



WESTERN KENTUCKY UNIVERSITY FOUNDATION

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October 13, 2005

Ms. Sandra Woodley
Vice President for Finance
Kentucky Council on Postsecondary Education
1024 Capital Center Drive, Suite 320
Frankfort, Kentucky 40601

Dear Ms. Woodley:

Enclosed is the report from the Western Kentucky University Foundation for the Regional University Excellence Trust Fund Endowment Match Program for the fiscal year 2004-2005. Enclosed you will find information on 63 endowments valued at a total of \$21,225,586 as of June 30, 2005.

Detailed information on the 22 endowed chairs and professorships is now available on the web at www.wku.edu/IA/bucks. Also enclosed is the FD-21 Endowment Match Program Outcome Measures Report.

This entire report will be reviewed and approved by the Board of Trustees of the Western Kentucky University Foundation at our meeting scheduled for Friday, November 18, 2005.

Please don't hesitate to contact me or Paula Jarboe, the trust accountant, 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 2004-2005 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 2004-2005. 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 63 endowments valued at \$21,225,586 as of June 30, 2005 (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 27 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 27 mission support projects since its inception in 1998. Of these activities, the chair was occupied, 14 of the professorships were occupied or reporting expenditures, eight of the scholarships made awards and twelve of the mission support projects reported expenditures. As of fiscal year end, a total of 36 were active. Details concerning these chairs and professorships may be found on our website at www.wku.edu/IA/bucks.

Table 1: Match Program Positions, Programs, and Projects Established
During Fiscal Year 2004-2005 and Since Program Inception

WKUF only

Activity	2004-2005		1998-2005	
	Number Established	Number* Active	Number Established	Number* Active
Chairs	0	1	1	1
Professorships	0	15	21	15
Fellowships	0	0	0	0
Scholarships	0	8	14	8
Mission Support Projects	0	12	27	12
Totals	0	36	63	36

* 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 are male. As of June 30, 2005, a total of 18 visiting professors and WKU faculty were receiving honorariums or salary supplements through the program (see Table 2). The occupants of 13 of those positions (or 72.2 percent) were male, and five (or 27.8 percent) were female.

Table 2: Gender of Match Program Faculty and Staff
As of June 30, 2005

	Male	Female	Total
Chairs	1	0	1
Professors	12	5	17
Staff	0	0	0
Total	13	5	18

The majority of chairs and professors supported through the program are white, non-Hispanics. As can be seen in Table 3, out of 18 match program faculty as of June 30, 2005, fifteen (or 83.3 percent) were white, one (or 5.6 percent) was black and two (or 11.1 percent) were Asian.

Table 3: Race of Endowment Match Program Faculty and Staff
As of June 30, 2005

	<u>White</u>	<u>Black</u>	<u>Am. Indian</u>	<u>Asian</u>	<u>Hispanic</u>	<u>Total</u>
Chairs	1	0	0	0	0	1
Professorships	14	1	0	2	0	17
Staff	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>15</u>	<u>1</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>18</u>

Overall, the number of minority faculty employed through the match program remained the same during fiscal year 2005. By the end of the year, 16.7 percent of all faculty supported with program funds were minorities. This represents a slight increase of 1.7 percent in the number of minority faculty employed between fiscal year end 2004 and 2005.

The number of students receiving financial aid awards through the program also increased. During fiscal year 2004-2005, a total of 18 undergraduate students received scholarship awards that were funded with endowment proceeds (see Table 4). This represented an increase of 28.5 percent from 2003-2004. However, only one of the scholarship recipients (or 5.5 percent) was a minority student, which is a decrease of 8.8 percent from last year.

Table 4: Gender and Race of Match Program Financial Aid Recipients
For Awards Made During Fiscal Year 2004-2005

	<u>White</u>	<u>Black</u>	<u>Am. Indian</u>	<u>Asian</u>	<u>Hispanic</u>	<u>Total</u>
Scholarship Recipients						
Male	0	0	0	0	0	0
Female	<u>17</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18</u>
Total	<u>17</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18</u>

In terms of gender, the majority of financial aid recipients were female. Four of the 18 scholarship recipients (22.2 percent) were male and nine were female (77.8 percent). The number of female scholarship recipients increased between fiscal years 2004 and 2005, while the number of male recipients decreased. In the previous fiscal year, there were five male and nine female scholarship recipients.

Sources of Funds

During fiscal year 2004-05, 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. As a result, since 1998 a total of \$23,745,019 in private and state funds were used to create or expand 63 endowments. Over half of the funds received from private sources were cash or cash equivalent gifts (\$8,917,625 or 74.5 percent) and the remainder is in outstanding pledges (\$3,055,185 or 25.5 percent).

Areas of Concentration

The 2002-2004 Endowment Match Program Guidelines stipulate that for gifts and pledges received after October 1, 2003, at least 50 percent of program funds at comprehensive institutions must be used to support the Programs of Distinction. All of the gifts and pledges used 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, 2005, Western Kentucky University received all \$4,759,000 of its 2002-2004 match program appropriation. That amount was matched with \$4,764,370 in cash gifts and pledges, bringing the total amount of the 2002-2004 program funds to \$9,523,370. Of that amount, \$1,347,000 or 14.1 percent will be used to support positions in the Council on Postsecondary Education Programs of Distinction for WKU and \$5,611,740 or 59.0 percent will be used to support the new economy priority areas. Those priority areas include: Human Health and Development (45.3 percent), Biosciences (1.1 percent), Materials Science and Advanced Manufacturing (2.2 percent), Information Technologies and Communications (10.5 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	\$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>	5.0%
Sub-total	3,425,500	3,425,500	6,851,000	28.9%
New Economy Areas				
Human Health	3,058,579	3,093,670	6,152,249	25.9%
Biosciences	50,000	50,000	100,000	.4%
Materials Science	100,000	100,000	200,000	.8%
Information Tech	1,311,000	1,311,000	2,622,000	11.0%
Environmental Tech	<u>-</u>	<u>-</u>	<u>-</u>	
Sub-total	4,519,579	4,554,670	9,074,249	38.2%
Other Disciplines	3,827,130	3,992,640	7,819,770	32.9%
Total	<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, 2005, the total market value of the 63 endowment accounts established under the Endowment Matching Program was \$21,225,586 (Table 7). Of that amount, \$11,772,209 (or 55.5 percent) were state funds and \$9,453,377 (or 45.5 percent) were gift funds. Foundation records show an outstanding balance of \$3,055,185 in unpaid pledges on these accounts. Over \$350,000 was expended for program activities during the fiscal year ended June 30, 2005.

Table 6

**Western Kentucky University Foundation
Endowments Established or Expanded with State Funds
During Fiscal Year 2004-2005**

Endowment Name	Date Established/ Expanded	State Funds	Private Funds			Grand Total
			Gifts	Pledges	Total	
Endowments Established:						
None		\$ -	\$ -	\$ -	\$ -	\$ -
Endowments Expanded:						
None		-	-	-	-	-
Endowment Funds Moved:						
None		-	-	-	-	-
Grand Total		<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 2004-05

Endowment Title	Date Established	Prior to 7/1/04				Year 7/1/04-6/30/05					
		State Funds Received	Gifts Received	Market Value 6/30/2004	Outstanding Pledges 6/30/2004	State Funds Received	Gifts Received	Investment Earnings (Loss)	Earnings Expended 2004-05	Market Value 6/30/2005	Outstanding Pledges 6/30/2005
Existing Endowments:											
Laura Goad Turner Foundation Fund for Excellence in Symphony	9/23/2003	\$ 125,000	\$ 20,000	\$ 138,748	\$ 105,000	\$ -	\$ -	\$ 9,693	\$ (7,500)	\$ 140,941	\$ 105,000
Dorris J. Hutchison Scholarship Fund	9/6/2003	55,000	55,001	111,757	-	-	50,000	8,098	(250)	169,605	-
BB&T Visiting Professorship Fund	8/28/2003	250,000	50,000	309,888	200,000	-	50,000	23,858	(6,730)	377,016	150,000
Wendell Cherry Visiting Professorship in Business Leadership & Ethics	7/16/2003	250,000	50,000	308,895	200,000	-	50,000	23,147	(6,123)	375,920	150,000
Rafferty's Inc. Endowed Scholarship Fund	7/10/2003	100,000	10,000	113,626	90,000	-	15,000	8,595	-	137,221	75,000
Turner Professorship in Journalism	7/1/2003	500,000	100,290	612,616	399,710	-	200,000	46,341	-	858,958	199,710
Gildersleeve Fund for Geology and Geography	6/6/2003	50,000	5,210	57,058	44,790	-	31,877	3,185	(2,729)	89,391	12,913
Athena Cage Scholarship Fund	5/15/2003	50,000	2,198	53,487	47,802	-	-	4,956	(539)	57,904	47,802
Confidential Visiting Professorship in Education	4/28/2003	250,000	25,000	283,402	225,000	-	50,000	22,413	-	355,816	175,000
Pelino Fund for Excellence in Communications	12/31/2002	50,000	5,010	56,227	44,990	-	15,209	3,702	-	75,137	29,781
Commonwealth Health Corporation Scholarships	5/31/2002	500,000	-	516,481	500,000	-	250,000	40,360	-	806,841	250,000
Mel Morris Fund in Construction Management	5/17/2002	100,000	-	103,296	100,000	-	-	7,814	-	111,110	100,000
Paul G. & Ernestine G. Hatcher Modern Languages Lecture Series	11/6/2001	25,000	6,385	31,011	18,615	-	4,850	2,171	(1,624)	36,408	13,765
Walter N. Scott Professorship in Biology	12/4/2000	250,000	50,000	311,540	200,000	-	50,000	24,009	-	385,550	150,000
Mr. and Mrs. Raymond Simmons Agriculture Scholarship Fund	5/28/2003	50,000	18,613	71,650	31,387	-	-	5,004	(375)	76,279	31,387
Frockt Family Professorship in History	3/21/2003	500,000	50,000	568,996	450,000	-	50,000	43,932	-	662,927	400,000
Greenview Regional Hospital Fund for Nursing	3/14/2003	100,000	88,000	193,509	12,000	-	12,000	14,224	-	219,734	-
Glenn R. and Joan B. Garrison Scholarship Fund	11/7/2002	100,000	61,373	166,837	38,627	-	20,390	12,496	-	199,722	18,237
Excellence Fund for Music - Symphony	10/16/2002	50,000	37,852	91,603	15,000	-	20,352	7,034	(821)	118,169	-
Thomas R. and Judith L. Hunt Scholarship Fund	10/9/2002	50,000	25,041	78,073	24,959	-	-	5,455	-	83,528	24,959
Tom and Nancy Baird Kentucky Library Endowment	9/30/2002	50,000	40,225	92,307	9,775	-	11,325	6,990	-	110,622	-
Caleb Slaton/Logan Aluminum Endowed Scholarship Fund	7/31/2002	50,000	40,000	87,941	10,000	-	10,000	6,552	(2,500)	101,994	-
Dero Downing Spirit Makes the Master Scholarship	6/24/2002	90,000	90,000	182,010	-	-	-	12,783	(3,750)	191,043	-
Budde Fund for Excellence in Journalism	5/29/2002	86,000	36,438	126,207	49,562	-	13,000	10,126	-	149,333	36,562
Gifted Studies Professorship	5/9/2002	500,000	85,340	603,909	414,711	-	54,234	46,135	(834)	703,444	360,477
Sofia International Faculty Fund for Excellence	1/31/2002	200,000	27,536	235,242	172,464	-	25,000	19,132	-	279,375	147,464
Paul Eubank French Memorial Scholarship Fund	12/17/2001	54,630	33,895	89,860	26,105	-	5,290	6,313	(1,000)	100,463	20,815
Betty Lou Smith Scholarship and Ben Corbin Memorial Scholarship	5/24/2001	80,000	18,500	105,780	61,500	-	32,000	8,182	(6,793)	139,170	29,500
Zuheir & Susan Sofia Scholarship Fund for International Students	10/31/1998	250,000	103,280	366,127	146,720	-	-	24,855	-	390,982	146,720
Harlin Parker Scholarship Fund	12/31/2001	10,000	5,555	17,382	4,445	-	2,000	1,238	-	20,620	2,445
Kerr - Greulich Endowment for Ogden College	3/30/2001	114,500	107,700	219,920	77,800	-	36,900	16,879	(32)	273,667	40,900
Service One Credit Union Endowed Scholarship Fund	2/1/2001	10,000	17,400	25,773	-	-	10,290	1,856	(800)	37,119	-
Tom Gorin Dean's Fund for Excellence	12/31/2000	25,000	20,000	41,722	5,000	-	5,000	3,199	-	49,921	-
Cangemi Faculty Award for COE	9/4/2000	15,000	11,500	29,663	6,500	-	6,000	2,336	-	37,999	500
Moseley-Watkins Fund for Excellence in English	8/10/2000	2,500	5,625	8,156	1,875	-	1,500	635	-	10,291	375
Gordon Ford College of Business Endowment	8/4/2000	50,000	40,000	87,401	10,000	-	10,020	6,624	(100)	103,945	-
Bramham/Collins Visual & Performing Guest Artist Endowment	8/1/2000	60,000	54,554	107,975	5,446	-	5,446	8,195	(3,400)	118,216	-
Lester and Dorothy Reeves Institutional Fund for Gerontology	8/1/2000	100,000	100,172	212,219	-	-	-	14,828	(10,000)	217,047	-
M. Eddie Carter Gifted Studies Faculty Fund	7/27/2000	25,000	25,000	47,413	-	-	-	3,766	-	51,179	-
Knically Professorship in Leadership Studies	7/19/2000	500,000	380,915	810,626	119,085	-	62,300	60,063	(7,888)	925,101	56,785
Jim Scott Professorship	7/10/2000	1,000,000	800,000	1,637,350	200,000	-	200,000	122,606	(55,968)	1,903,988	-
Bell Fund for Civil Engineering	6/30/2000	125,000	125,000	217,411	-	-	-	16,466	(11,838)	222,039	-
Gail Martin Lecture & Faculty Development Series	6/12/2000	25,000	25,600	83,678	-	-	600	6,369	(1,901)	88,745	-
Minority Teacher Support Endowment	6/12/2000	25,000	25,000	48,811	-	-	-	3,691	-	52,502	-
Larry B. Shelton Dean's Fund for Excellence	5/25/2000	15,000	12,000	24,546	3,000	-	3,000	1,883	-	29,429	-

Endowment Title	Date Established	Prior to 7/1/04				Year 7/1/04-6/30/05					
		State Funds Received	Gifts Received	Market Value 6/30/2004	Outstanding Pledges 6/30/2004	State Funds Received	Gifts Received	Investment Earnings (Loss)	Earnings Expended 2004-05	Market Value 6/30/2005	Outstanding Pledges 6/30/2005
Existing Endowments:											
Ward Visiting Professorship for Women's Studies	5/25/2000	110,000	110,000	181,606	-	-	-	13,686	(8,659)	186,633	-
College of Education Dean's Fund for Excellence	5/18/2000	12,500	9,927	21,651	2,573	-	-	1,628	(500)	22,780	2,573
Gordon Ford College of Business Dean's Fund for Excellence	5/18/2000	12,500	9,927	21,651	2,573	-	-	1,633	-	23,284	2,573
Ogden College of Science and Engineering Dean's for Excellence	5/18/2000	12,500	9,927	20,772	2,573	-	-	1,465	(575)	21,662	2,573
Potter College of Arts Dean's Fund for Excellence	5/18/2000	12,500	9,930	21,651	2,570	-	-	1,633	(350)	22,934	2,570
Johnson & St. Clair Center for Gifted Studies Faculty Support	5/12/2000	12,500	-	11,858	12,500	-	12,500	1,951	-	26,309	-
Boyd-Lubker Visiting Scholars Program	5/4/2000	100,000	100,000	185,538	-	-	100	13,987	(5,393)	194,232	-
Faculty Fund for Excellence in Ogden College/Hard Sciences	4/27/2000	5,870	5,870	2,722	-	-	-	204	-	2,925	-
Hall Professorship in Construction Engineering	1/18/2000	500,000	500,001	919,047	-	-	-	69,585	(30,708)	957,924	-
Wm. M. McCormack Professorship	1/11/2000	500,000	500,000	951,027	-	-	-	68,366	(15,372)	1,004,022	-
Leon Page Professorship in Banking & Financial Planning	1/10/2000	500,000	450,000	830,944	50,000	-	-	55,643	(33,214)	853,373	50,000
CHC/Centercare Visiting Professorship	1/7/2000	315,209	350,000	595,636	-	-	-	44,933	(12,216)	628,353	-
J. Clifford Todd Professor in Longevity and Healthful Living	10/31/1999	500,000	499,360	1,134,617	640	-	-	70,487	-	1,205,104	640
Hays Watkins Visiting CEO Professorship	9/28/1999	311,000	311,000	590,703	-	-	-	44,629	(2,986)	632,346	-
Jerry E. Baker Professorship in Music	1/28/1999	500,000	281,221	795,200	218,159	-	-	52,203	(29,155)	818,248	218,159
Mary R. Nixon Professorship in Accounting	1/4/1999	500,000	501,545	978,369	-	-	-	67,729	-	1,046,098	-
Mattie Newman Ford Professorship in Entrepreneurship	11/19/1998	500,000	501,528	971,830	-	-	-	65,817	(42,757)	994,890	-
Layne Professorship in Mechanical Engineering	9/25/1998	500,000	500,000	907,089	-	-	-	68,264	(37,292)	938,061	-
Grand Total		\$ 11,772,209	\$ 7,541,442	\$18,830,042	\$ 4,363,456	\$ -	\$ 1,376,183	\$1,372,032	\$ (352,672)	\$ 21,225,586	\$ 3,055,185

FD-21 Endowment Match Program Outcome Measures Report
Fiscal Years 2004 and 2005
Due Date: October 15

	FY 2004	FY 2005
Annual Giving		
Amount of Voluntary Support Received by the University	\$ 12,458,871	\$ 13,158,935
Amount of Voluntary Support Anticipated to be Matched	\$ -	\$ -
Endowment Market Value		
Market Value of University and Foundation Endowment Assets	\$ 69,800,000	\$ 75,300,000
Market Value of Match Program Endowment Assets	\$ 9,566,796	\$ 21,225,586
Chairs and Professorships		
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
R&D Expenditures		
Amount of Federal R&D Expenditures Generated by the University	\$ 4,400,000	\$ 4,949,924
Amount of Federal R&D Expenditures Generated by Match Program Faculty	\$ -	\$ -
Amount of Extramural R&D Expenditures Generated by the University	\$ 5,729,000	\$ 492,661
Amount of Extramural R&D Expenditures Generated by Match Program Faculty	\$ -	\$ -
Invention Disclosures and Patents		
Number of Invention Disclosures Received by the University	2	-
Number of Invention Disclosures Generated by Match Program Faculty	-	-
Number of U.S. Patent Applications Filed by the University	1	1
Number of U.S. Patent Applications Generated by Match Program Faculty	-	-
Number of New U.S. Patent Applications Filed by the University	1	1
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	-	-
License/Option Agreements		
Number of Licenses/Options Executed by the University	3	2
Number of Licenses/Options Generated by Match Program Faculty	-	-
Number of Active Licenses/Options Executed by the University	3	2
Number of Active Licenses/Options Generated by Match Program Faculty	-	-
Amount of License Income Received by the University	\$ 8,950	\$ 45,433
Amount of License Income Generated by Match Program Faculty	\$ -	\$ -
Start-Up Activity		
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	-	13

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