



# ANNUAL

2016-2017 WEST VIRGINIA UNIVERSITY FOUNDATION

# REPORT



# CONTENTS

- 3** A Message from the Chair & President
- 4** Making a Difference Through the Campaign
- 14** Donor Map
- 16** By the Numbers
- 22** Foundation News
- 30** Board of Directors and Officers
- 32** Mountaineers Go First in Giving



*WVU President Gordon Gee visits with student callers at the Foundation's Mountaineer Line Call Center.*





*Susan S. Brewer & Cindi L. Roth*



## A Message from the Chair & President

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Dear Alumni and Friends of West Virginia University,

It is with sincere gratitude that we present the West Virginia University Foundation's 2016-2017 Annual Report. Our deepest appreciation goes out to the 21,178 donors from four continents, 14 countries and all 50 states and D.C. who invested in WVU this past fiscal year.

You responded to President Gee's call for help as the team continues to work to reinvent WVU and transform the state of West Virginia in light of challenging economic times.

During FY'17, the Foundation recorded its second highest year ever at \$139.8 million in new gifts and pledges. From July 1, 2016 – June 30, 2017, 43,289 gifts were made that helped support our students, faculty, academic programs and facilities across all our campuses.

Donor philanthropy enabled the Foundation to provide \$86 million in support during FY'17 as requested by the University. As of June 30, 2017, total Foundation assets stood at \$1.69 billion, including long-term investments for the benefit of WVU of \$693 million. Also included are assets managed by the Foundation for other WVU-affiliated organizations of approximately \$780 million.

Our comprehensive Campaign, *A State of Minds: The Campaign for West Virginia's University*, surpassed its goal of \$1 billion in August 2016 with almost 18 months remaining in the Campaign. Through June 30, 2017, more than 88,000 donors have made more than 371,000 gifts to the Campaign totaling \$1.125 billion.

While it's always good to reflect on our successes, we know we have more work to do. WVU is at the forefront in working to improve our state in the areas of education, healthcare and economic prosperity. Investing in WVU can open doors of opportunity, help solve challenging problems and ultimately change lives for the better. You *are* making a difference, as the stories in this report poignantly reflect.

We again thank you for your generosity, and hope we can count on your support as we work to make WVU the best land-grant, flagship research institution for the people of West Virginia and beyond.

Let's go.



Susan S. Brewer  
Chair of the Board



Cindi L. Roth  
President & CEO

# MOUNTAINEERS

## MAKING A DIFFERENCE THROUGH THE CAMPAIGN.



*Bob and Laura Reynolds*

### Reynolds' 'transformational' gift of \$10 million to name main building at new WVU business school complex

Bob and Laura Reynolds have a history of giving back and making a difference through their philanthropy.

The Boston couple announced in February they are giving \$10 million to the WVU College of Business and Economics. The gift will provide initial funding for a building in their names at a new business school complex on Morgantown's waterfront, as well as propel other academic components of business education at B&E.

Bob, a 1974 WVU finance graduate and a member of the WVU Foundation Board of Directors, is president and CEO of three multinational companies: Putnam Investments, Great-West Financial and Great-West Lifeco U.S., Inc. The couple has been philanthropic at WVU, as well as in Boston and West Palm Beach, Florida, where they are residents.

"About five years ago, we began talking with folks at the College of Business and Economics and the Foundation about B&E's vision for the future — and how we might be a part of that," Bob Reynolds said. "Now we've come together on a vibrant plan for a new business school building and other amenities that will revitalize and transform Morgantown's waterfront. This is a plan we're proud to support."

“I am a firm believer that you cannot have a great university without a great business school,” said WVU President Gordon Gee. “This generous gift by Bob and Laura will not only help construct a new building in their name, but will also help launch our plans to build a new College of Business and Economics complex.”

Reynolds, a native of Clarksburg, West Virginia, attributed his successes to the university that molded him.

“At a time when state support is declining, we need private support more than ever. And WVU has earned that support,” he said. “I have said it many times before, and I’ll say it again. Whatever success I’ve had in my life and career began right here — in the four years I spent as a student at West Virginia University. I love this place. And I want my alma mater to nurture and challenge future generations of Mountaineers.”

The new B&E complex would be located on the site of the current Stansbury Hall. Built in 1928 as Mountaineer Field House, university officials have studied possible uses for the facility for nearly a decade.

B&E Dean Javier Reyes said a newly constructed business school will open even more doors of opportunity for students, and provide more space and resources for faculty.

“We believe that the true differentiator for B&E will be that of experiential learning and the overall role it plays in the student experience,” Reyes said. “Our model of education reflects a blend of classroom learning with experiences outside the classroom, ranging from learning labs to events, and from group participation-based projects to training designed to ready students for their careers.

“The generosity of Bob and Laura Reynolds will initiate the design and construction of a superior facility and academic investment. Students will have unique, experiential learning opportunities that will help make them business leaders anywhere in the world. Increased and innovative faculty resources at these new facilities will be designed with the student in mind.”



*An artist's rendering of the new business complex*





## Esteemed professor leaves WVU with legacy

Professor Emeritus Robert DiClerico influenced the lives of thousands of students during his 45-year career at WVU. His recent gift, naming WVU in his estate plans, will guarantee DiClerico’s continued impact on students for years to come.

The gift will support the Robert E. DiClerico Scholarship in Democratic Institutions and Public Leadership, serving students within the Department of Political Science in the Eberly College of Arts and Sciences. DiClerico says he hopes the scholarships will benefit not only students who are outstanding in the classroom and as leaders, but those who need additional financial support.



*Robert DiClerico*

“I was never a needy student—my education was paid for by my parents, but I didn’t squander that opportunity,” DiClerico said. “I never had to carry that burden of having my education depend on my ability to work, get enough money during the summer or work while going to school. I see some of these kids and how well they are able to do even though they are spending so many hours per week working—I admire that so much.”

DiClerico officially retired in 2012, but has continued to teach one course per semester since then. He has been recognized for numerous honors, including the WVU Foundation’s first Outstanding Teaching Award in 1986. He was named the 1990 CASE West Virginia Teacher of the Year, Faculty Merit Foundation’s West Virginia Teacher of the Year, Danforth Fellow, Amoco Outstanding Teacher and a Distinguished West Virginian in 1995.

In 1996, the Eberly College of Arts and Sciences recognized DiClerico as the first Eberly Family Professor for Outstanding Teaching. In 2004, the Harry S. Truman Scholarship Foundation honored him for his mentorship of Truman Scholarship candidates.

“I’ve taught 34,000 students over this period of time [45 years]. To see so many of them go on and be very successful—it’s extraordinary,” DiClerico said. “Seven Rhodes Scholars, 24 Truman Scholars. The Truman Scholarship Foundation even designated WVU as a Truman Honor Institution in 1996 because of the number of Truman Scholars from WVU.”

The next step for DiClerico is returning to New England, where he grew up, to be near his family. He says he will miss the friends he’s made on the WVU faculty and in the community, and especially the students.

“My hope during my last year or so here has been that I don’t run into someone for the first time who I want to get to know better but won’t have the chance to,” DiClerico said.



## WVU alumni give back to their alma mater, support equine program

For Roberta and William “Bill” Gellner, WVU has been an integral part of their family for many years – and the alumni are showing their appreciation by establishing a new endowment to support the equine program.

The Roberta and William Gellner Equine Endowment will advance the mission and goals of the equine program, which is housed within the Davis College of Agriculture, Natural Resources and Design, with discretionary funds to support scholarships, research and other opportunities.



*Roberta and Bill Gellner (center) spend time with faculty and students from the equine studies program during a Davis College event.*

“We came up and talked to Crystal Smith about the program and were very impressed by its scope, particularly how it interfaced with other degree programs at the Davis College and how it gives students career options that were not available when we were students,” Bill Gellner said. “And Roberta just loves those horses.”

“Those horses” would be Cash, Dickie, Woody, Fat Boy, Cabernet, Lexi and Waylon – the seven American Quarter Horses that make up WVU’s teaching herd. They reside in Reedsville, West Virginia, on the J.W. Ruby Research Farm.

“We work to consistently provide our students with hands-on and real-world learning opportunities that will help them become successful professionals in the equine industry. The horses are our most valuable teaching tools,” said Crystal Smith, teaching associate professor of animal and nutritional sciences.

A Wheeling, West Virginia, native, Bill Gellner graduated in 1972 with dual degrees in agriculture and animal science. Roberta Gellner grew up on a farm – complete with horses – in Lewis County. She began her collegiate career at WVU in 1973 as an animal science major. She ultimately earned a bachelor’s degree in chemistry.

Bill and Roberta were the first in a long line of Gellners to call WVU home. Bill’s four children – and Roberta’s step-children – are all Mountaineers. Three have graduated and the fourth, Abigale Gellner, is a junior political science major.

“As you can see, WVU has been a part of each of our lives and the experiences that we have had here have served to give us opportunities to work and learn and contribute in ways that we could only imagine when we were students,” Roberta Gellner said. “We hope that this endowment will make it possible for students to be better prepared for opportunities when they come knocking — whether it be going to vet school, working as an extension agent or running a farm operation.”



*Children in the WVU Nursery School*

## Gift establishes endowed directorship, support fund for WVU Nursery School

The College of Education and Human Services received a \$1 million gift, the largest single private donation ever made to the college, to support the WVU Child Development Laboratory, better known as the WVU Nursery School.

The gift, from donors who wish to remain anonymous, will support an endowed named directorship and an endowed enhancement fund. The directorship will support Dr. Barbara Gibson Warash, providing a broad range of support for research, teaching and service. The enhancement fund will provide funds to broadly support the educational and training mission of the WVU Nursery School.

“We are extremely grateful for this support to our college, specifically our Nursery School and Dr. Warash,” said Dr. Gypsy Denzine, dean of the College of Education and Human Services. “This gift allows our program to continue to have not only a local, but national impact in the development of outstanding early childhood professionals. We strive to be the leader in early childhood education in the state of West Virginia and beyond, and this gift will help us to achieve this goal.”

The WVU Nursery School was established in 1944 as part of the Division of Home Economics in the College of Agriculture. Now a part of the Department of Learning Sciences and Human Development, the school supports the philosophy that the early years are formative years and the most important in children’s development. The school provides observational, practicum and student teaching experiences for WVU students majoring in child development and family studies, particularly Pre-K education, and other fields, as well as trainings and other opportunities to the community.

Dr. Reagan Curtis, chair of the Department of Learning Sciences and Human Development, said the gift will allow students, staff and faculty who work within the WVU Nursery School to create, research, and improve innovative practices that can be developed and applied not only at the school, but also in the greater early childhood education community.

“We have supported early childhood programs for many years. We believe that providing kids with an early start gives them a better chance to succeed. The WVU Nursery School is an impressive program and it was evident to us that there is a strong commitment from the instructors and students,” the donors said. “We want to support the preschool to help continue a program that looked so promising.”

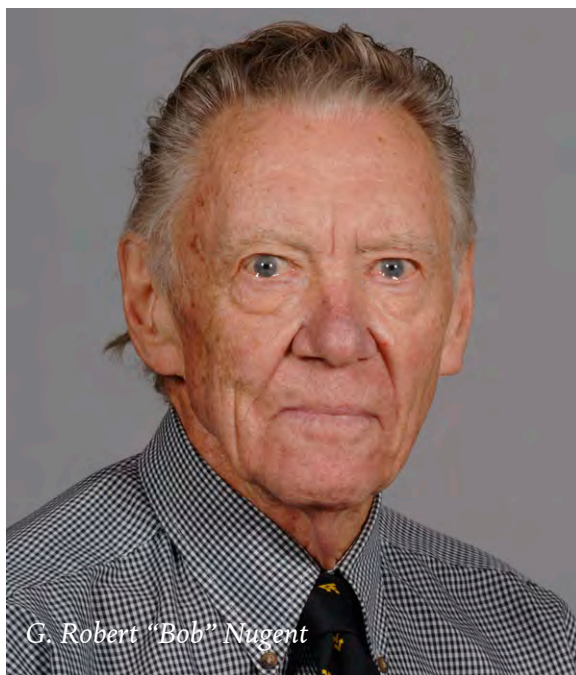


## Late WVU neurosurgeon and football team physician honored with major gift

A gift to the School of Medicine will establish a scholarship in honor of G. Robert “Bob” Nugent, M.D., one of the nation’s most respected neurosurgeons and a former physician for WVU’s football team who died in 2016.

Harry Lowell, M.D. trained as a neurosurgery medical resident under Nugent and considered him a “mentor and beloved father figure.” In honor of Nugent’s passion for the Morgantown community and dedication to medical education, Dr. Lowell made a \$1 million gift to the Department of Neurosurgery to found the G. Robert Nugent Chair in Neurosurgery.

This gift will help reach the goal of \$1.5 million needed to establish an endowed chair position.



*G. Robert "Bob" Nugent*

“He was patient-compassionate,” said Lowell. “Insurance or means to pay were never considered—he wasn’t much interested in money. He was honest and always told the truth even though it was to his detriment. Despite his status and accomplishments, he was humble, didn’t brag or act condescending.”

Dr. Nugent spent 43 seasons tending to the medical needs of Mountaineer football players, and was one of the first neurosurgeons to treat patients in what was then the new University Hospital, now the WVU Health Sciences Center.

He was the founding chairman of the board of directors of the WVU Medical Corporation, helped create the four-year medical degree program in the WVU School of Medicine in the 1960s, and from 1970 through 1985, led the Department of Neurosurgery. He was a pioneer in microscopic brain surgery and a world expert in treating trigeminal neuralgia, a painful nerve condition in the face.

Nugent served the University, most recently spending three mornings per week treating patients, without interruption from July 1961 until his death in November 2016 at age 95. Nugent left a positive impact on WVU Medicine colleagues, trainees and students, as well as members of the football team and staff. He also had the same lasting influence on Dr. Lowell.

## New endowment established to help future generations of WVU students fulfill their dreams

Peter and Linda Zulia created a new endowment in support of a scholarship for the College of Physical Activity and Sport Sciences. The Peter and Linda Zulia Endowed Scholarship was established to launch opportunities for WVU athletic training students.

“This endowment that Linda and I have created is established in part for what CPASS, and the Athletic Training Program specifically, offered me when I was a student athletic trainer. Quite simply, we are excited to create an opportunity for the benefit of future WVU Athletic Training students so that they can fulfill their dreams,” Pete Zulia explained. Zulia graduated from WVU in 1983 with a Secondary Education and Athletic Training degree and earned a Master’s in Business Administration degree in 2014.

“My time at WVU convinced me that everything is possible and the only limit is what I imagine, which may be another reason why I came back to earn my MBA from WVU. This is one of many reasons why I love this place; it has always been home to me,” he said.

Zulia, who grew up in Lockport, NY, says that the expression, “Once a Mountaineer, always a Mountaineer,” is the essence of what he has become professionally. “Having purpose, creating opportunity and living my dream was enhanced during my time at WVU,” Zulia added.

“Pete and Linda’s gift offers excellent opportunities for students wanting to study athletic training and will help our most promising students pursue their degrees without undue financial burden. As we expand our programs and learning experiences for students on their way to launching meaningful careers, donor support becomes increasingly important to the college,” said Dana D. Brooks, CPASS dean and professor of Physical Education.



*Linda and Pete Zulia*

## MorphoTrak donates cloud technology

MorphoTrak, a key provider of biometric services to law enforcement and other agencies, donated access to MorphoCloud, a cloud-based collection of services, to WVU to support the University's highly-regarded research and education programs in biometrics and forensics.

A subsidiary of Safran Identity and Security, MorphoTrak has collaborated with the WVU biometrics program for several years, supporting a number of researchers' projects. This opportunity builds on that relationship.

B. Scott Swann, vice president of federal operations and innovation, said, "We want to foster a close academic partnership with WVU. We are very excited about this partnership. The academic and research values should be long lasting and definitely go beyond the monetary value of this donation."

The current version of MorphoCloud includes services for fingerprint and palmprint search and verification, as well as face recognition. In the near future, the cloud services available to WVU will be expanded to include iris recognition and video analytics. As part of the donation, MorphoTrak will provide technology training and support to WVU to operate the multi-biometric identification capability of MorphoCloud.

"We are pleased to have access to this world-class biometric system that integrates analytics from multiple sources," WVU President Gordon Gee said. "As a leader in biometric technology research and the FBI Biometric Center of Excellence's lead academic partner, West Virginia University's agreement with MorphoTrak takes us to a new and exciting level of research in this emerging field."



*Scott Swann (left), vice president of federal operations and innovation at MorphoTrak, joins WVU Vice President for Research Fred King (center) and Associate Professor Keith Morris (right) inside a lab at Oglebay Hall.*





*WVU Media Innovation Center Creative Director Dana Coester holds a brainstorming session with Teaching Associate Professor Gina Dahlia, '100 Days in Appalachia' Editor Dave Mistich and Multimedia Producer Tyler Channell.*

## College of Media receives Benedum grant to serve growing interest in rural culture

The Reed College of Media received a grant from the Claude Worthington Benedum Foundation that will help students gain valuable media skills while sharing the stories of Appalachia.

The grant will support a media enterprise that experiments in new distribution models for digital publishing while offering a solutions-based approach for reporting and cultural analysis of the region.

Students enrolled in the course will get hands-on experience in content curation, monetization, audience development and distribution, and in-depth reporting.

In addition to being a teaching tool, the project will strengthen collaborative publishing opportunities connecting national and regional media with community organizations and the College of Media.

“There is a need in West Virginia communities to create new narratives about their reality and their future,” said Dana Coester, creative director of the WVU Media Innovation Center. “With this project, we hope to provide an outlet, and an audience, for those stories.”

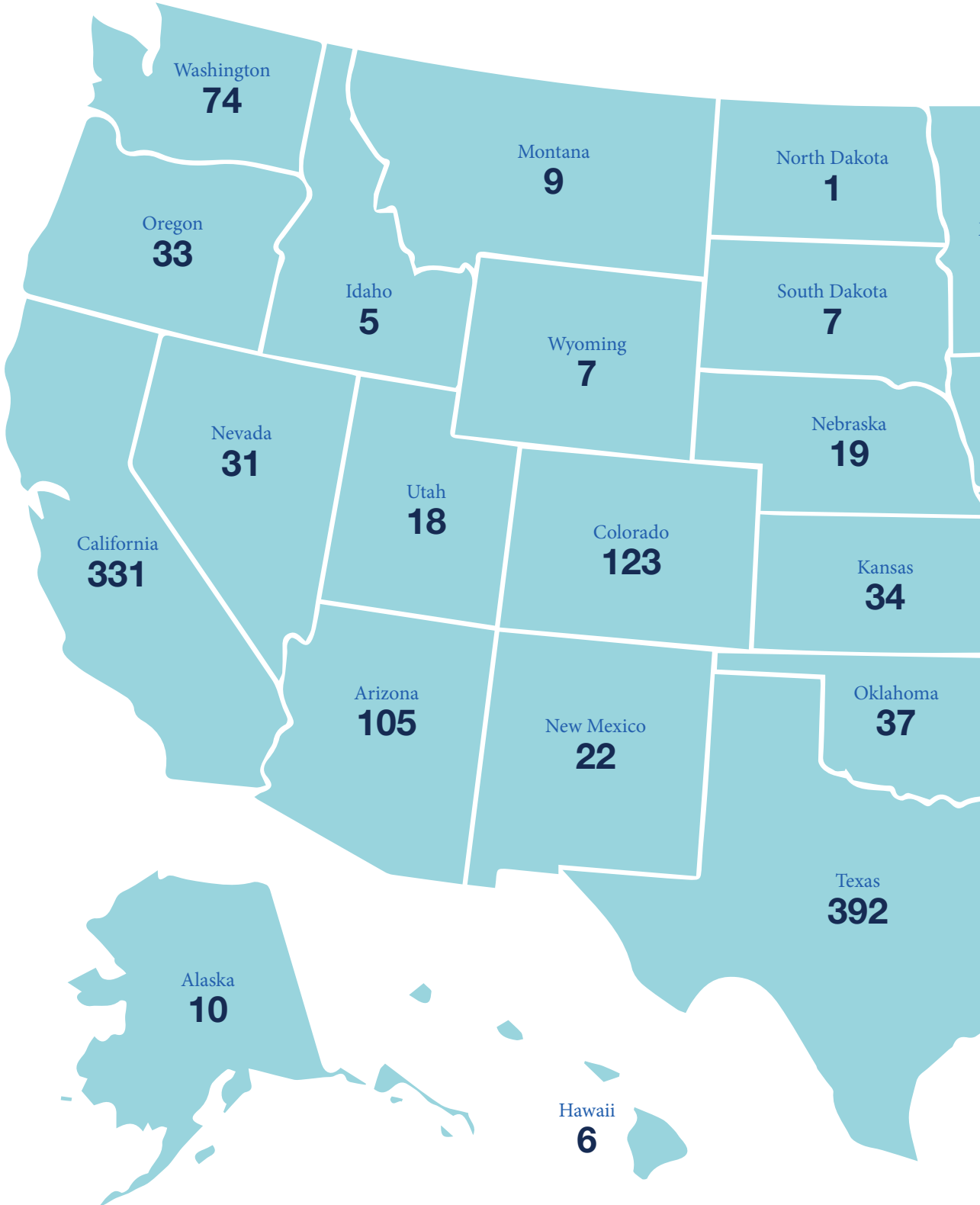
The project will also meet the need for a growing national and international audience for rural content, insights and analysis in the aftermath of the 2016 Presidential election.

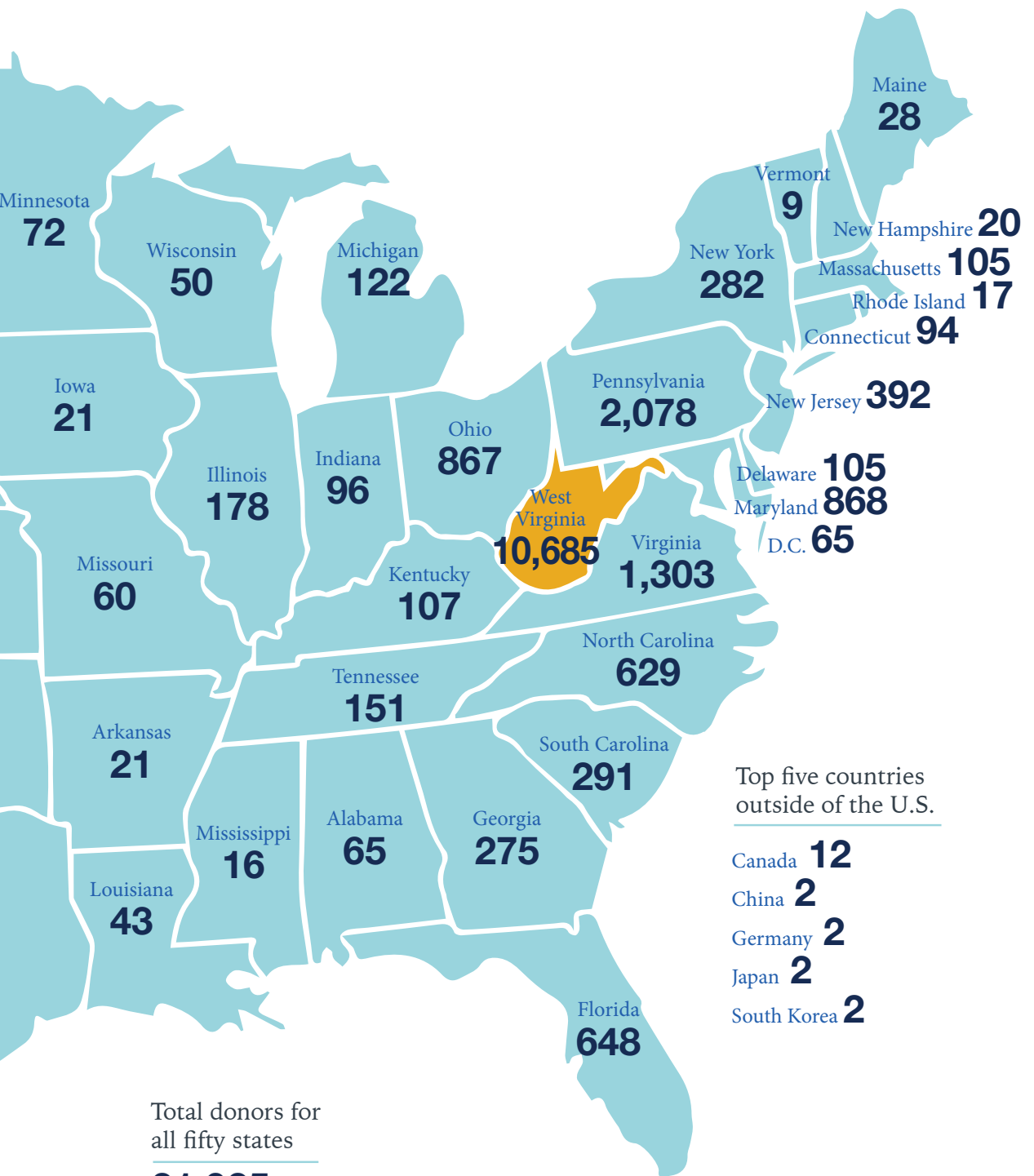
The media enterprise will build on “100 Days in Appalachia,” which was launched in January 2017 and narrates President Trump’s first 100 Days in office from a unique Appalachian point of view and how policy decisions may impact Appalachia’s communities.

The College partnered with West Virginia Public Broadcasting and The Daily Yonder on “100 Days in Appalachia.” They plan to continue the partnership.

# Where the University's donors came from in FY'16-17

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Total donors for  
all fifty states

**21,025**

Top five countries  
outside of the U.S.

- Canada **12**
- China **2**
- Germany **2**
- Japan **2**
- South Korea **2**



# BY THE NUMBERS.

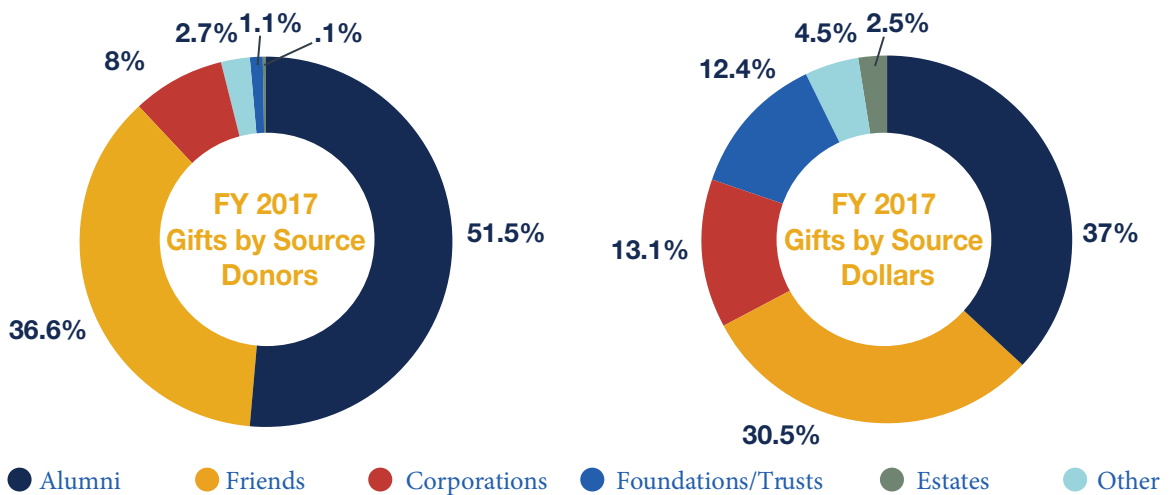
## FY 2016-2017 Development, Finance, Investment Overview

### Asset Management

Total Foundation assets were \$1.69 billion as of June 30, 2017. Included in total assets is \$626 million in endowed assets, \$221 million in non-endowed assets, and \$780 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 \$139.8 million. The combined gifts were made by 21,178 donors in 43,289 transactions.



### Support

Donor gifts enabled the Foundation to disburse around \$86 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 \$335 million in direct support.

Of the \$86 million disbursed in fiscal year 2016-2017 to the University, \$19.2 million (or 22%) was directed toward student scholarship support, which made attendance at WVU a reality for many students by easing the financial burden. Another \$21.9 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 \$23.1 million (or 27%) was provided for capital projects and equipment.

## Operating Expenses

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The Foundation’s annual operating expenses totaled \$14.4 million during the 2016-2017 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 \$8.1 million. Fundraising costs compared to new gifts and pledges of \$139.8 million generated a revenue-to-expense ratio of 17 to 1.

## Investment Management

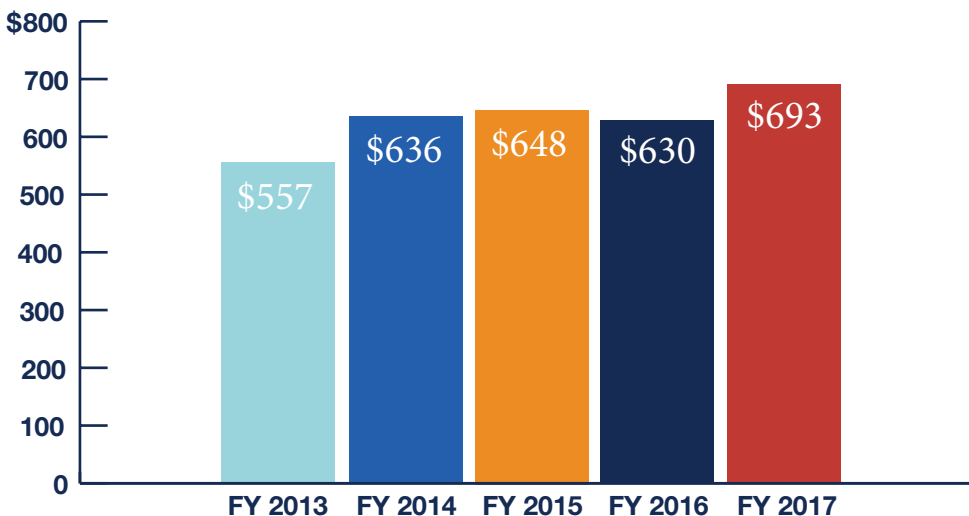
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The Foundation’s total long-term investments for the benefit of WVU were \$693 million as of June 30, 2017. The value of the Foundation’s long-term investment pool increased to \$566 million after net transfers out of the pool totaled \$5 million. The net investment return for fiscal year 2017 was 11.8%.

The long-term investment pool was invested in 121 funds managed by 62 well respected asset managers. As of June 30, 2017, 68.1% of the pool was invested in equities, 15.2% of the pool was invested in fixed income, 14.2% in real assets and 2.5% 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. As of June 30, 2017, the value of the life income accounts totaled \$32 million.

**Long-Term Investments Graph – Millions**



## Condensed Statements of Financial Position

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 46,053,434	\$ 43,025,501
Contributions receivable, net	49,003,102	36,553,038
Other receivables, net	4,486,951	4,544,173
Investments carried at fair value	1,525,875,077	1,296,210,575
Land, building, and equipment, net	18,610,188	19,523,098
Beneficial interest in external trusts at fair value	39,631,174	40,602,367
Other assets	<u>7,285,797</u>	<u>6,738,258</u>
Total assets	<u>\$ 1,690,945,723</u>	<u>\$ 1,447,197,010</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Notes payable, net	\$ 27,301,112	\$ 29,288,319
Accounts payable and accrued expenses	10,503,415	11,914,007
Accrued retirement benefits and deferred compensation	1,772,770	3,119,551
Annuities and unitrusts payable	15,964,148	15,890,670
Funds held in custody for others	<u>780,467,343</u>	<u>612,147,300</u>
Total liabilities	836,008,788	672,359,847
Net assets:		
Unrestricted	39,692,310	38,723,987
Net unrealized losses on donor restricted endowment assets below historical dollar value	<u>(92,494)</u>	<u>(6,004,930)</u>
Total unrestricted	39,599,816	32,719,057
Temporarily restricted	316,977,809	260,083,542
Permanently restricted	<u>498,359,310</u>	<u>482,034,564</u>
Total net assets	<u>854,936,935</u>	<u>774,837,163</u>
Total liabilities and net assets	<u>\$ 1,690,945,723</u>	<u>\$ 1,447,197,010</u>



## Condensed Statements of Activity

	<u>2017</u>	<u>2016</u>
Revenues and gains:		
Contributions	\$ 99,567,244	\$ 56,312,268
Investment earnings:		
Net interest and dividends	14,042,203	10,807,909
Net realized gains	24,055,025	30,625,072
Net unrealized gains (losses)	<u>37,703,887</u>	<u>(38,643,597)</u>
Investment earnings	75,801,115	2,789,384
Lease revenue	1,975,000	1,975,000
Other revenue	<u>5,994,137</u>	<u>5,384,378</u>
Total revenues and gains	<u>183,337,496</u>	<u>66,461,030</u>
Expenses and support:		
University support:		
Scholarships	19,194,581	20,827,987
Salaries and benefits	21,871,876	19,111,752
Travel	2,519,509	1,865,480
Meetings and events	3,873,164	3,918,638
Professional services	3,097,637	2,263,281
Capital projects and equipment	23,069,365	16,844,682
Supplies and materials	4,750,914	3,720,729
Other support	<u>7,430,675</u>	<u>8,056,515</u>
Total University support	<u>85,807,721</u>	<u>76,609,064</u>
Foundation support:		
Fundraising	8,117,982	7,632,609
Fiduciary	<u>6,255,023</u>	<u>5,696,162</u>
Total Foundation support	<u>14,373,005</u>	<u>13,328,771</u>
Interest, depreciation, & other:		
Occupied asset	98,575	98,575
Leased asset	<u>2,097,939</u>	<u>2,217,893</u>
Total interest and depreciation, & other	<u>2,196,514</u>	<u>2,316,468</u>
Total expenses before provision and revaluation revaluation	102,377,240	92,254,303
Provision for uncollectible receivables	384,045	551,912
Net loss (gain) on revaluation of external trusts	971,193	1,515,997
Net (gain) loss on revaluation of annuities payable and unitrusts	<u>(494,754)</u>	<u>963,500</u>
Total expenses and support	<u>103,237,724</u>	<u>95,285,712</u>
Change in net assets	80,099,772	(28,824,682)
Net assets at beginning of year	<u>774,837,163</u>	<u>803,661,845</u>
Net assets at end of year	<u>\$ 854,936,935</u>	<u>\$ 774,837,163</u>

## Condensed Statements of Cash Flows

	<u>2017</u>	<u>2016</u>
Reconciliation of change in net assets to net cash used in operating activities:		
Change in net assets	\$ <b>\$80,099,772</b>	\$ (28,824,682)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Actuarial (gain) loss on annuities payable	<b>(494,754)</b>	963,500
Provision for uncollectible receivables	<b>384,045</b>	551,912
Contributions restricted for long-term purposes	<b>(17,340,939)</b>	(19,664,795)
Depreciation expense	<b>1,297,695</b>	1,284,605
Net realized gain on investments	<b>(24,055,025)</b>	(30,625,072)
Net unrealized (gain) loss on investments	<b>(37,703,887)</b>	38,643,597
Revaluation of beneficial interest in external trusts	<b>971,193</b>	1,515,997
Other non-cash revenue	<b>(1,000,000)</b>	(1,000,000)
Changes in:		
Contributions receivable	<b>(12,834,109)</b>	5,704,260
Investments held in custody	<b>(166,327,237)</b>	5,898,284
Beneficial interest in external trusts	-	(1,060,234)
Accounts payable and accrued expenses	<b>(1,410,592)</b>	3,030,092
Funds held in custody for others	<b>168,320,043</b>	(5,632,618)
Operating assets and liabilities	<b>(1,268,866)</b>	(3,816,470)
Net cash used in operating activities	<b>(11,362,661)</b>	(33,031,624)
Cash flows from investing activities:		
Purchase of land, building, and equipment	<b>(384,785)</b>	(127,144)
Purchase of investments	<b>(329,404,719)</b>	(305,673,846)
Proceeds from sales and liquidations of investments	<b>327,826,366</b>	319,446,276
Net cash (used in) provided by investing activities	<b>(1,963,138)</b>	13,645,286
Cash flows from financing activities:		
Proceeds from contributions restricted for long-term purposes	<b>17,340,939</b>	19,664,795
Payments on notes payable	<b>(987,207)</b>	(955,394)
Net cash provided by financing activities	<b>16,353,732</b>	18,709,401
Change in cash and cash equivalents	<b>3,027,933</b>	(676,937)
Cash and cash equivalents at beginning of year	<b>43,025,501</b>	43,702,438
Cash and cash equivalents at end of year	<b>\$ \$46,053,434</b>	\$ 43,025,501
Supplementary Information:		
Interest paid	<b>\$ \$ 650,704</b>	\$ 682,516

## 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 LLP issued an unmodified opinion on the Foundation's statements of financial position as of June 30, 2017 and 2016, 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).



*Mountaineer Statue at the Mountainlair*



# FOUNDATION NEWS.



*Campaign Co-chairmen Bob Reynolds, left, and Verl Purdy, right, celebrate with student scholarship recipients Cristin Dolan and Dillon Muhly-Alexander.*



## ‘State of Minds’ Campaign tops historic \$1 billion goal

WVU achieved a historic milestone this past fiscal year in its private fundraising efforts, surpassing the \$1 billion goal in its “State of Minds” Campaign more than a year before the deadline.

Alumni and friends of WVU contributed \$1,003,650,037 to the Campaign through Aug. 31, 2016, at the time putting WVU on a list with only 36 other four-year public universities across the country that have successfully raised more than \$1 billion.

“I believe our world’s best days lie ahead. West Virginia’s best days lie ahead,” President Gordon Gee said. “And by supporting the State of Minds Campaign, our donors are summoning that bright future, one dollar and one life at a time.”

The Campaign publicly launched June 2, 2012, with an original goal of \$750 million and a deadline of December 2015. That goal was shattered in the summer of 2014, and the Campaign was extended to December 2017 with a new goal of \$1 billion.

“Right from the public launch, this Campaign experienced tremendous success,” said Verl Purdy, a 1964 alumnus and national co-chair of the Campaign. “And there was no letup when we announced the extension. An investment of this proportion by our passionately committed University family is remarkable.”

Both University and Foundation officials made it clear that while the \$1 billion goal has been reached, the Campaign would continue through its announced end date of Dec. 31, 2017.

Gee said the focus of the Campaign for the remaining months will be on the University’s strategic pillars of education, healthcare and economic prosperity.

“While we celebrate the success thus far, there is much work yet to do,” he said. “Our University – and the state of West Virginia – must continue to transform. We must work together as one to provide the best education, healthcare and economic opportunities for all.”



## Donations help residents, students recover from summer 2016 flood

The generosity of hundreds of WVU alumni and friends has made the recovery process a bit easier over this past year for many victims of last summer's devastating flooding in central and southern West Virginia.

On June 23, 2016, torrential rains over parts of West Virginia caused devastating flooding in many counties, resulting in loss of life and severe damage to entire communities. Many WVU students and their families were affected by the storms and high water, leaving some homeless and others with extensive personal property loss.



*Flood damage was extensive to the Richwood Public Library. Donations made through the WVU Foundation's flood relief efforts helped to restore much of the facility.*

In response, donations to the WVU Foundation from more than 1,600 Mountaineers across the country and a matched gift of \$500,000 from Princeton native and WVU alumnus Ken Kendrick has brought in \$1.049 million.

These funds, administered by WVU Extension Service and WVU Financial Aid, have helped dozens of residents, students and community services recover from the flood. The donations assisted flood victims in rebuilding homes, schools and community centers, and enabled students to return to WVU.

The Kenneth D. and Carolyn T. Gray Emergency Fund was established in 2013 to assist students who experience a sudden financial hardship. Donors contributed \$237,000 to that fund to support students affected by the flooding. More than 30 WVU students received \$70,616 from the funds for the 2016-17 school year, and funds are still available for this year.

Contributions to the WVU Extension Fund have totaled \$812,000 for flood relief. To date, awards totaling almost \$450,000 have been made to help individuals and \$230,000 to assist community building projects.

Travis Butts was able to return to WVU last fall after the flood destroyed their family home.

Butts, a senior criminology major from White Sulphur Springs, said his decision to return to WVU to finish his degree was made after he received support through the Gray Emergency Fund.

“The financial assistance is actually the entire reason I came back to school. I had thoughts about not coming back, but then a friend e-mailed me and told me that they were offering applications for scholarships for people affected by the flood,” Butts said. “That was my motivation to come back.”

The Extension Fund helped numerous people including Robin Brown of Richwood who lost her home.

Brown received limited relief assistance from the Federal Emergency Management Agency. Managing the clean-up and beginning of the restoration process has been upsetting and challenging for Brown. However, she was overwhelmed by the amount of support she and her family received from WVU and others.

“I was completely overwhelmed when I spoke to the Foundation on the phone. I mean, I cried,” Brown said. “People we have never met, who do not know our names, who have never been to Richwood, have given so, so much.”

In Nicholas County, the Richwood Public Library experienced damage to its floors when floodwaters flowed into the back area of the building. Fortunately, the library’s books, furniture and resources remain in good condition.

In Clay County, the Extension Fund was able to provide enough money to rebuild the playground for H.E. White Elementary School.

“We were amazed at the generosity of Mountaineer nation when we began collecting donations right after the disaster. Now to see this generosity being put to good use to help flood victims is truly heartwarming,” said Greg McCracken, who headed up the flood relief efforts for the WVU Foundation along with Senior Associate Vice President for Finance Jeff Dunn and Director of Finance and Accounting Adam Heller. “We are just happy to be a part of helping others as this long rebuilding process continues for many in southern West Virginia.”



*Students at H.E. White Elementary School in Clay County enjoy the school’s newly renovated playground made possible by donations following last summer’s flooding.*



## Five alumni join Foundation Board of Directors

Five WVU alumni with successful careers in their chosen professions were elected to the board of directors of the WVU Foundation in 2016.

Frank Alderman, MD, of Morgantown is chief executive officer of MedExpress, which is a part of Optum, a UnitedHealth Group company. Dr. Alderman founded MedExpress with the goal of providing a customer-service approach to healthcare by addressing the need for access to patient-centric, high-quality, affordable care. He holds both a bachelor's degree in pharmacy ('89) and a medical degree ('97) from WVU.

Dr. Thomas Arkle III spent 32 years practicing orthodontics in Charlotte, NC, before retiring in 2015. A native of Morgantown, Arkle graduated from the WVU School of Dentistry in 1978 before receiving his MSD in orthodontics from the University of Kentucky. He is the former owner of Arkle & Harris Orthodontics.

William "Bill" Sheedy of San Mateo, Calif., has been with Visa since 1993. He sits on Visa's executive committee and currently leads the global payment system's corporate strategy and mergers and acquisitions efforts, global policy and government relations. Sheedy earned his bachelor's degree in finance from WVU in 1988.

Dee Ann Remo is the chief executive officer and managing director of Heritage Wealth Advisors in Richmond, Va. Remo has over 28 years of experience providing wealth management planning and services. She graduated magna cum laude from WVU in 1985 with a bachelor's degree in accounting.

J. Wayne Richards of Richmond, Texas has spent his career in the oilfield services sector. After earning his bachelor's degree in mining engineering ('81) from WVU, he spent 25 years in a number of senior operational, and sales and marketing positions with Schlumberger. He currently serves as president and chief executive officer of GR Energy Services based in Sugar Land, Texas.



*Alderman*



*Arkle*



*Sheedy*



*Remo*



*Richards*





*The 2017 WVU Foundation Outstanding Philanthropists*

## Foundation honors 2017 outstanding philanthropists

The Foundation each year recognizes individuals and companies who display exceptional generosity, commitment, leadership and proven records of outstanding civil and charitable devotion to WVU.

The 2017 recipients were Verl and Sandra Purdy, Milan Puskar Outstanding Philanthropists; Jack Rossi, Outstanding Volunteer Philanthropist; the Bernard McDonough Foundation, Hazel Ruby McQuain Outstanding Philanthropic Foundation; and Dominion Energy, Outstanding Philanthropic Corporation.

The Purdys have shown tremendous support for WVU, from serving as leaders of various University initiatives to philanthropic support. Their gifts have benefitted the Statler College of Engineering and Mineral Resources, College of Business and Economics, Department of Intercollegiate Athletics and the Alumni Association. A past chairman and current member of the WVU Foundation Board of Directors, Mr. Purdy now serves as national co-chairman of the Foundation's highly successful "State of Minds" Campaign.

Jack Rossi has been a tireless advocate for the WVU Alumni Association and has led grassroots fundraising efforts for the Mountaineer Athletic Club. His gifts to WVU have benefitted WVU Athletics, WVU Alumni Association and WVU Mary Babb Randolph Cancer Center. He is a former chairman and member of the board of directors of the WVU Alumni Association.

The Bernard McDonough Foundation has gifted over \$875,000 to WVU. The Foundation's most recent gift was made to WV FOODLINK, a project of the Food Justice Lab, housed in the Department of Geology and Geography at WVU. Since 1962, the McDonough Foundation has funded thousands of grants statewide with a total value exceeding \$40 million.

The Dominion Energy Charitable Foundation strives to "protect the environment, promote education and help meet basic human needs" in communities served by the company. It awards about \$20 million annually in community impact grants, environmental education and stewardship grants. Over the years, Dominion Energy has gifted more than \$2.7 million to several different units and programs at WVU from Extension and 4-H to Health Sciences.

## Five awarded WVU Foundation Scholarships

Twenty high school seniors from West Virginia competed in April for the University's most prestigious scholarship. Foundation Scholars receive more than \$87,000 to cover college costs for four years of undergraduate studies, including tuition and fees, room and board and a book stipend. They will also each receive a \$4,500 stipend to be used to broaden their horizons through study abroad or academic enhancement opportunities such as internships.

Adam Craig, of Wheeling, has worked toward his college goals throughout high school, holding three jobs during his high school career. Craig "wants to see the world," and will likely use his stipend for travel in Central America. He plans to major in international studies and work on economic development in foreign countries.

Miriam Demasi, of Wheeling, is keenly aware of environmental issues and has developed a building material made from waste paper, fly ash and lime. She was a member of the Wheeling Park High School debate team, and wants to study abroad with Not Impossible Labs, a non-profit engineering organization that uses technology to advance society. Demasi plans to major in biomedical engineering and pursue research in organ and limb development.

Breellen Fleming, of Elizabeth, is already a business owner, creating art in traditional media by commission and graphic arts design. She wants to expand her artistic perspective by traveling to Chile through the College of Creative Arts Global Positioning Studies program. Fleming is the first Wirt County High School student to be named a Foundation Scholar. She plans to major in graphic design and marketing, then stay in West Virginia to help create an entrepreneurial foundation.

Zachary Gilpin, of Morgantown, proved his leadership skills through student government at Morgantown High School where he helped organize Mohigan Idol, an annual talent show that raises money for WVU Children's Hospital. He plans to major in history and to use his stipend to study in a Latin American country where he will focus on relationships between religion, political organizing, economic policy and migratory patterns.

Jessica Hogbin, of Hedgesville, plans to major in history and have a career in academe, teaching at the university level. To underpin her degree with experience, she hopes to spend a semester in Italy to study medieval and Renaissance history and architecture. The Hedgesville High School student was class chaplain, keeping track of major events and offering an ear to her fellow students who had emotional needs.



*Miriam Demasi, Jessica Hogbin, Zachary Gilpin, Breellen Fleming and Adam Craig are the 2017 WVU Foundation Scholars.*



*The Mountaineer Marching Band performs in the 2016 Macy's Thanksgiving Day Parade.*

## Donors contribute record \$172K to 2016 Pride Travel Fund

A record \$172,842 was donated to help the WVU Marching Band travel to the Macy's Thanksgiving Day Parade in New York City and other performances around the state and region. WVU Foundation representatives say 1,282 donors gave to the 2016 Pride Travel Fund Campaign, resulting in the largest amount ever contributed since the Fund was initiated in 2007.

The band had the extraordinary opportunity to lead the 2016 Macy's Thanksgiving Day Parade, performing in front of millions of people live and on national television.

As one of ten marching bands and the only featured collegiate band, the "Pride of West Virginia" paved the Manhattan parade route for floats, balloons and celebrity performers. Then Mountaineer Marching Band Director Jay Drury said the experience was an unforgettable one for all involved.

"Representing West Virginia and the University at such a beloved national event was an honor. We'd like to thank all who contributed to the Pride Travel Fund and made our travel to New York City possible."

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To learn more about the many ways you can give to WVU, visit [wvuf.org](http://wvuf.org) or call the WVU Foundation at 304-284-4000 or 800-847-3856.

*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 services to the University and its affiliated organizations.*





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