



WESTERN KENTUCKY UNIVERSITY FOUNDATION

1906 COLLEGE HEIGHTS BLVD., #8094 ♦ BOWLING GREEN, KY 42101-1041 ♦ TEL. (270) 745-6208 ♦ FAX (270) 745-2009 ♦ HTTP://WWW.WKUFUNDATION.ORG

October 12, 2006

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 2005-2006. You will find information on 63 endowments valued at a total of \$24,270,401 as of June 30, 2006. 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, November 17, 2006. 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

Enclosure

WESTERN KENTUCKY UNIVERSITY

Western Kentucky University Foundation, Inc. College Heights Foundation

Endowment Match Program 2005-2006 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 2005-2006. 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 \$24,270,401 as of June 30, 2006 (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, 18 of the professorships were occupied or reporting expenditures, eleven of the scholarships made awards and 17 of the mission support projects reported expenditures. As of fiscal year-end, a total of 47 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 2005-2006 and Since Program Inception

Activity	2005-2006		1998-2006	
	Number Established	Number* Active	Number Established	Number* Active
Chairs	0	1	1	1
Professorships	0	18	21	18
Fellowships	0	0	0	0
Scholarships	0	11	14	11
Mission Support Projects	0	17	27	17
Totals	0	47	63	47

* 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, 2006, a total of 23 visiting professors and WKU faculty were receiving honorariums or salary supplements through the program (see Table 2). The occupants of 16 of those positions (or 69.6 percent) were male and seven (or 30.4 percent) were female.

Table 2: Gender of Match Program Faculty and Staff
As of June 30, 2006

	Male	Female	Total
Chairs	1	0	1
Professors	15	7	22
Staff	0	0	0
Total	16	7	23

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, 2006, of the 18 match program faculty eighteen (or 82.6 percent) were white, one (or 4.35 percent) was black, one (or 4.35 percent) was American Indian and two (or 8.7 percent) were Asian.

Table 3: Race of Endowment Match Program Faculty and Staff
As of June 30, 2006

	<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	18	1	1	2	0	22
Staff	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u><u>19</u></u>	<u><u>1</u></u>	<u><u>1</u></u>	<u><u>2</u></u>	<u><u>0</u></u>	<u><u>23</u></u>

Overall, the number of minority faculty employed through the match program increased during fiscal year 2006. By the end of the year, 17.4 percent of all faculty supported with program funds were minorities. This represents a slight increase of .7 percent in the number of minority faculty employed between fiscal year-end 2005 and 2006.

The number of students receiving financial aid awards through the program also increased. During fiscal year 2005-2006, a total of 33 undergraduate and graduate students received scholarship awards that were funded with endowment proceeds (see Table 4). This represented an increase of 183.3 percent from 2004-2005. However, eight of the scholarship recipients (or 24.3 percent) were minority students, which is an 18.8 percent increase from last year.

Table 4: Gender and Race of Match Program Financial Aid Recipients
For Awards Made During Fiscal Year 2005-2006

	<u>White</u>	<u>Black</u>	<u>Am. Indian</u>	<u>Asian</u>	<u>Hispanic</u>	<u>Total</u>
Scholarship Recipients						
Male	11	1	0	1	1	14
Female	<u>14</u>	<u>1</u>	<u>0</u>	<u>2</u>	<u>2</u>	<u>19</u>
Total	<u><u>25</u></u>	<u><u>2</u></u>	<u><u>0</u></u>	<u><u>3</u></u>	<u><u>3</u></u>	<u><u>33</u></u>

In terms of gender, the majority of financial aid recipients were female. Fourteen of the 33 scholarship recipients (42.4 percent) were male and nineteen were female (57.6 percent). The number of total scholarship recipients increased between fiscal years 2005 and 2006; the number of females increased from 14 to 19 and the number of male recipients increased from four to 14.

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. Since 1998, a total of \$23,830,861 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 (\$10,746,183 or 89.2 percent) and the remainder is in outstanding pledges (\$1,312,469 or 10.9 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 of the gifts and pledges WKU 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, 2006, 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, 2006, the total market value of the 63 endowment accounts established under the Endowment Matching Program was \$24,270,401 (Table 7). Of that amount, \$11,772,209 (or 55.5 percent) were state funds and \$12,498,192 (or 51.5 percent) were gift funds. Foundation records show an outstanding balance of \$1,312,469 in unpaid pledges on these accounts. Over \$850,000 was expended for program activities during the fiscal year ended June 30, 2006.

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 2005-06

Endowment Title	Date Established	Prior to 7/1/05				Year 7/1/05-6/30/06					
		State Funds Received	Gifts Received	Market Value 6/30/2005	Outstanding Pledges 6/30/2005	State Funds Received	Gifts Received	Investment Earnings (Loss)	Earnings Expended 2005-06	Market Value 6/30/2006	Outstanding Pledges 6/30/2006
Existing Endowments:											
Laura Goad Turner Foundation Fund for Excellence in Symphony	9/23/2003	\$ 125,000	\$ 20,000	\$ 140,941	\$ 105,000	\$ -	\$ 50,000	\$ 9,120	\$ (7,500)	\$ 192,561	\$ 55,000
Dorris J. Hutchison Scholarship Fund	9/6/2003	55,000	105,001	169,605	-	100,000	25,000	31,916	(2,000)	324,521	100,000
BB&T Visiting Professorship Fund	8/28/2003	250,000	100,000	377,016	150,000	-	50,000	40,728	(7,596)	460,148	100,000
Wendell Cherry Visiting Professorship in Business Leadership & Ethics	7/16/2003	250,000	100,000	375,920	150,000	-	50,000	39,565	(9,654)	455,831	100,000
Rafferty's Inc. Endowed Scholarship Fund	7/10/2003	100,000	25,000	137,221	75,000	-	-	14,000	(3,046)	148,175	75,000
Turner Professorship in Journalism	7/1/2003	500,000	300,290	858,958	199,710	-	200,000	90,442	(17,301)	1,132,098	-
Gildersleeve Fund for Geology and Geography	6/6/2003	50,000	37,087	89,391	12,913	-	5,000	9,100	(4,489)	99,002	7,913
Athena Cage Scholarship Fund	5/15/2003	50,000	2,198	57,904	47,802	-	8,000	1,789	(289)	67,404	39,802
Confidential Visiting Professorship in Education	4/28/2003	250,000	75,000	355,816	175,000	-	70,000	38,822	(19,733)	444,905	105,000
Pelino Fund for Excellence in Communications	12/31/2002	50,000	20,218	75,137	29,781	-	4,987	6,954	(2,028)	85,050	24,794
Commonwealth Health Corporation Scholarships	5/31/2002	500,000	250,000	806,841	250,000	-	250,000	88,410	(45,721)	1,099,530	-
Mel Morris Fund in Construction Management	5/17/2002	100,000	-	111,110	100,000	(100,000)	-	-	(11,110)	-	-
Paul G. & Ernestine G. Hatcher Modern Languages Lecture Series	11/6/2001	25,000	11,235	36,408	13,765	-	5,800	2,333	(2,239)	42,302	7,965
Walter N. Scott Professorship in Biology	12/4/2000	250,000	100,000	385,550	150,000	-	50,000	41,578	(7,536)	469,592	100,000
Mr. and Mrs. Raymond Simmons Agriculture Scholarship Fund	5/28/2003	50,000	18,613	76,279	31,387	-	15,000	4,872	(3,000)	93,151	16,387
Froct Family Professorship in History	3/21/2003	500,000	100,000	662,927	400,000	-	400,000	83,441	(16,959)	1,129,409	-
Greenview Regional Hospital Fund for Nursing	3/14/2003	100,000	100,000	219,734	-	-	-	22,891	(4,282)	238,342	-
Glenn R. and Joan B. Garrison Scholarship Fund	11/7/2002	100,000	81,763	199,722	18,237	-	18,831	13,095	(3,250)	228,398	-
Excellence Fund for Music - Symphony	10/16/2002	50,000	58,204	118,169	-	-	917	12,159	(2,223)	129,021	-
Thomas R. and Judith L. Hunt Scholarship Fund	10/9/2002	50,000	25,041	83,528	24,959	-	-	5,404	-	88,932	24,959
Tom and Nancy Baird Kentucky Library Endowment	9/30/2002	50,000	51,550	110,622	-	-	2,000	6,956	(500)	119,078	-
Caleb Slaton/Logan Aluminum Endowed Scholarship Fund	7/31/2002	50,000	50,000	101,994	-	-	-	6,333	(5,000)	103,327	-
Dero Downing Spirit Makes the Master Scholarship	6/24/2002	90,000	90,000	191,043	-	-	-	11,894	(9,750)	193,187	-
Budde Fund for Excellence in Journalism	5/29/2002	86,000	49,438	149,333	36,562	-	15,000	16,782	(5,471)	175,644	21,562
Gifted Studies Professorship	5/9/2002	500,000	139,574	703,444	360,477	-	87,898	77,032	(17,559)	850,815	272,579
Sofia International Faculty Fund for Excellence	1/31/2002	200,000	52,536	279,375	147,464	-	60,000	31,749	(5,672)	365,451	87,464
Pat Eubank French Memorial Scholarship Fund	12/17/2001	54,630	39,185	100,463	20,815	-	4,600	6,332	(3,200)	108,195	16,215
Betty Lou Smith Scholarship and Ben Corbin Memorial Scholarship	5/24/2001	80,000	50,500	139,170	29,500	-	16,025	8,179	(9,529)	153,845	13,475
Zuheir & Susan Sofia Scholarship Fund for International Students	10/31/1998	250,000	103,280	390,982	146,720	-	60,000	26,407	(15,050)	462,339	86,720
Harlin Parker Scholarship Fund	12/31/2001	10,000	7,555	20,620	2,445	-	2,000	1,323	-	23,943	445
Kerr - Greulich Endowment for Ogden College	3/30/2001	114,500	144,600	273,667	40,900	-	22,500	28,594	(15,198)	309,564	18,400
Service One Credit Union Endowed Scholarship Fund	2/1/2001	10,000	27,690	37,119	-	-	9,230	3,723	(1,833)	48,239	-
Tom Gorin Dean's Fund for Excellence	12/31/2000	25,000	25,000	49,922	-	-	-	5,137	(944)	54,114	-
Cangemi Faculty Award for COE	9/4/2000	15,000	17,500	37,999	500	-	-	3,711	(3,583)	38,127	500
Moseley-Watkins Fund for Excellence in English	8/10/2000	2,500	7,125	10,291	375	-	250	1,071	(194)	11,418	125
Gordon Ford College of Business Endowment	8/4/2000	50,000	50,020	103,945	-	-	-	10,697	(2,067)	112,575	-
Bramham/Collins Visual & Performing Guest Artist Endowment	8/1/2000	60,000	60,000	118,216	-	-	-	12,097	(7,727)	122,586	-
Lester and Dorothy Reeves Institutional Fund for Gerontology	8/1/2000	100,000	100,172	217,047	-	-	-	13,595	(10,000)	220,642	-
M. Eddie Carter Gifted Studies Faculty Fund	7/27/2000	25,000	25,000	51,179	-	-	-	5,170	(3,030)	53,318	-
Knically Professorship in Leadership Studies	7/19/2000	500,000	443,215	925,101	56,785	-	18,621	94,767	(31,975)	1,006,513	38,164
Jim Scott Professorship	7/10/2000	1,000,000	1,000,000	1,903,988	-	-	1,000	193,966	(99,721)	1,999,233	-
Bell Fund for Civil Engineering	6/30/2000	125,000	125,000	222,039	-	-	-	22,930	(11,979)	232,990	-
Gail Martin Lecture & Faculty Development Series	6/12/2000	25,000	26,200	88,745	-	-	3,785	9,041	(4,757)	96,815	-
Minority Teacher Support Endowment	6/12/2000	25,000	25,000	52,502	-	-	16,237	5,389	(891)	73,237	-
Larry B. Shelton Dean's Fund for Excellence	5/25/2000	15,000	15,000	29,429	-	-	-	3,028	(557)	31,900	-
Ward Visiting Professorship for Women's Studies	5/25/2000	110,000	110,000	186,633	-	-	-	21,861	(14,725)	193,770	-
College of Education Dean's Fund for Excellence	5/18/2000	12,500	9,927	22,780	2,573	-	2,573	2,267	(433)	27,186	-

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 2005-06

Endowment Title	Date Established	Prior to 7/1/05				Year 7/1/05-6/30/06					
		State Funds Received	Gifts Received	Market Value 6/30/2005	Outstanding Pledges 6/30/2005	State Funds Received	Gifts Received	Investment Earnings (Loss)	Earnings Expended 2005-06	Market Value 6/30/2006	Outstanding Pledges 6/30/2006
Gordon Ford College of Business Dean's Fund for Excellence	5/18/2000	12,500	9,927	23,284	2,573	-	2,573	2,319	(443)	27,733	-
Ogden College of Science and Engineering Dean's for Excellence	5/18/2000	12,500	9,927	21,662	2,573	-	2,573	2,140	(407)	25,969	-
Potter College of Arts Dean's Fund for Excellence	5/18/2000	12,500	9,930	22,934	2,570	-	2,573	2,288	(438)	27,357	-
Johnson & St. Clair Center for Gifted Studies Faculty Support	5/12/2000	12,500	12,500	26,309	-	-	-	2,707	(498)	28,519	-
Boyd-Lubker Visiting Scholars Program	5/4/2000	100,000	100,100	194,232	-	-	-	19,939	(9,480)	204,691	-
Faculty Fund for Excellence in Ogden College/Hard Sciences	4/27/2000	5,870	5,870	2,925	-	-	-	301	(55)	3,171	-
Hall Professorship in Construction Engineering	1/18/2000	500,000	500,001	957,924	-	-	-	98,545	(59,971)	996,499	-
Wm. M. McCormack Professorship	1/11/2000	500,000	500,000	1,004,022	-	-	-	102,928	(33,708)	1,073,242	-
Leon Page Professorship in Banking & Financial Planning	1/10/2000	500,000	450,000	853,373	50,000	-	50,000	87,258	(39,204)	951,427	-
CHC/Centercare Visiting Professorship	1/7/2000	315,209	350,000	628,353	-	-	-	64,154	(31,218)	661,288	-
J. Clifford Todd Professor in Longevity and Healthful Living	10/31/1999	500,000	499,360	1,205,104	640	-	640	75,969	(42,671)	1,239,042	-
Hays Watkins Visiting CEO Professorship	9/28/1999	311,000	311,000	632,346	-	-	25,000	65,401	(15,148)	707,599	-
Jerry E. Baker Professorship in Music	1/28/1999	500,000	281,221	818,248	218,159	-	219,945	90,904	(46,054)	1,083,042	-
Mary R. Nixon Professorship in Accounting	1/4/1999	500,000	501,545	1,046,098	-	-	-	106,129	(55,775)	1,096,452	-
Mattie Newman Ford Professorship in Entrepreneurship	11/19/1998	500,000	501,528	994,890	-	-	-	101,741	(47,789)	1,048,842	-
Layne Professorship in Mechanical Engineering	9/25/1998	500,000	500,000	938,061	-	-	-	96,305	(55,259)	979,107	-
Grand Total		\$ 11,772,209	\$ 8,917,625	\$ 21,225,586	\$ 3,055,185	\$ -	\$ 1,828,558	\$ 2,105,675	\$ (889,418)	\$ 24,270,401	\$ 1,312,469

FD-21 Endowment Match Program Outcome Measures Report
Fiscal Years 2005 and 2006
Due Date: October 15

	FY 2005	FY 2006
Annual Giving		
Amount of Voluntary Support Received by the University	\$ 13,158,935	\$ 14,485,097
Amount of Voluntary Support Anticipated to be Matched	\$ -	\$ -
Endowment Market Value		
Market Value of University and Foundation Endowment Assets	\$ 75,300,000	\$ 86,000,000
Market Value of Match Program Endowment Assets	\$ 21,225,586	\$ 24,270,401
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	\$ 4,949,924	\$ 7,256,980
Amount of Federal R&D Expenditures Generated by Match Program Faculty	\$ -	\$ -
Amount of Extramural R&D Expenditures Generated by the University	\$ 492,661	\$ 654,346
Amount of Extramural R&D Expenditures Generated by Match Program Faculty	\$ -	\$ -
Invention Disclosures and Patents		
Number of Invention Disclosures Received by the University	-	4
Number of Invention Disclosures Generated by Match Program Faculty	-	-
Number of U.S. Patent Applications Filed by the University	1	-
Number of U.S. Patent Applications Generated by Match Program Faculty	-	-
Number of New U.S. Patent Applications Filed by the University	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	2	-
Number of Licenses/Options Generated by Match Program Faculty	-	-
Number of Active Licenses/Options Executed by the University	2	1
Number of Active Licenses/Options Generated by Match Program Faculty	-	-
Amount of License Income Received by the University	\$ 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	17

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