

WKU

F O U N D A T I O N

August 22, 2017

Dr. Bill Payne
Assistant Vice President, Finance
Kentucky Council on Postsecondary 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 2016-2017. You will find information on 78 endowments valued at a total of \$35,443,862 as of June 30, 2017. The website for this report is www.wku.edu/bucks/index.php.

This written report was reviewed and approved by the Board of Trustees of the Western Kentucky University Foundation today, Friday, August 18, 2017.

Please do not hesitate to contact me or Paula Jarboe, Chief Financial Officer of the WKU Foundation, if you have questions or need additional information.

Best regards,



Marc L. Archambault
President
Western Kentucky University Foundation



WESTERN KENTUCKY UNIVERSITY

Western Kentucky University Foundation, Inc. College Heights Foundation

Endowment Match Program 2016-2017 Summary Report

This report covers the activities and expenditures supported at Western Kentucky University under the Endowment Match Program. Western Kentucky University submitted requests for all allocated matching funds to the Council on Postsecondary Education. These were disbursed before June 30, 2010. A total of \$14,211,209 has been requested since 1998; 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 78 endowments valued at \$35,443,862 as of June 30, 2017 (Table 7).

Since the program's inception in 1998, private donations and state matching funds supported the addition or expansion of two endowed chairs, 25 professorships, 16 scholarship funds and 35 mission support activities at Western Kentucky University (Table 1). As of June 30, all of those activities were operational.

Endowment Activity

As shown in Table 1, matching program funds were used to create two endowed chairs, 25 endowed professorships, 16 endowed scholarships and 35 mission support projects since its inception in 1998. Of these activities, the two chairs, the 25 professorships were occupied or

reporting expenditures, 16 of the scholarships made awards and 35 of the mission support projects reported expenditures. As of fiscal year-end, all 78 were active. Details concerning these chairs and professorships may be found on our website at www.wku.edu/bucks/index.php.

Table 1: Match Program Positions, Programs, and Projects Established During Fiscal Year 2016-2017 and Since Program Inception

Activity	2016-2017		1998-2017	
	Number Established	Number* Active	Number Established	Number* Active
Chairs	0	2	2	2
Professorships	0	25	25	25
Fellowships	0	0	0	0
Scholarships	0	16	16	16
Mission Support Projects	0	35	35	35
Totals	0	78	78	78

* 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, 2017, a total of 27 visiting professors and WKU faculty were receiving honorariums or salary supplements through the program (see Table 2). The occupants of 14 of those positions (or 51.8 percent) were male and 13 (or 48.2 percent) were female.

Table 2: Gender of Match Program Faculty and Staff
As of June 30, 2017

	Male	Female	Total
Chairs	1	0	1
Professors	12	11	23
Staff	1	2	3
Total	14	13	27

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, 2017, of the 27 match program faculty, 21 (or 77.8 percent) were white, two (or 7.4 percent) were black, and four (or 14.8 percent) were Asian. While the total number decreased, this represents an increase in the percentage of minorities supported by the program.

Table 3: Race of Endowment Match Program Faculty and Staff
As of June 30, 2017

	White	Black	Am. Indian	Asian	Hispanic	Total
Chairs	0	0	0	1	0	1
Professorships	18	2	0	3	0	23
Staff	3	0	0	0	0	3
Total	21	2	0	4	0	27

Overall, the number of faculty employed through the match program decreased from fiscal year 2016 to fiscal year 2017. By the end of the year, 22.2 percent of all faculty supported with program funds were minorities. This represents an increase in the percentage of minority faculty employed between fiscal year-end 2016 and 2017.

The number of students receiving financial aid awards through the program increased during 2016-2017 by 54 students. During the fiscal year, a total of 126 undergraduate and graduate students received scholarship awards that were funded with endowment proceeds (see Table 4). Thirty-one of the scholarship recipients (or 24.6 percent) were minority students, which is a slight increase in percentage from last year.

Table 4: Gender and Race of Match Program Financial Aid Recipients
For Awards Made During Fiscal Year 2016-2017

	<u>White</u>	<u>Black</u>	<u>Am. Indian</u>	<u>Asian</u>	<u>Hispanic</u>	<u>Total</u>
Scholarship Recipients						
Male	32	7	0	3	2	44
Female	<u>63</u>	<u>11</u>	<u>0</u>	<u>5</u>	<u>3</u>	<u>82</u>
Total	<u><u>95</u></u>	<u><u>18</u></u>	<u><u>0</u></u>	<u><u>8</u></u>	<u><u>5</u></u>	<u><u>126</u></u>

In terms of gender, the majority of financial aid recipients were female. Forty-four of the 126 scholarship recipients (34.9 percent) were male and 82 were female (65.1 percent). The overall number of total scholarship recipients increased from 72 to 126 between fiscal years 2016 and 2017; the number of females increased from 44 to 82 and the number of male recipients increased from 28 to 44.

Sources of Funds

During fiscal year 2016-17, Western Kentucky University did not receive any additional state funds through the Endowment Match Program (Table 6). All previous state funds were matched with cash gifts and pledges from private sources through the Western Kentucky University Foundation and College Heights Foundation. Since 1998, a total of \$32,913,175 in private and state funds was used to create or expand 78 endowments. Over half of the funds received from private sources was in cash or cash equivalent gifts (\$18,510,492 or 98.97 percent) and the remainder is in outstanding pledges (\$191,474 or 1.02 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, 2017, Western Kentucky University received all \$14,211,209 of its 1998-2015 match program appropriation. That amount was matched with \$18,701,966 in cash gifts and pledges, bringing the total amount of the 1998-2017 program funds to \$32,913,175. Of that amount, \$12,146,932 or 36.9 percent will be used to support positions in the Council on Postsecondary Education Programs of Distinction for

WKU and \$9,467,849 or 28.8 percent will be used to support the new economy priority areas. Those priority areas include: Human Health and Development (18.5 percent), Biosciences (.3 percent), Materials Science and Advanced Manufacturing (0.0 percent), Information Technologies and Communications (10.0 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>
Programs of Distinction				
Applied Research and Technology	\$3,989,000	\$ 6,457,432	\$10,446,432	31.7%
Center for 21st Media	<u>736,000</u>	<u>964,500</u>	<u>1,700,500</u>	<u>5.2%</u>
Sub-total	4,725,000	7,421,932	12,146,932	36.9%
New Economy Areas				
Human Health	2,881,079	3,193,989	6,075,068	18.5%
Biosciences	50,000	50,000	100,000	.3%
Materials Science	-	-	-	-
Information Tech	1,413,500	1,879,281	3,292,781	10.0%
Environmental Tech	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total	4,344,579	5,123,270	9,467,849	28.8%
Other Disciplines	5,141,630	6,156,764	11,298,394	34.3%
Total	<u>\$ 14,211,209</u>	<u>\$18,701,966</u>	<u>\$32,913,175</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.

WKU's 2008-10 match program appropriation equals \$2,439,000. As of June 30, 2010, all requests were submitted and fully matched.

Earnings and Expenditures

As of June 30, 2017, the total market value of the 78 endowment accounts established under the Endowment Matching Program was \$35,443,862 (Table 7). Of that amount, \$14,211,209 (or 40.1 percent) was state funds and \$21,232,653 (or 59.9 percent) was gift funds, interest income and market growth or loss. Foundation records show an outstanding balance of \$191,474 in unpaid pledges on these accounts. As of June 30, 2017, \$1,026,886 was expended for program activities during the fiscal year.

Table 6

**Western Kentucky University
Endowments Established or Expanded with State Funds
During Fiscal Year 2016-2017**

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

Western Kentucky University
Western Kentucky University Foundation
Table 7: Components of Change in Endowment Market Value
From Beginning to End of Fiscal Year 2016-2017

Endowment Title	Date Established	Prior to 7/1/16				Year 7/1/16-6/30/17					
		State Funds Received	Gifts Received	Market Value 6/30/2016	Outstanding Pledges 6/30/2016	State Funds Received	Gifts Received	Investment Earnings (Loss)	Earnings Expended 2016-2017	Market Value 6/30/2017	Outstanding Pledges 6/30/2017
Existing Endowments:											
Jim Scott Professorship	7/10/2000	1,000,000	1,001,500	1,657,331	-	-	-	171,054	(25,617)	1,802,768	-
Gail Martin Lecture & Faculty Development Series	6/12/2000	25,000	33,530	82,058	-	-	-	8,224	(3,980)	86,302	-
Layne Professorship in Mechanical Engineering	9/25/1998	475,000	476,000	772,839	-	-	-	79,765	(11,945)	840,659	-
Mattie Newman Ford Professorship in Entrepreneurship	11/19/1998	500,000	501,528	944,662	-	-	-	96,266	(28,247)	1,012,681	-
Mary R. Nixon Professorship in Accounting	1/4/1999	500,000	501,585	1,082,822	-	-	-	110,051	(35,629)	1,157,245	-
Jerry E. Baker Professorship in Music	1/28/1999	500,000	501,416	916,170	-	-	-	94,559	(14,146)	996,584	-
Hays Watkins Visiting CEO Professorship	9/28/1999	311,000	696,239	1,083,492	-	-	50,000	110,929	(35,465)	1,208,955	-
Leon Page Professorship in Banking & Financial Planning	1/10/2000	500,000	500,000	857,415	-	-	-	86,066	(40,128)	903,353	-
CHC/Centercare Visiting Professorship	1/7/2000	315,209	350,000	631,565	-	-	-	64,713	(14,972)	681,306	-
Hall Professorship in Construction Engineering	1/18/2000	500,000	502,413	810,315	-	-	5,000	83,857	(12,556)	886,617	-
Wm. M. McCormack Professorship	1/11/2000	500,000	500,000	1,077,427	-	-	-	108,771	(43,529)	1,142,669	-
Cangemi Faculty Award for COE	9/4/2000	14,500	17,500	34,126	-	-	-	3,421	(1,651)	35,895	-
Faculty Fund for Excellence in Ogden College/Hard Sciences	4/27/2000	5,870	5,870	11,808	-	-	-	1,218	(185)	12,841	-
Ward Visiting Professorship for Women's Studies	5/25/2000	110,000	110,000	159,092	-	-	-	16,419	(2,459)	173,052	-
College of Education Dean's Fund for Excellence	5/18/2000	12,500	12,750	30,311	-	-	-	3,065	(1,449)	31,928	-
Gordon Ford College of Business Dean's Fund for Excellence	5/18/2000	12,500	12,500	24,132	-	-	-	2,422	(1,129)	25,425	-
Ogden College of Science and Engineering Dean's Fund for Excellence	5/18/2000	12,500	12,505	29,931	-	-	-	3,003	(1,417)	31,516	-
Potter College of Arts Dean's Fund for Excellence	5/18/2000	12,500	13,263	30,739	-	-	-	3,082	(1,472)	32,349	-
Larry B. Shelton Dean's Fund for Excellence	5/25/2000	15,000	15,000	28,251	-	-	-	2,835	(1,326)	29,760	-
Johnson & St. Clair Center for Gifted Studies Faculty Support	5/12/2000	12,500	12,500	32,293	-	-	-	3,332	(511)	35,114	-
Bell Fund for Civil Engineering	6/30/2000	125,000	125,910	236,386	-	-	-	24,397	(3,654)	257,129	-
M. Eddie Carter Gifted Studies Faculty Fund	7/27/2000	25,000	25,000	56,324	-	-	-	5,811	(890)	61,245	-
Knically Professorship in Leadership Studies	7/19/2000	500,000	504,420	1,103,857	-	-	-	110,693	(52,882)	1,161,668	-
Moseley-Watkins Fund for Excellence in English	8/10/2000	2,500	7,566	10,098	-	-	-	1,042	(156)	10,984	-
Boyd-Lubker Visiting Scholars Program	5/4/2000	100,000	100,100	187,866	-	-	-	18,833	(9,066)	197,633	-
Bramham/Collins Visual & Performing Guest Artist Endowment	8/1/2000	60,000	60,000	112,241	-	-	-	11,375	(4,049)	119,567	-
Gordon Ford College of Business Endowment	8/4/2000	50,000	64,395	100,088	-	-	-	10,330	(1,549)	108,868	-
Minority Teacher Support Endowment	6/12/2000	25,000	56,067	87,717	-	-	-	8,800	(3,971)	92,546	-
Tom Gorin Dean's Fund for Excellence	12/31/2000	25,000	25,000	48,122	-	-	-	4,835	(2,206)	50,751	-
Service One Credit Union Endowed Scholarship Fund	2/1/2001	10,000	143,278	144,051	-	-	-	16,361	(7,226)	153,187	-
Kerr - Greulich Endowment for Ogden College	3/30/2001	114,500	1,437,947	1,495,645	-	-	203,193	162,911	(67,010)	1,794,740	-
Sofia International Faculty Fund for Excellence	1/31/2002	200,000	215,102	490,155	-	-	-	49,146	(23,550)	515,750	-
Excellence Fund for Music - Symphony	10/16/2002	25,000	55,187	79,814	-	-	-	7,973	(4,063)	83,725	-
Gifted Studies Professorship	5/9/2002	500,000	500,000	1,204,053	-	-	-	120,884	(56,095)	1,268,842	-
Budde Fund for Excellence in Journalism	5/29/2002	86,000	98,500	185,107	-	-	-	19,100	(2,919)	201,288	-
Commonwealth Health Corporation Scholarships	5/31/2002	500,000	687,500	1,298,758	-	-	-	134,045	(20,074)	1,412,729	-

Endowment Title	Date Established	Prior to 7/1/16				Year 7/1/16-6/30/17					
		State Funds Received	Gifts Received	Market Value 6/30/2016	Outstanding Pledges 6/30/2016	State Funds Received	Gifts Received	Investment Earnings (Loss)	Earnings Expended 2016-2017	Market Value 6/30/2017	Outstanding Pledges 6/30/2017
Excellence Fund for Music - Choral Society	10/16/2002	25,000	25,000	50,004	-	-	5,068	(1,898)	53,175	-	
Greenview Regional Hospital Fund for Nursing	3/14/2003	100,000	100,000	217,351	-	-	22,431	(3,377)	236,405	-	
Frocht Family Professorship in History	3/21/2003	500,000	504,000	1,052,983	-	-	105,999	(47,519)	1,111,463	-	
Confidential Visiting Professorship in Education	4/28/2003	250,000	250,000	558,851	-	-	56,064	(26,517)	588,398	-	
Gildersleeve Fund for Geology and Geography	6/6/2003	50,000	50,500	95,376	-	-	9,746	(1,436)	103,685	-	
Turner Professorship in Journalism	7/1/2003	500,000	500,290	1,053,441	-	-	108,602	(18,966)	1,143,077	-	
Rafferty's Inc. Endowed Scholarship Fund	7/10/2003	100,000	100,000	238,974	-	-	24,531	(5,171)	258,334	-	
Wendell Cherry Visiting Professorship in Business Leadership & Ethics	7/16/2003	250,000	250,000	508,807	-	-	51,522	(18,843)	541,487	-	
Walter N. Scott Professorship in Biology	12/4/2000	224,500	350,080	709,929	-	-	73,244	(11,282)	771,891	-	
BB&T Visiting Professorship Fund	8/28/2003	250,000	252,450	495,522	-	-	49,666	(24,004)	521,184	-	
Pelino Fund for Excellence in Communications	12/31/2002	50,000	75,003	144,489	-	-	14,492	(6,895)	152,085	-	
Fleishcaker/Greene Fund for Excellence in First Amendment Issues	9/4/2007	150,000	325,000	620,623	-	-	63,998	(15,464)	680,157	-	
US Bank Fund for Excellence in Music	5/15/2003	28,000	28,020	55,309	-	-	5,667	(1,317)	59,658	-	
Jarve Endowed Honors College Professorship	6/20/2008	500,000	400,000	1,051,324	-	-	106,209	(50,329)	1,107,203	-	
Leichhardt Professorship in Horticulture	9/25/2008	500,000	510,590	1,019,221	-	-	103,994	(29,035)	1,094,181	-	
Innovation in Sustainability	10/10/2008	50,000	54,000	120,241	-	-	12,477	(1,989)	132,730	-	
County	8/24/2009	50,000	50,000	106,703	-	-	10,995	(1,842)	115,856	-	
Endowment for Research	4/9/2009	172,500	-	261,201	172,500	(51,026)	25,717	(4,406)	231,487	121,474	
Jones Fund for Excellence in the Honors College	6/23/2014	25,000	10,000	30,505	15,000	-	5,000	(520)	38,520	10,000	
Endowment	10/17/2014	102,500	167,054	268,979	-	-	103,898	31,201	(5,457)	398,621	-
John & Carolyn Ridley Fund for Excellence in Honors College	10/22/2015	25,000	1,000	26,207	25,000	-	5,000	2,942	(781)	33,368	20,000
WRECC Fund for Engineering	6/30/2016	50,000	-	50,000	50,000	-	10,000	5,351	(634)	64,717	40,000
Clinical Education Complex Endowment for Excellence	7/1/2016	-	-	-	-	51,026	50,026	4,088	(664)	104,476	-
J. Clifford Todd Professor in Longevity and Healthful Living	10/31/1999	500,000	525,697	1,010,225	-	-	101,201	(49,523)	1,061,903	-	
Lester and Dorothy Reeves Institutional Fund for Gerontology	8/1/2000	100,000	100,172	195,842	-	-	19,643	(9,339)	206,147	-	
Paul G and Ernestine G Hatcher Modern Language Fund	11/6/2001	25,000	25,000	53,267	-	-	5,340	(2,570)	56,038	-	
Laura Goad Turner Foundation Fund for Excellence in Symphony	9/23/2003	125,000	125,000	218,898	-	-	21,940	(10,609)	230,228	-	
Ritter Family Professorship	5/8/2009	500,000	1,200,000	1,831,061	-	-	89,116	(18,327)	1,901,850	-	
WKU Foundation		12,884,579	15,860,926	29,182,392	262,500	(0)	445,117	2,894,370	(905,886)	31,615,993	191,474
Dorris J Hutchison Scholarship Fund	9/6/2003	155,000	390,466	543,150	-	-	25,913	(22,000)	547,063	-	
Mr. and Mrs. Raymond Simmons Agriculture Scholarship Fund	5/28/2003	50,000	50,115	112,180	-	-	4,877	(3,000)	114,057	-	
Glenn R. and Joan B. Garrison Scholarship Fund	11/7/2002	100,000	123,344	247,424	-	-	10,693	(10,000)	248,117	-	
Thomas R. and Judith L. Hunt Scholarship Fund	10/9/2002	50,000	50,041	163,215	-	-	7,150	-	170,365	-	
Tom and Nancy Baird Kentucky Library Endowment	9/30/2002	50,000	57,792	120,304	-	-	5,270	-	125,574	-	
Caleb Slaton/Logan Aluminum Endowed Scholarship Fund	7/31/2002	50,000	55,500	97,563	-	-	10,935	(4,000)	104,498	-	
Dero Downing Spirit Makes the Master Scholarship	6/24/2002	90,000	90,075	171,219	-	-	18,177	(8,000)	181,396	-	
Harlin Parker Scholarship Fund	12/31/2001	72,802	59,753	152,420	-	-	6,678	-	159,098	-	
Pat Eubank French Memorial Scholarship Fund	12/17/2001	54,630	54,630	119,292	-	-	725	5,176	(4,500)	120,693	-
Betty Lou Smith Scholarship and Ben Corbin Memorial Scholarship	5/24/2001	80,000	123,136	147,795	-	-	6,387	(6,000)	148,182	-	
Zuheir & Susan Sofia Scholarship Fund for International Students	10/31/1998	250,000	250,000	553,818	-	-	27,873	(21,000)	560,691	-	

Endowment Title	Date Established	Prior to 7/1/16				Year 7/1/16-6/30/17					
		State Funds Received	Gifts Received	Market Value 6/30/2016	Outstanding Pledges 6/30/2016	State Funds Received	Gifts Received	Investment Earnings (Loss)	Earnings Expended 2016-2017	Market Value 6/30/2017	Outstanding Pledges 6/30/2017
Ted Middleton Scholarship Fund	12/1/2009	164,000	701,294	940,862	-	-	-	40,758	(30,000)	951,620	-
Joseph J. Zaydon, Jr. M.D. Endowed Pre-Medical Scholarship	12/17/2009	150,000	156,662	357,694	-	-	5,228	18,274	(12,000)	369,196	-
Athena Cage Scholarship Fund	5/15/2003	10,198	35,688	26,485	-	-	-	1,334	(500)	27,319	-
College Heights Foundation		1,326,630	2,198,496	3,753,421	-	-	5,953	189,495	(121,000)	3,827,869	-
Grand Total		14,211,209	18,059,422	32,935,813	262,500	(0)	451,070	3,083,865	(1,026,886)	35,443,862	191,474