



# WKU FOUNDATION

YOUR GIFTS. WKU'S FUTURE.

October 16, 2007

Mr. Bill Payne  
Senior Associate, Finance  
Kentucky Council on Post Secondary Education  
Suite 320, 1024 Capital Center Drive  
Frankfort, KY 40601

Dear Bill,

Enclosed is the report from the Western Kentucky University Foundation and the College Heights Foundation for the Regional University Excellence Trust Fund Endowment Match Program for the academic year 2006-2007. You will find information on 62 endowments valued at a total of \$26,788,398 as of June 30, 2007. The Web site for this information, plus details concerning the Bucks for Brains professorships is <http://www.wku.edu/IA/bucks/report.html>.

This written report will be reviewed and approved by the Board of Trustees of the Western Kentucky University Foundation at their quarterly meeting scheduled for Friday, October 19, 2007. I will send you confirmation of that approval.

Please do not hesitate to contact me or Paula Jarboe, the Treasurer and Trust Accountant of the Foundation, if you have questions or need additional information.

Cordially,

Thomas S. Hiles  
Executive Director

Enclosures

# **WESTERN KENTUCKY UNIVERSITY**

## **Western Kentucky University Foundation, Inc. College Heights Foundation**

### **Endowment Match Program 2006-2007 Summary Report**

This report covers the activities and expenditures supported at Western Kentucky University under the Endowment Match Program. Since the entire allocation for Western Kentucky University was utilized at the end of the 2003-2004 fiscal year, Western Kentucky University did not submit any requests for matching funds to the Council on Postsecondary Education during fiscal year 2006-2007. A total of \$11,772,209 was requested between 1998 and 2004; Council staff processed all of those requests and disbursed the entire amount to Western Kentucky University. WKU then transferred the funds to either the Western Kentucky University Foundation or the College Heights Foundation under custodial agreements. With these funds, the match program has helped create or expand a cumulative total of 62 endowments valued at \$26,788,398 as of June 30, 2007 (Table 7).

Since the program's inception in 1998, private donations and state matching funds supported the addition or expansion of one endowed chair, 21 professorships, 14 scholarship funds and 26 mission support activities at Western Kentucky University (Table 1). As of June 30, most of those activities were operational.

#### *Endowment Activity*

As shown in Table 1, matching program funds were used to create one endowed chair, 21 endowed professorships, 14 endowed scholarships and 26 mission support projects since its inception in 1998. Of these activities, the chair was occupied, 20 of the professorships were occupied or reporting expenditures, twelve of the scholarships made awards and 18 of the mission support projects reported expenditures. As of fiscal year-end, a total of 51 were active. Details concerning these chairs and professorships may be found on our website at [www.wku.edu/IA/bucks](http://www.wku.edu/IA/bucks).

Table 1: Match Program Positions, Programs, and Projects Established  
During Fiscal Year 2006-2007 and Since Program Inception

Activity	2006-2007		1998-2007	
	Number Established	Number* Active	Number Established	Number* Active
Chairs	0	1	1	1
Professorships	0	20	21	20
Fellowships	0	0	0	0
Scholarships	0	12	14	12
Mission Support Projects	0	18	26	18
Totals	0	51	62	51

\* Includes number of faculty positions occupied, number of student aid programs making awards and number of mission support projects recording expenditures.

### *Demographic Information*

The majority of the match program faculty recipients are male. As of June 30, 2007, a total of 19 visiting professors and WKU faculty were receiving honorariums or salary supplements through the program (see Table 2). The occupants of 11 of those positions (or 57.9 percent) were male and eight (or 42.1 percent) were female.

Table 2: Gender of Match Program Faculty and Staff  
As of June 30, 2007

	Male	Female	Total
Chairs	1	0	1
Professors	10	8	18
Staff	0	0	0
Total	11	8	19

The majority of chairs and professors supported through the program are white, non-Hispanics. As can be seen in Table 3, as of June 30, 2007, of the 19 match program faculty, 16 (or 84.2 percent) were white, one (or 5.3 percent) was black and two (or 10.5 percent) were Asian.

Table 3: Race of Endowment Match Program Faculty and Staff  
As of June 30, 2007

	<u>White</u>	<u>Black</u>	Am. <u>Indian</u>	<u>Asian</u>	<u>Hispanic</u>	<u>Total</u>
Chairs	1	0	0	0	0	1
Professorships	15	1	0	2	0	18
Staff	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u><u>16</u></u>	<u><u>1</u></u>	<u><u>0</u></u>	<u><u>2</u></u>	<u><u>0</u></u>	<u><u>19</u></u>

Overall, the number of minority faculty employed through the match program decreased during fiscal year 2007, due to the decrease in the number of visiting professors. By the end of the year, 15.8 percent of all faculty supported with program funds were minorities. This represents a slight decrease of 2.1 percent in the number of minority faculty employed between fiscal year-end 2006 and 2007.

The number of students receiving financial aid awards through the program increased during 2006-2007. During the fiscal year, a total of 44 undergraduate and graduate students received scholarship awards that were funded with endowment proceeds (see Table 4). This represented an increase of 133.33 percent from 2005-2006. However, nine of the scholarship recipients (or 20.4 percent) were minority students, which is a 3.84 percent decrease from last year.

Table 4: Gender and Race of Match Program Financial Aid Recipients  
For Awards Made During Fiscal Year 2006-2007

	<u>White</u>	<u>Black</u>	<u>Am. Indian</u>	<u>Asian</u>	<u>Hispanic</u>	<u>Total</u>
Scholarship Recipients						
Male	10	7	0	0	0	17
Female	<u>25</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27</u>
Total	<u>35</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>44</u>

In terms of gender, the majority of financial aid recipients were female. Seventeen of the 44 scholarship recipients (38.6 percent) were male and twenty seven were female (61.4 percent). The number of total scholarship recipients increased between fiscal years 2006 and 2007; the number of females increased from 19 to 27 and the number of male recipients increased from 14 to 17.

#### *Sources of Funds*

During fiscal year 2006-07, Western Kentucky University did not receive any state funds through the Endowment Match Program (Table 6). All state funds were previously matched with cash gifts and pledges from private sources through the Western Kentucky University Foundation and College Heights Foundation. Since 1998, a total of \$24,443,689 in private and state funds were used to create or expand 62 endowments. Over half of the funds received from private sources was cash or cash equivalent gifts (\$12,084,196 or 95.4 percent) and the remainder is in outstanding pledges (\$587,284 or 4.6 percent).

#### *Areas of Concentration*

The 2002-2004 Endowment Match Program Guidelines stipulate that 50 percent of any matching gifts and pledges received after October 1, 2003, must be used to support the Programs of Distinction at comprehensive institutions. All gifts and pledges used by WKU for this matching program were documented before this deadline. However, Western Kentucky University has two approved Programs of Distinction: The Center for the 21st Media and The Applied Research and Technology Program. Through June 30, 2007, Western Kentucky University received all \$11,772,209 of its 1998-2004 match program appropriation. That amount was matched with \$11,972,810 in cash gifts and pledges, bringing the total amount of the 1998-2004 program funds to \$23,745,019. Of that amount, \$6,851,000 or 28.9 percent will be

used to support positions in the Council on Postsecondary Education Programs of Distinction for WKU and \$8,874,249 or 37.3 percent will be used to support the new economy priority areas. Those priority areas include: Human Health and Development (25.9 percent), Biosciences (.4 percent), Materials Science and Advanced Manufacturing (0.0 percent), Information Technologies and Communications (11 percent), and Environmental and Energy Technologies (0.0 percent).

Table 5: Match Program Funds Dedicated to Council Priority Areas  
For All Matched Appropriation Funds

	<u>State Funds *</u>	<u>Private Funds **</u>	<u>Total Funds</u>	<u>Percent of Total</u>
<b>Programs of Distinction</b>				
Applied Research and Technology	\$2,839,500	\$ 2,839,500	\$5,679,000	24.0%
Center for 21st Media	<u>586,000</u>	<u>586,000</u>	<u>1,172,000</u>	<u>4.9%</u>
Sub-total	3,425,500	3,425,500	6,851,000	28.9%
<b>New Economy Areas</b>				
Human Health	3,058,579	3,093,670	6,152,249	25.9%
Biosciences	50,000	50,000	100,000	.4%
Materials Science	-	-	-	-
Information Tech	1,311,000	1,311,000	2,622,000	11.0%
Environmental Tech	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total	4,419,579	4,454,670	8,874,249	37.3%
<b>Other Disciplines</b>	3,927,130	4,092,640	8,019,770	33.8%
<b>Total</b>	<u>\$ 11,772,209</u>	<u>\$11,972,810</u>	<u>\$23,745,019</u>	<u>100.0%</u>

\* Includes all match program appropriation funds received by the university.

\*\* Includes only cash gifts and pledges that were used to match appropriation funds received.

There is no remaining unmatched balance of Western Kentucky University's match program appropriation.

### *Earnings and Expenditures*

As of June 30, 2007, the total market value of the 62 endowment accounts established under the Endowment Matching Program was \$26,788,398 (Table 7). Of that amount, \$11,772,209 (or 43.95 percent) were state funds and \$15,016,189 (or 56.05 percent) were gift funds, interest income and market growth. Foundation records show an outstanding balance of \$587,284 in unpaid pledges on these accounts. Over \$840,000 was expended for program activities during the fiscal year ending June 30, 2007.

**Western Kentucky University Foundation  
Western Kentucky University Foundation and College Heights Foundation  
Table 6: Endowments Established or Expanded with State Funds  
During Fiscal Year 2006-07**

<u>Endowment Name</u>	<u>Date Established/ Expanded</u>	<u>State Funds</u>	<u>Private Funds</u>			<u>Grand Total</u>
			<u>Gifts</u>	<u>Pledges</u>	<u>Total</u>	
<b>Endowments Established:</b>						
None		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Endowments Expanded:</b>						
None		-	-	-	-	-
<b>Grand Total</b>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**Western Kentucky University**  
**Western Kentucky University Foundation and College Heights Foundation**  
**Table 7: Components of Change in Endowment Market Value**  
**From Beginning to End of Fiscal Year 2006-07**

Endowment Title	Date Established	Prior to 7/1/06				Year 7/1/06-6/30/07				
		State Funds Received	Gifts Received	Market Value 6/30/2006	Outstanding Pledges 6/30/2006	Gifts Received	Investment Earnings (Loss)	Earnings Expended 2006-07	Market Value 6/30/2007	Outstanding Pledges 6/30/2007
<b>Existing Endowments:</b>										
Laura Goad Turner Foundation Fund for Excellence in Symphony	9/23/2003	\$ 125,000	\$ 70,000	\$ 192,561	\$ 55,000	\$ 25,000	\$ 18,107	\$ (7,500)	228,168	30,000
Dorris J. Hutchison Scholarship Fund	9/6/2003	155,000	230,001	324,521	100,000	40,000	26,384	(6,000)	384,905	60,000
BB&T Visiting Professorship Fund	8/28/2003	250,000	150,000	460,148	100,000	50,000	42,607	(10,118)	542,636	50,000
Wendell Cherry Visiting Professorship in Business Leadership & Ethics	7/16/2003	250,000	150,000	455,831	100,000	50,000	41,685	(5,932)	541,583	50,000
Rafferty's Inc. Endowed Scholarship Fund	7/10/2003	100,000	25,000	148,175	75,000	30,000	14,256	(2,342)	190,089	45,000
Turner Professorship in Journalism	7/1/2003	500,000	500,290	1,132,098	-	-	101,860	(13,418)	1,220,541	-
Gildersleeve Fund for Geology and Geography	6/6/2003	50,000	42,087	99,002	7,913	-	8,902	(2,706)	105,198	7,913
Athena Cage Scholarship Fund	5/15/2003	50,000	10,198	27,602	39,802	-	2,470	(1,315)	28,757	39,802
Confidential Visiting Professorship in Education	4/28/2003	250,000	145,000	444,905	105,000	105,000	20,156	(12,132)	557,928	-
Pelino Fund for Excellence in Communications	12/31/2002	50,000	25,205	85,050	24,794	15,030	7,879	(1,036)	106,924	9,764
Commonwealth Health Corporation Scholarships	5/31/2002	500,000	500,000	1,099,530	-	187,500	104,677	(221,648)	1,170,058	-
Paul G. & Ernestine G. Hatcher Modern Languages Lecture Series	11/6/2001	25,000	17,035	42,302	7,965	5,000	3,995	(687)	50,610	2,965
Walter N. Scott Professorship in Biology	12/4/2000	250,000	150,000	469,592	100,000	50,000	43,774	(7,132)	556,234	50,000
Mr. and Mrs. Raymond Simmons Agriculture Scholarship Fund	5/28/2003	50,000	33,613	93,151	16,387	-	8,644	(3,000)	98,795	16,387
Frocht Family Professorship in History	3/21/2003	500,000	500,000	1,129,409	-	-	100,585	(39,570)	1,190,424	-
Greenview Regional Hospital Fund for Nursing	3/14/2003	100,000	100,000	238,342	-	-	21,445	(2,739)	257,049	-
Glenn R. and Joan B. Garrison Scholarship Fund	11/7/2002	100,000	100,594	228,398	-	-	20,965	(7,500)	241,863	-
Excellence Fund for Music - Symphony	10/16/2002	50,000	59,121	129,021	-	417	11,628	(1,485)	139,580	-
Thomas R. and Judith L. Hunt Scholarship Fund	10/9/2002	50,000	25,041	88,932	24,959	-	10,587	-	99,519	24,959
Tom and Nancy Baird Kentucky Library Endowment	9/30/2002	50,000	53,550	119,078	-	-	11,026	(1,000)	129,104	-
Caleb Slaton/Logan Aluminum Endowed Scholarship Fund	7/31/2002	50,000	50,000	103,327	-	-	9,408	(5,000)	107,735	-
Dero Downing Spirit Makes The Master Scholarship	6/24/2002	90,000	90,000	193,187	-	-	17,644	(12,750)	198,081	-
Budde Fund for Excellence in Journalism	5/29/2002	86,000	64,438	175,644	21,562	15,562	16,478	(2,452)	205,231	6,000
Gifted Studies Professorship	5/9/2002	500,000	227,472	850,815	272,579	235,945	82,401	(16,204)	1,152,958	36,634
Sofia International Faculty Fund for Excellence	1/31/2002	200,000	112,536	365,451	87,464	12,464	33,275	(4,259)	406,932	75,000
Pat Eubank French Memorial Scholarship Fund	12/17/2001	54,630	43,785	108,195	16,215	3,380	10,038	(2,500)	119,113	12,835
Betty Lou Smith Scholarship and Ben Corbin Memorial Scholarship	5/24/2001	80,000	66,525	153,845	13,475	16,000	13,375	(14,932)	168,288	-
Zuheir & Susan Sofia Scholarship Fund for International Students	10/31/1998	250,000	163,280	462,339	86,720	55,400	43,280	(18,313)	542,706	31,320
Harlin Parker Scholarship Fund	12/31/2001	10,000	9,555	23,943	445	2,000	2,240	-	28,183	-
Kerr - Greulich Endowment for Ogden College	3/30/2001	114,500	167,100	309,564	18,400	31,000	28,336	(12,209)	356,691	-
Service One Credit Union Endowed Scholarship Fund	2/1/2001	10,000	36,920	48,239	-	9,420	4,364	(2,060)	59,964	-
Tom Gorin Dean's Fund for Excellence	12/31/2000	25,000	25,000	54,114	-	-	4,863	(1,230)	57,746	-
Cangemi Faculty Award for COE	9/4/2000	15,000	17,500	38,127	500	-	3,350	(1,428)	40,048	500
Moseley-Watkins Fund for Excellence in English	8/10/2000	2,500	7,375	11,418	125	83	1,031	(132)	12,400	42
Gordon Ford College of Business Endowment	8/4/2000	50,000	50,020	112,575	-	-	10,014	(3,591)	118,998	-
Bramham/Collins Visual & Performing Guest Artist Endowment	8/1/2000	60,000	60,000	122,586	-	-	10,993	(4,570)	129,009	-
Lester and Dorothy Reeves Institutional Fund for Gerontology	8/1/2000	100,000	100,172	220,642	-	-	3,407	(1,000)	223,049	-
M. Eddie Carter Gifted Studies Faculty Fund	7/27/2000	25,000	-	53,318	-	-	4,704	(2,247)	55,775	-
Knically Professorship in Leadership Studies	7/19/2000	500,000	461,836	1,006,513	38,164	-	90,222	(18,521)	1,078,215	38,164
Jim Scott Professorship	7/10/2000	1,000,000	1,001,000	1,999,233	-	-	178,107	(64,814)	2,112,526	-
Bell Fund for Civil Engineering	6/30/2000	125,000	125,000	232,990	-	470	20,989	(6,716)	247,733	-
Gail Martin Lecture & Faculty Development Series	6/12/2000	25,000	29,985	96,815	-	2,155	8,632	(4,860)	102,742	-
Minority Teacher Support Endowment	6/12/2000	25,000	41,237	73,237	-	9,385	6,919	(2,887)	86,654	-
Larry B. Shelton Dean's Fund for Excellence	5/25/2000	15,000	15,000	31,900	-	-	2,865	(531)	34,235	-

Endowment Title	Date Established	Prior to 7/1/06				Year 7/1/06-6/30/07				
		State Funds Received	Gifts Received	Market Value 6/30/2006	Outstanding Pledges 6/30/2006	Gifts Received	Investment Earnings (Loss)	Earnings Expended 2006-07	Market Value 6/30/2007	Outstanding Pledges 6/30/2007
Ward Visiting Professorship for Women's Studies	5/25/2000	110,000	110,000	193,770	-	-	17,213	(9,781)	201,202	-
College of Education Dean's Fund for Excellence	5/18/2000	12,500	12,500	27,186	-	-	2,448	(786)	28,848	-
Gordon Ford College of Business Dean's Fund for Excellence	5/18/2000	12,500	12,500	27,733	-	-	2,496	(467)	29,762	-
Ogden College of Science and Engineering Dean's Fund for Excellence	5/18/2000	12,500	12,500	25,969	-	-	2,336	(298)	28,006	-
Potter College of Arts Dean's Fund for Excellence	5/18/2000	12,500	12,503	27,357	-	-	2,461	(314)	29,503	-
Johnson & St. Clair Center for Gifted Studies Faculty Support	5/12/2000	12,500	12,500	28,519	-	-	2,569	(328)	30,759	-
Boyd-Lubker Visiting Scholars Program	5/4/2000	100,000	100,100	204,691	-	-	18,415	(9,047)	214,059	-
Faculty Fund for Excellence in Ogden College/Hard Sciences	4/27/2000	5,870	5,870	3,171	-	-	286	(37)	3,420	-
Hall Professorship in Construction Engineering	1/18/2000	500,000	500,001	996,499	-	-	89,350	(23,291)	1,062,557	-
Wm. M. McCormack Professorship	1/11/2000	500,000	500,000	1,073,242	-	-	96,323	(21,163)	1,148,401	-
Leon Page Professorship in Banking & Financial Planning	1/10/2000	500,000	500,000	951,427	-	-	85,004	(29,063)	1,007,368	-
CHC/Centercare Visiting Professorship	1/7/2000	315,209	350,000	661,288	-	-	59,046	(22,799)	697,536	-
J. Clifford Todd Professor in Longevity and Healthful Living	10/31/1999	500,000	500,000	1,239,042	-	-	115,266	(42,905)	1,311,403	-
Hays Watkins Visiting CEO Professorship	9/28/1999	311,000	336,000	707,599	-	284,320	64,531	(8,529)	1,047,920	-
Jerry E. Baker Professorship in Music	1/28/1999	500,000	501,166	1,083,042	-	-	96,638	(34,285)	1,145,395	-
Mary R. Nixon Professorship in Accounting	1/4/1999	500,000	501,545	1,096,452	-	-	98,152	(26,451)	1,168,154	-
Mattie Newman Ford Professorship in Entrepreneurship	11/19/1998	500,000	501,528	1,048,842	-	-	93,698	(38,649)	1,103,891	-
Layne Professorship in Mechanical Engineering	9/25/1998	500,000	500,000	979,107	-	2,482	87,920	(24,272)	1,045,237	-
<b>Grand Total</b>		<b>\$ 11,772,209</b>	<b>\$ 10,846,183</b>	<b>\$ 24,230,599</b>	<b>\$ 1,312,469</b>	<b>\$ 1,238,013</b>	<b>\$ 2,162,716</b>	<b>\$ (842,930)</b>	<b>\$ 26,788,398</b>	<b>\$ 587,284</b>

FD-21 Endowment Match Program Outcome Measures Report  
Fiscal Years 2006 and 2007  
Due Date: October 15

	FY 2006	FY 2007
<b>Annual Giving</b>		
Amount of Voluntary Support Received by the University	\$ 14,485,097	\$ 17,555,695
Amount of Voluntary Support Anticipated to be Matched	\$ -	\$ -
<b>Endowment Market Value</b>		
Market Value of University and Foundation Endowment Assets	\$ 86,000,000	\$ 102,155,000
Market Value of Match Program Endowment Assets	\$ 24,270,401	\$ 26,788,398
<b>Chairs and Professorships</b>		
Number of University Endowed Chairs	1	1
Number of Match Program Endowed Chairs	1	1
Number of University Endowed Professorships	29	29
Number of Match Program Endowed Professorships	21	21
<b>R&amp;D Expenditures</b>		
Amount of Federal R&D Expenditures Generated by the University	\$ 7,256,980	\$ 8,400,257
Amount of Federal R&D Expenditures Generated by Match Program Faculty	\$ -	\$ -
Amount of Extramural R&D Expenditures Generated by the University	\$ 654,346	\$ 558,969
Amount of Extramural R&D Expenditures Generated by Match Program Faculty	\$ -	\$ -
<b>Invention Disclosures and Patents</b>		
Number of Invention Disclosures Received by the University	4	27
Number of Invention Disclosures Generated by Match Program Faculty	-	-
Number of U.S. Patent Applications Filed by the University	-	-
Number of U.S. Patent Applications Generated by Match Program Faculty	-	-
Number of New U.S. Patent Applications Filed by the University	-	2
Number of New U.S. Patent Applications Generated by Match Program Faculty	-	-
Number of U.S. Patents Issued to the University	-	-
Number of U.S. Patents Generated by Match Program Faculty	-	-
<b>License/Option Agreements</b>		
Number of Licenses/Options Executed by the University	-	1
Number of Licenses/Options Generated by Match Program Faculty	-	-
Number of Active Licenses/Options Executed by the University	1	1
Number of Active Licenses/Options Generated by Match Program Faculty	-	-
Amount of License Income Received by the University	\$ -	\$ 5,500
Amount of License Income Generated by Match Program Faculty	\$ -	\$ -
<b>Start-Up Activity</b>		
Number of Start-Up Companies Formed / Dependent on University Technology	-	-
Number of Start-Up Companies Formed / Generated by Match Program Faculty	-	-
Number of Start-Up Companies Formed / Operating In-State	17	-

Note: Match program figures are subsets of university-level data. As such, institutional totals reported above should include match program data.