ADVANCEMENT ANNUAL REPORT

Mrs. Robin Zanotti, Vice President for Advancement, will present and discuss data representing financial and developmental operations. Summary data, Shepherd University Foundation Audited Financial Statements, and Shepherd University Alumni Association, Inc. Financial Statements are included on the following pages.
Shepherd University
Board of Governors

Advancement and Foundation
Annual Report
FY07

October 11, 2007
VSE - Benchmarking

- FY06 is our second year of participating in the VSE survey
- Voluntary Support of Education
  - Authoritative national source of information on private giving to higher education and private K-12
  - Consistently captures about 85% of total voluntary support to colleges and universities in the US
- Data submission guidelines of VSE may cause inconsistency between the data they report and ours
VSE - Benchmarking

For purposes of benchmarking, Shepherd will be compared to the following nine higher education competitors and peer group institutions:

- Frostburg State University (Frostburg, MD)
- Longwood University (Farmville, VA)
- Salisbury University (Salisbury, MD)
- Shenandoah University (Winchester, VA)
- Shippensburg University of Pennsylvania (Shippensburg, PA)
- SUNY-Old Westbury College (Old Westbury, NY)
- University of Mary Washington (Fredericksburg, VA)
- University of North Carolina-Asheville (Asheville, NC)
- West Virginia State University (Institute, WV)
### VSE Comparisons to Mean Shepherd Competitors and Peer Group FY06

<table>
<thead>
<tr>
<th>Institution</th>
<th>Enrollment</th>
<th>Alumni Participation</th>
<th>Total Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shepherd University</td>
<td>4,139</td>
<td>11.4%</td>
<td>$1,080,000</td>
</tr>
<tr>
<td>Shepherd Competitors and Peer Group</td>
<td>4,681</td>
<td>11.1%</td>
<td>$4,348,000</td>
</tr>
</tbody>
</table>

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## VSE Enrollment: Total Headcount

<table>
<thead>
<tr>
<th>Rank</th>
<th>University Name</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Salisbury University (Salisbury, MD)</td>
<td>7,009</td>
</tr>
<tr>
<td>2</td>
<td>Shippensburg Univ. of Pennsylvania (Shippensburg, PA)</td>
<td>6,459</td>
</tr>
<tr>
<td>3</td>
<td>West Virginia State University (Institute, WV)</td>
<td>5,208</td>
</tr>
<tr>
<td>4</td>
<td>Frostburg State University (Frostburg, MD)</td>
<td>4,821</td>
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<tr>
<td>5</td>
<td>University of Mary Washington (Fredericksburg, VA)</td>
<td>4,734</td>
</tr>
<tr>
<td>6</td>
<td>Longwood University (Farmville, VA)</td>
<td>4,374</td>
</tr>
<tr>
<td>7</td>
<td>Shepherd University (Shepherdstown, WV)</td>
<td>4,139</td>
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<tr>
<td>8</td>
<td>University of North Carolina-Asheville (Asheville, NC)</td>
<td>3,660</td>
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<td>9</td>
<td>SUNY-Old Westbury College (Old Westbury, NY)</td>
<td>3,409</td>
</tr>
<tr>
<td>10</td>
<td>Shenandoah University (Winchester, VA)</td>
<td>2,998</td>
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## VSE Alumni Participation

### Shepherd Competitors and Peer Group FY06

<table>
<thead>
<tr>
<th>Rank</th>
<th>University</th>
<th>Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>University of Mary Washington (Fredericksburg, VA)</td>
<td>25.50%</td>
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<tr>
<td>2</td>
<td>Longwood University (Farmville, VA)</td>
<td>18.90%</td>
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<tr>
<td>3</td>
<td>Shippensburg Univ. of Pennsylvania (Shippensburg, PA)</td>
<td>17.60%</td>
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<tr>
<td>4</td>
<td>Salisbury University (Salisbury, MD)</td>
<td>13.30%</td>
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<tr>
<td>5</td>
<td>Shepherd University (Shepherdstown, WV)</td>
<td>11.40%</td>
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<tr>
<td>6</td>
<td>Shenandoah University (Winchester, VA)</td>
<td>7.70%</td>
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<td>7</td>
<td>University of North Carolina-Asheville (Asheville, NC)</td>
<td>5.60%</td>
</tr>
<tr>
<td>8</td>
<td>Frostburg State University (Frostburg, MD)</td>
<td>5.30%</td>
</tr>
<tr>
<td>9</td>
<td>West Virginia State University (Institute, WV)</td>
<td>3.40%</td>
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<tr>
<td>10</td>
<td>SUNY-Old Westbury College (Old Westbury, NY)</td>
<td>2.80%</td>
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</table>
## VSE Total Dollars

### Shepherd Competitors and Peer Group FY06

<table>
<thead>
<tr>
<th>Rank</th>
<th>University/College (City, State)</th>
<th>Dollars</th>
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<tr>
<td>1</td>
<td>Shenandoah University (Winchester, VA)</td>
<td>$13,748,000</td>
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<tr>
<td>2</td>
<td>University of Mary Washington (Fredericksburg, VA)</td>
<td>$9,195,000</td>
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<td>3</td>
<td>Shippensburg Univ. of Pennsylvania (Shippensburg, PA)</td>
<td>$5,903,000</td>
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<tr>
<td>4</td>
<td>Salisbury University (Salisbury, MD)</td>
<td>$3,825,000</td>
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<td>5</td>
<td>Longwood University (Farmville, VA)</td>
<td>$3,477,000</td>
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<td>6</td>
<td>University of North Carolina-Asheville (Asheville, NC)</td>
<td>$3,049,000</td>
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<tr>
<td>7</td>
<td>West Virginia State University (Institute, WV)</td>
<td>$1,311,000</td>
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<tr>
<td>8</td>
<td>Frostburg State University (Frostburg, MD)</td>
<td>$1,196,000</td>
</tr>
<tr>
<td>9</td>
<td>Shepherd University (Shepherdstown, WV)</td>
<td>$1,080,000</td>
</tr>
<tr>
<td>10</td>
<td>SUNY-Old Westbury College (Old Westbury, NY)</td>
<td>$696,000</td>
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## VSE Endowment Market Value

### Shepherd Competitors and Peer Group FY06

<table>
<thead>
<tr>
<th>Rank</th>
<th>Competitor</th>
<th>Market Value</th>
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<tbody>
<tr>
<td>1</td>
<td>Shenandoah University (Winchester, VA)</td>
<td>$44,742,000</td>
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<tr>
<td>2</td>
<td>Longwood University (Farmville, VA)</td>
<td>$37,588,000</td>
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<tr>
<td>3</td>
<td>University of Mary Washington (Fredericksburg, VA)</td>
<td>$28,811,000</td>
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<tr>
<td>4</td>
<td>Salisbury University (Salisbury, MD)</td>
<td>$26,514,000</td>
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<tr>
<td>5</td>
<td>Shippensburg Univ. of Pennsylvania (Shippensburg, PA)</td>
<td>$22,999,000</td>
</tr>
<tr>
<td>6</td>
<td>Shepherd University (Shepherdstown, WV)</td>
<td>$20,364,000</td>
</tr>
<tr>
<td>7</td>
<td>Frostburg State University (Frostburg, MD)</td>
<td>$10,201,000</td>
</tr>
<tr>
<td>8</td>
<td>SUNY-Old Westbury College (Old Westbury, NY)</td>
<td>$193,000</td>
</tr>
</tbody>
</table>
Staffing - New Additions

- Director of Major Gifts
  - Darby Jones, Esq.

- Advancement Associate
  - Mona Kissel
Shepherd University Philanthropy (see attached Philanthropy Report)

- $2,075,293 raised FY07
- $1,080,239 raised FY06
- 92 percent increase

- 4,888 donors FY07
- 4,637 donors FY06
- 5.4 percent increase
Fundraising Highlights FY07

- Comprehensive Campaign

- $2,474,273 raised as of 6/30/07
- $2,708,614 raised as of 8/31/07
Comprehensive Campaign

- Groundbreaking for Center for Contemporary Arts – Phase I
- Steering Committee Recruited
  - First two meetings held in January and May
  - Committee structure developed
  - Committee business plan established
  - Board solicitation phase launched
Fundraising Highlights FY07

Comprehensive Campaign

- FY08
  - Finalize Campaign Operating Plan
  - Implement campaign theme of “Create”
    - Develop campaign materials
    - Campaign communications plan
Fundraising Highlights
FY07

**Annual Fund**

- Raised $104,657, breaking $100,000 for the first time
- Exceeded Annual fund goal of $95,000 by 10%
- Increased Annual Fund giving by 30% over FY06
- Increased donor participation by 22.5% over FY06
- Designed and published an Annual Fund brochure for the first time
- Offered donors a broader menu of options for designating their gifts to academic units
- New Annual Fund donors: 137
- Average Annual Fund Gift Size: $86

**FY08:**

- Focus on increasing participation in the Annual Fund in preparation for the future public phase of the Comprehensive Campaign
- Implement online giving site
Phonathon

- Designed and implemented new phonathon program with hired, paid student callers
  - Hired and trained twelve student callers
- Forty percent increase in donor participation over FY06
- Increased pledge fulfillment rate by 5%
- New phonathon donors: 59
- Average gift size: $61.06

FY08:
- Expand phonathon call list
Fundraising Highlights
FY07

Athletic Fundraising

- Managed five athletic fundraising events
  - Raised more than $25,000 for revenue and non-revenue sports

- Managed membership drive, club activities and fundraising for Ram Gridiron Club
  - $16,730 raised for the football program through membership dues and program gifts

FY08:

- Research effectiveness and management of a comprehensive athletic booster club to support all sports at Shepherd University
Shepherd University Foundation
Donors Relations Highlights FY07

- **Ten events:** 9 donor relations; 1 fundraising

- **Scarborough Society:** 191 Members

- **$25,000 in new grant funds released for library support**
  - $100,000 total through FY 07

- **$15,000 endowed for library during FY07**
  - $50,500 total endowment through FY07

- **Sixth annual Scarborough Gala netted $17,600 (29% increase over FY06)**

- **McMurran Society**
  - New members 5
  - Total members 76

- **Launched bi-annual planned giving newsletter**

- **FY08:**
  - Work with Advancement to develop and implement formal planned giving program to support McMurran Society
  - Proactively support all donor aspects of the comprehensive campaign
Shepherd University Foundation
Comprehensive Campaign Support FY07

- **Maintained gift database, gift processing, campaign reporting and accounting systems**

<table>
<thead>
<tr>
<th></th>
<th>Direct Funding for Campaign</th>
<th>Database Management Funding</th>
<th>Total</th>
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<tr>
<td>FY08</td>
<td>$50,000</td>
<td>$50,000</td>
<td>$100,000</td>
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<tr>
<td>FY07</td>
<td>$25,000</td>
<td>$50,000</td>
<td>$75,000</td>
</tr>
<tr>
<td>FY06</td>
<td>$25,000</td>
<td>$50,000</td>
<td>$75,000</td>
</tr>
<tr>
<td>FY05</td>
<td>$25,000</td>
<td>$50,000</td>
<td>$75,000</td>
</tr>
</tbody>
</table>

**FY08 Goals:**

- Complete SU Foundation Board Leadership Gifts Phase by December 2007
- Proactively support campaign steering committee and launch of quiet phase
- Provide leadership to meet the campaign endowment goal
Shepherd University Foundation
Stewardship of Gifts FY07

**SUF FY07**

- Total assets have increased 12.9% to $22.9m
- Invested assets increased 11% to $21m
- Total return on portfolio 9.8%

**FY08:**

- Engage Capital Fiduciary Advisors as fiduciary consultant to develop comprehensive reporting for investment portfolio and to advise the revision of investment policy to increase return within acceptable risk parameters
- Maintain effective administrative processes to ensure clean annual audit report
- Continue to provide fiduciary, investment, and full accounting services to the Robert C. Byrd Center for Legislative Studies
Shepherd University Foundation
Endowments FY07

- FY07 Endowments have increased 7% since FY06

<table>
<thead>
<tr>
<th>Year</th>
<th>Endowments</th>
<th>% Increase</th>
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<tbody>
<tr>
<td>FY07</td>
<td>$17,554,393</td>
<td>7%</td>
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<tr>
<td>FY06</td>
<td>$16,430,671</td>
<td>0.80%</td>
</tr>
<tr>
<td>FY05</td>
<td>$16,314,004</td>
<td>5.30%</td>
</tr>
<tr>
<td>FY04</td>
<td>$15,479,839</td>
<td>14.40%</td>
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</table>
Shepherd University Foundation
Newly Established Funds FY07

- **New endowments established during FY07, ranging from $25,000 to $300,000**
  - 8 named faculty excellence funds
  - 2 endowed chairs
  - 8 endowed scholarships
  - 4 program endowments

- **New annually funded awards**
  - 3 scholarship awards
  - 1 program award
Shepherd University Foundation
Newly Established Funds FY07

Shepherd University Foundation
Scholarships and Program Awards
and University Support

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Scholarships &amp; Awards</th>
<th>University Support *</th>
<th>TOTAL</th>
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</thead>
<tbody>
<tr>
<td>2007-2008</td>
<td>Budgeted</td>
<td>$990,011</td>
<td>$190,900</td>
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<tr>
<td>2006-2007</td>
<td>Paid Out</td>
<td>$879,832</td>
<td>$182,250</td>
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<tr>
<td>2005-2006</td>
<td>Paid Out</td>
<td>$745,511</td>
<td>$200,961</td>
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<tr>
<td>2004-2005</td>
<td>Paid Out</td>
<td>$656,900</td>
<td>$163,484</td>
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* Includes direct funding for campaign and database management costs.
Alumni Relations Highlights
FY07

24 Events

- Five fundraising events for athletics
- Nine regional receptions across the state of Florida
- Two Ram Rallies – pre-game hospitality events for football NCAA Division II play-off games hosted by Shepherd
Alumni Relations Highlights
FY07

New events

- Class of 1956 reunion reception and dinner
- “Celebrating the 50s” Brunch and Campus Tour, Homecoming weekend for the classes of 1950-1959
- First year for a second Ram Rally event for second football Division II play-off game

FY08:

- Plan and implement additional regional alumni events in Florida, Washington, D.C. and Virginia
Alumni Communications
Highlights FY07

- Researched and identified potential vendors to bring online giving and an online community to Shepherd, to be launched in FY08 (pending budget approval)

- Published first Alumni Association members’ newsletter

FY08:

- Implement and launch online giving and online community sites.
Promoted alumni volunteerism for admissions recruiting and career services mentoring

Planned programs with Student Affairs to promote transition from students to alumni

Began work with career services to combine current alumni and career services surveys; developed plan to retain all post-graduate information in alumni database for FY08 graduates

FY08:

- Enhance promotion of alumni volunteerism through publications and online community
- Enhance our work with Student Affairs to plan student-to-alumni programs
- Enhance our work with Career Services to develop comprehensive recent graduate survey and tracking system
Alumni Association Highlights FY07

- See attached CoxHollida Accounting Review for FY07
- New benefits introduced, including membership card, t-shirt, newsletter, hospitality site at home football games for members of the Alumni Association
- New membership benefits offered in partnership with the bookstore and the wellness center
- Membership increased by 20% over FY06
- Provided staff support and services for all Alumni Association business, communications, committees and events

- FY08:
  - Develop and implement new online membership drive to promote new member acquisition
External Affairs Highlights
FY07

- President’s Report and Annual Report to Donors
  - First time publication
  - Combined highlights of the year and recognized and thanked donors
- Press Releases – 497
- Brochures – 28
- Web
  - Total page Loads – 2,340,233
  - Unique Visitors – 1,365,276
External Affairs Highlights FY07

- Media Management
  - Press conference to announce appointment of Dr. Shipley
  - Crisis communication
    - Campus shootings
    - Virginia Tech shootings
  - Dedication of Erma Ora Byrd Hall
<table>
<thead>
<tr>
<th></th>
<th>Year to Date FY 2006-2007</th>
<th>Year to Date FY 2005-2006</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Dollars Raised</td>
<td># Donors</td>
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<tr>
<td>Alumni Association Dues</td>
<td>$34,055</td>
<td>1,323</td>
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<tr>
<td>Annual Giving</td>
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<tr>
<td>Annual Fund</td>
<td>$103,624</td>
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<tr>
<td>Annual Giving Student</td>
<td>$295,167</td>
<td>328</td>
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<tr>
<td>Annual Giving Student Athletics</td>
<td>$118,057</td>
<td>915</td>
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<tr>
<td>Subtotal</td>
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<td>2,891</td>
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<tr>
<td>Endowments</td>
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<td></td>
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<tr>
<td>Student Endowments</td>
<td>$493,444</td>
<td>622</td>
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<tr>
<td>Faculty Endowments</td>
<td>$513,591</td>
<td>15</td>
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<tr>
<td>Subtotal</td>
<td>$1,007,035</td>
<td>637</td>
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<tr>
<td>Center for Contemporary Arts</td>
<td>$331,855</td>
<td>14</td>
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<tr>
<td>Campaign Restricted</td>
<td>$95,000</td>
<td>5</td>
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<tr>
<td>Campaign Unrestricted</td>
<td>$90,500</td>
<td>18</td>
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<tr>
<td>Total</td>
<td>$2,075,293</td>
<td>4,888</td>
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</tbody>
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Shepherd University Foundation  
Audited Financial Statements  
June 30, 2007

The following information is a brief summary of the financial statements. You are encouraged to contact Monica Lingenfelter, 304-876-5286, mlingenfelter@shepherd.edu with any questions.

**Statements of Financial Position**  
**Assets**  
Assets have increased 12.9% to 22.9m with net assets increased by 13.2%.

The cash and cash equivalents reflects operating cash on hand, cash accumulated to pay first 2007-08 scholarship bill in July and also cash held in managed investment accounts. The operating cash on hand is strictly monitored to fund budgeted expenses. Cash not immediately needed is invested in money market accounts and short term certificates of deposit. The cash held in the managed investment accounts reflects a snapshot of funds held temporarily on June 30 before reinvestment.

**Liabilities**  
Custodial liabilities include the funds managed by the Foundation for the benefit of the Robert C. Byrd Center for Legislative Studies ($2.4m) and various University academic and sports program funds. Temporarily restricted assets will be paid out over the 2007-08 academic year and fund the 2007-08 scholarship and program budget. One new life income annuity was established.

**Statements of Activities**  
**Revenue and Other Support**  
Charitable contributions through the Foundation for FY07 totaled $2,2078,442. This is an increase of $1,100,432 (114%) over 2006, reflecting increased campaign fund raising activities.

**Expenses**  
Program expenses to fund scholarships, academic programs, and university support totaled $1,061,982, an increase of $115,510 (12.3%) over 2006. General and administrative costs increased 11%.