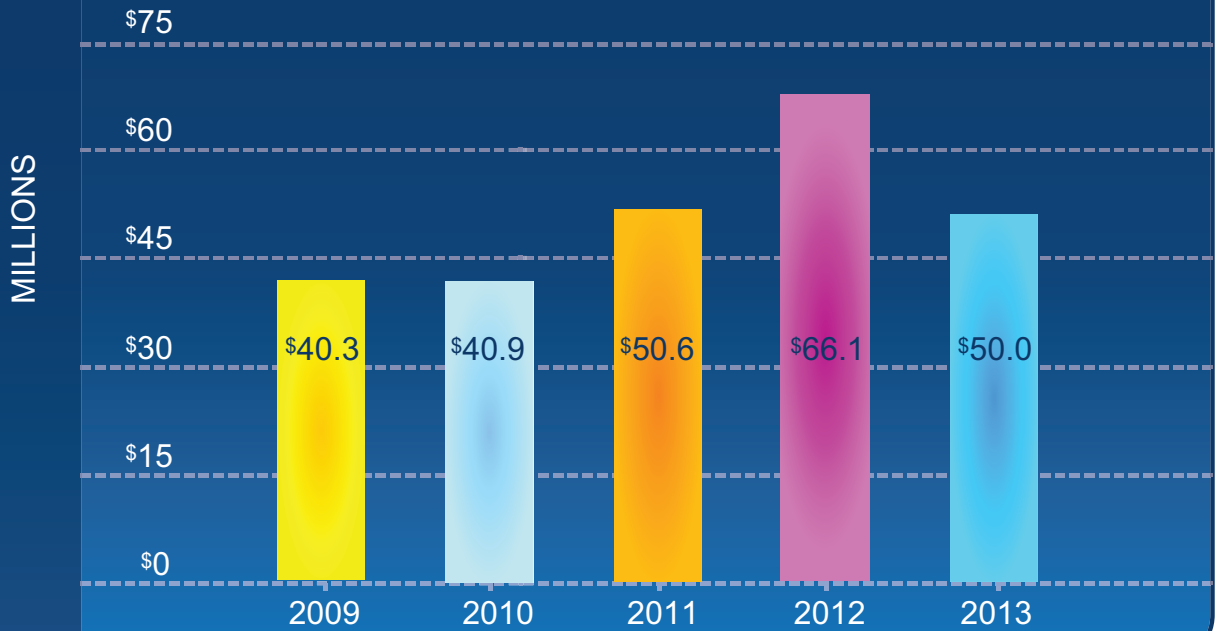
FY 2013 Gifts by Source - Donors		FY 2013 Gifts by Source - Dollars	
Category	Donors	Category	Donors
Alumni	50.2%	Alumni	23.5%
Friends	36.9%	Friends	10.5%
Corporations	11.5%	Corporations	50.2%
Foundations/Trusts	0.9%	Foundations/Trusts	14.0%
Estates	0.1%	Estates	1.1%
Other	0.4%	Other	0.7%

Support

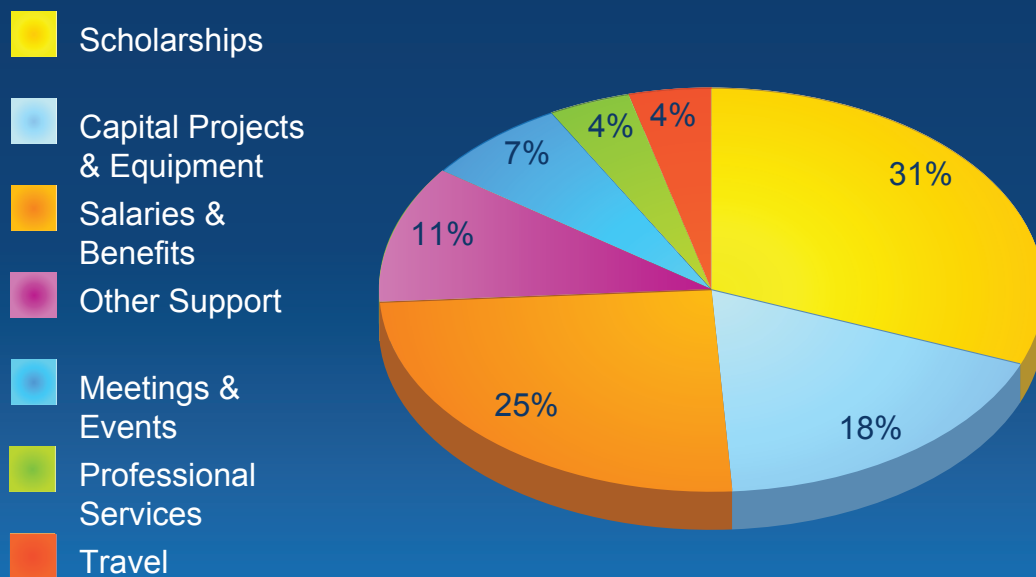
Donor gifts enabled the Foundation to disburse approximately \$50 million in funds on behalf of the University to support many purposes, including scholarships and fellowships; academic program development; chairs and professorships; faculty development and research; equipment and facilities; and libraries. Over the past five years, the Foundation has provided the University with \$247.9 million in direct support.

Of the \$50 million disbursed in fiscal 2013 to the University, \$15.5 million (or 31%) was directed toward student scholarship support, which made attendance at WVU a reality for many students by easing the financial burden. Another \$12.7 million (or 25%) was directed toward salaries and benefits, which enabled the University to attract and retain high caliber faculty for teaching, research and public service, and \$9.1 million (or 18%) was provided for capital projects and equipment.

Disbursements on Behalf of WVU



Disbursements by Function



Operating Expenses

The Foundation's annual operating expenses were \$10.6 million during the 2013 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.

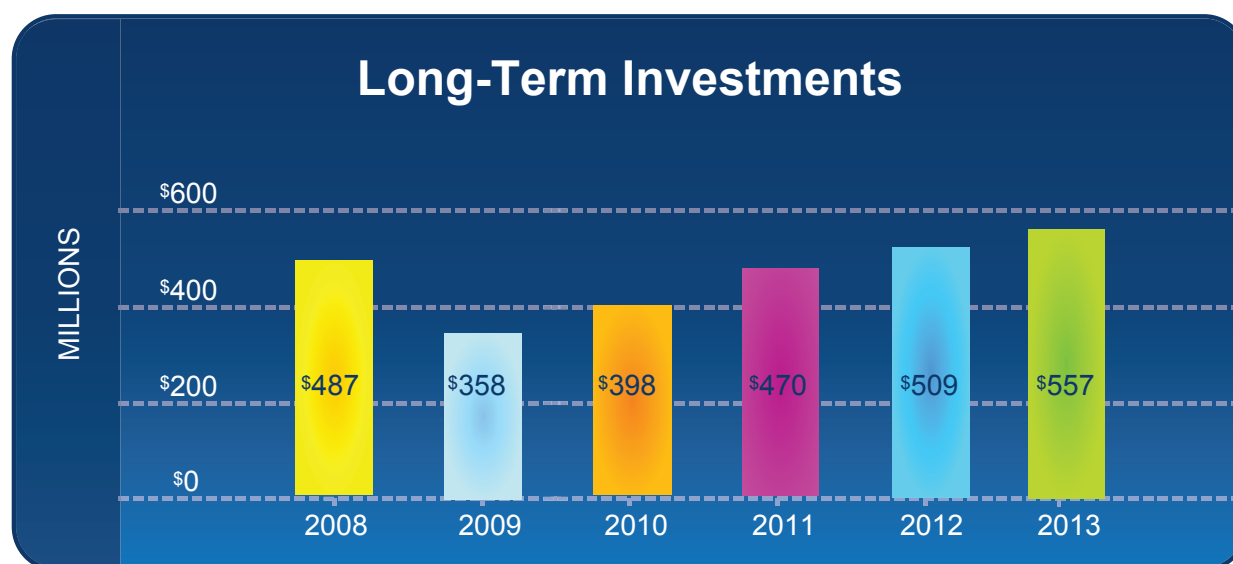
Direct fundraising costs for the year were \$5.9 million. Fundraising costs compared to total gifts received of \$99.5 million generated a revenue-to-expense ratio of 17 to 1.

Investment Management

The Foundation's long-term investments were \$557 million as of June 30, 2013, an increase of \$48 million (or 9.5%) from the previous year. The value of the Foundation's long-term investment pool increased from \$418 million at the end of fiscal year 2012 to \$461 million at the end of fiscal year 2013. The net investment return for fiscal year 2013 was 10.8%.

The long-term investment pool was invested in 98 funds managed by 49 asset managers. As of June 30, 2013, 66% of the pool was invested in equities, 16% in fixed income, 15% in real assets, 1% in diversifying strategies, and 2% in cash.

The Foundation employed the services of the Charitable Asset Management Group of State Street Global Advisors for the life income accounts. These gifts are invested separately from the long-term investment pool in order to more closely match the needs and requirements of each individual donor. Two investment pools (equity and fixed income) have been established for this purpose and are diversified among several well known mutual fund managers. Each life income portfolio is typically invested as a fixed percentage of each pool. Such gifts totaled \$22.4 million at June 30, 2013.



CONDENSED STATEMENTS OF FINANCIAL POSITION

	June 30	
	2013	2012
Assets		
Cash and cash equivalents	\$ 22,444,818	\$ 16,453,385
Contributions receivable, net	48,070,475	50,536,890
Other receivables, net	3,709,011	3,537,631
Investments carried at fair value	1,114,893,389	986,610,246
Equity investment in limited partnership	3,451,421	3,658,895
Land, building, and equipment, net	19,790,292	20,180,379
Beneficial interest in external trusts at fair value	28,692,707	25,971,696
Other assets	4,412,698	3,495,974
Total assets	<u>\$ 1,245,464,811</u>	<u>\$ 1,110,445,096</u>
Liabilities and net assets		
Liabilities:		
Bonds and notes payable, net	\$ 36,063,130	\$ 36,929,108
Accounts payable and accrued expenses	4,110,537	5,594,523
Deferred revenue	5,577,221	10,774,668
Accrued retirement benefits and deferred compensation	3,989,885	4,199,017
Annuities payable	12,216,938	12,668,912
Funds held in custody for others	510,839,749	443,476,908
Total liabilities	572,797,460	513,643,136
Net assets:		
Unrestricted	27,379,183	20,365,454
Net unrealized losses on donor restricted endowment assets below historical dollar value	(5,863,907)	(13,692,810)
Total unrestricted net assets	<u>21,515,276</u>	<u>6,672,644</u>
Temporarily restricted	243,991,507	205,585,869
Permanently restricted	407,160,568	384,543,447
Total net assets	<u>672,667,351</u>	<u>596,801,960</u>
Total liabilities and net assets	<u>\$ 1,245,464,811</u>	<u>\$ 1,110,445,096</u>

CONDENSED STATEMENTS OF ACTIVITY

	Years Ended June 30	
	2013	2012
Revenues and gains (losses)		
Contributions	\$ 74,460,418	\$ 87,157,850
Investment earnings (losses)		
Net interest and dividends	13,420,421	10,905,585
Net realized gains	22,427,589	12,004,135
Net unrealized gains (losses)	21,203,614	(22,831,669)
Investment earnings	57,051,624	78,051
Lease revenue	1,984,974	1,975,000
Other revenue	3,772,527	5,670,487
Total revenues and gains (losses)	137,269,543	94,881,388
Expenses and support		
University support		
Scholarships	15,502,848	14,511,598
Salaries and benefits	12,698,285	11,358,772
Travel	1,705,991	1,043,492
Meetings and events	3,211,975	3,200,642
Professional services	2,189,281	3,185,314
Capital projects and equipment	9,130,494	19,000,554
Other support	5,621,833	13,818,227
	50,060,707	66,118,599
Foundation support	10,632,550	9,171,094
Interest and depreciation	1,735,687	3,053,879
Total expenses and support	62,428,944	78,343,572
Provision for uncollectible receivables	1,273,358	634,878
Revaluation of beneficial interests in external trusts	(2,721,011)	404,081
Net loss on revaluation of annuities payable	422,861	1,265,249
Total expenses and support	61,404,152	80,647,780
Change in net assets	75,865,391	14,233,608
Net assets at beginning of year	596,801,960	582,568,352
Net assets at end of year	\$ 672,667,351	\$ 596,801,960

CONDENSED STATEMENTS OF CASH FLOWS

	Years Ended June 30	
	2013	2012
Reconciliation of change in net assets to net cash provided by (used in) operating activities		
Change in net assets	\$ 75,865,391	\$ 14,233,608
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Actuarial loss on annuities payable	422,861	1,265,249
Amortization of discount on bonds payable	-	797,875
Provision for uncollectible receivables	1,273,358	634,878
Contributions restricted for long-term purposes	(19,947,301)	(34,714,243)
Depreciation expense	1,085,434	1,066,766
Decrease in equity method investment	207,474	34,320
Net realized gains on investments	(22,427,589)	(12,004,135)
Net unrealized (gains) losses on investments	(21,203,614)	22,831,669
Noncash University support	-	5,519,447
Noncash contributions	(377,733)	(79,444)
Revaluation of beneficial interest in external trusts	(2,721,011)	404,081
Changes in:		
Contributions receivable	1,193,057	(9,398,306)
Investments held in custody	(66,806,334)	9,084,037
Beneficial interest in external trusts	-	(2,102,273)
Accounts payable and accrued expenses	(1,483,986)	1,720,326
Deferred revenue	(5,197,447)	7,626,200
Funds held in custody for others	67,362,841	(7,496,037)
Operating assets and liabilities	(2,012,071)	(1,004,244)
Net cash provided by (used in) operating activities	5,233,330	(1,580,226)
Cash flows from investing activities		
Purchase of land, building, and equipment	(477,614)	(171,101)
Purchases of investments	(243,947,073)	(199,632,566)
Proceeds from sales and liquidations of investments	226,101,467	163,102,063
Net cash used in investing activities	(18,323,220)	(36,701,604)
Cash flows from financing activities		
Proceeds from contributions restricted for long-term purposes	19,947,301	34,714,243
Promissory note proceeds	-	10,000,000
Mortgage note proceeds	-	24,000,000
Payments on bonds and notes payable	(865,978)	(25,380,892)
Net cash provided by financing activities	19,081,323	43,333,351
Increase in cash and cash equivalents	5,991,433	5,051,521
Cash and cash equivalents at beginning of year	16,453,385	11,401,864
Cash and cash equivalents at end of year	\$ 22,444,818	\$ 16,453,385
Supplemental Information		
Interest paid	\$ 776,562	\$ 1,955,784

CONDENSED RECONCILIATION OF CONTRIBUTIONS

The schedule below reconciles Foundation fundraising totals as reported in the Foundation's annual report with contribution revenue determined in accordance with U.S. GAAP as reported in the accompanying Statements of Activity.

	Years Ended June 30	
	2013	2012
Contributions		
Foundation fundraising totals	\$ 99,556,976	\$ 173,932,242
Noncash contributions received directly by the University	(22,573,257)	(73,277,988)
Amounts reported as other revenue	(872,856)	(2,889,463)
Net impact of changes in deferred revenue	5,197,447	(12,117,620)
Net impact of changes in contributions receivable	(1,191,248)	9,398,306
Life income gifts reclassified to annuities payable	(509,396)	(467,237)
Contributions from perpetual trusts reclassified to interest income	(1,752,609)	(1,660,783)
Life income gifts released from annuities payable due to termination of trust	962,023	71,966
Amounts recorded as agency liability	(4,356,662)	(5,831,573)
Contributions per statements of activity	<u>\$ 74,460,418</u>	<u>\$ 87,157,850</u>

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, 2013 and 2012, 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.

FOUNDATION NEWS & NOTES

2012-2013

Private gifts making a difference as ‘State of Minds’ campaign tops \$660 million through FY13

Donors to “A State of Minds: The Campaign for West Virginia’s University” gave \$668.7 million through June 30, 2013.

That put the comprehensive campaign for WVU at 89 percent of its \$750 million goal with two-and-half years left. The private fundraising campaign runs through December 2015.

“Thanks to the tremendous generosity of our alumni and friends, we are on track to meet and exceed our goal,” said Wayne King, Foundation president and CEO. “We’ve had a very positive response since we launched the public phase of the campaign a year ago, and fully expect that to continue.”

Donations to the campaign include endowed scholarships and fellowships for students, professorships, financial support for new learning facilities, and enhancements for academic programs.

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

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

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

2013 Outstanding Philanthropists

Bob and Laura Reynolds were honored for their history of generosity and leadership at WVU with the Milan Puskar Outstanding Philanthropists award.

In 2011, the Reynolds made a \$1 million commitment to the new 64,000-square-foot basketball practice facility





2013 WVU Foundation Outstanding Philanthropists are Doug Reinhard, representing the Carl DelSignore Foundation, Doug Van Scoy, Bob and Laura Reynolds, and Kirk Aguirre, representing BrickStreet Insurance.

to support the continued growth of WVU basketball.

Four years prior, they gave a \$1.25 million gift for renovations at Milan Puskar Stadium. The Reynolds Family Academic Performance Center, which is more than five times the size of the old study center, occupies nearly 5,600 square feet on the upper floor of the Puskar Center. The Reynolds Family Academic Performance Center enhances WVU's commitment to academic excellence and the well-rounded student-athlete, as well as serving as a key recruiting tool for prospective Mountaineers.

Mr. Reynolds currently serves as chairman of the WVU Foundation Board of Directors and co-chair of "A State of Minds: The Campaign for West Virginia's University".

Doug Van Scoy was the 2013 Outstanding Volunteer Philanthropist.

In 2010, Mr. Van Scoy and a business partner opened Taziki's Mediterranean Café in the WVU Mountainlair. The restaurant serves as a training lab for the business school's Hospitality & Tourism program.

Two years later, Mr. Van Scoy and his wife, Pam, made a \$1.5 million commitment to the College of Business and Economics to fund the WVU Center for Innovation and Entrepreneurship, the Hospitality & Tourism Program, and the B&E Dean's Discretionary Fund.

In addition to monetary donations, Mr. Van Scoy has contributed his time, connections and vast knowledge of the business world to WVU.

As part of his estate, Buffalo Coal Company executive Carl DelSignore established the Carl DelSignore Foundation, the 2013 Hazel Ruby McQuain Outstanding Philanthropic Foundation. Since its inception, the Foundation has faithfully supported residents in communities in the eastern panhandle of West Virginia and western Maryland.

The Foundation's first major gifts to WVU came in 1989 and 1990 with the establishment of a fund for pulmonary care.

The WVU Foundation is consistently the largest single beneficiary of the Foundation's funding through the non-endowed scholarship program to support children and grandchildren of Buffalo Coal Company employees.

In addition, the Foundation pledged \$50,000 in 2008 to establish the Carl DelSignore Foundation Graduate Fellowship. This gift was one of the first to be eligible for state Research Trust Fund matching. The Foundation typically also makes an additional unrestricted gift each year to WVU.

To date, the Carl DelSignore Foundation has donated nearly \$850,000 to WVU for scholarships and programs.

THANK YOU MIKE



Past and present WVU Puskar Leadership Scholars paid tribute in fall 2012 to the late Mike Puskar whose gift established the program in the Eberly College of Arts and Sciences. A tree was planted and a commemorative plaque installed in the green space between the Waterfront Place Hotel and the WVU Foundation building at One Waterfront Place. From left are scholars Hilah Zia, Nelson France, Adrienne Duckworth, Taylor Richmond, Whitney Rae Hatcher and Christopher Smith.

BrickStreet, the 2013 Outstanding Philanthropic Corporation, was honored for its charitable giving to WVU and commitment to enhance the state of West Virginia for its citizens and visitors.

BrickStreet, through its foundation, donated \$3 million to WVU to establish the BrickStreet Center for Innovation and Entrepreneurship at the College of Business and Economics. This is the largest corporate donation ever received by the College. Additionally, BrickStreet donated \$1 million to WVU's Department of Intercollegiate Athletics for improvements to athletic facilities for student-athletes.

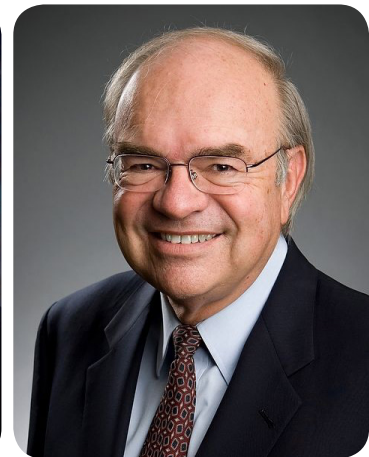
In 2008, the company established the BrickStreet Neurology Fellowship to demonstrate its commitment to the betterment of WVU and the state of West Virginia.

WVUF Board members honored

Two alumni and current members of the WVU Foundation Board of Directors were recognized by their alma mater in 2013. Joan Stamp, a 1973 graduate, was inducted into the Order of Vandalia in June, the highest honor for extraordinary service to WVU. Ken Kendrick, a 1965 alum, received an honorary degree from the College of Business and Economics in May.



Joan Stamp



Ken Kendrick

McKaig Foundation helping students in tri-state region attend WVU for over 30 years

It was the desire of the late W. Wallace McKaig when establishing the Lalitta Nash McKaig Foundation to help students in the area where he lived to attend college.

If Wallace McKaig or his wife Lalitta were here today, they no doubt would be more than proud of the 36-year legacy they created. Founded in 1976, the Lalitta Nash McKaig Foundation has helped hundreds of young men and women attend college, many at WVU and Potomac State College of WVU.

Since the WVU Foundation began handling administration of the scholarship grants four years ago, approximately \$441,300 has been awarded to WVU and Potomac State students. Awards from the foundation range anywhere from \$250 to \$3,000 depending on student need.

Grant awards are restricted to students who have graduated from high schools in Mineral and Hampshire counties in West Virginia, Allegheny and Garrett counties in Maryland, and Bedford and Somerset counties in Pennsylvania. The awards are not restricted to those who wish to attend WVU and Potomac State. Recipients may take the award to any accredited college or university in the United States.

Greg Getty, administrator of the McKaig Foundation, says there is a reason why so many applicants choose WVU to further their education.

"I would be remiss not to point out that it is the quality and prestige of the University which attracts so many of our McKaig applicants to West Virginia University," Getty said. "West Virginia University is the number one choice for many of these applicants."

Changes to Augusta Scholarship made in 2013

The Augusta Scholarship endowment enables family, friends and organizations to honor or memorialize a loved one while helping a deserving student attend WVU.

In Memory Of/In Honor Of gifts, unless otherwise directed by the donor, become part of the Augusta Scholarship fund's endowment principal to assist undergraduate students with financial need. The WVU Foundation now recognizes Augusta Scholarship gifts exceeding \$1,000 (outright or cumulative) by including a brief biographical listing of the individual being honored or memorialized in the Augusta Scholarship Register. The register may be viewed by visitors to the Mountainlair, WVU's student union. It can also be viewed on the Foundation's interactive donor recognition wall at the Erickson Alumni Center.

2013 FOUNDATION SCHOLARS



The 2013 Foundation Scholars were announced during a ceremony in May at Blaney House. The scholarship, WVU's most prestigious, is valued at \$80,000 and provides full tuition and fees plus room-and-board to five in-state students. Left to right are Dillon Muhly-Alexander of West Union, Julie Peng of Culloden, Emma van der Aarde of Martinsburg, Jennifer Mangano of Chester, and Sundus Lateef of Bridgeport.

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OUR CORE VALUES

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

OUR MISSION

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



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