

2016 ANNUAL REPORT



WASHINGTON STATE
UNIVERSITY
FOUNDATION

A REMARKABLE YEAR



MESSAGE FROM THE CHAIR

Dear fellow Cougs and generous partners:

On behalf of the students, faculty and staff of Washington State University, the WSU Foundation thanks each and every donor and volunteer for your generous investment and visionary leadership throughout the past fiscal year.

During Fiscal Year 2016, nearly 60,000 alumni, friends, and industry partners contributed more than \$129 million in private fundraising activity to support WSU's academic, research and service initiatives across 11 colleges, five campuses, and at research and extension centers statewide. Our collective generosity opens doors for thousands of students, many of who might not have otherwise had the opportunity to pursue a college education. We fuel practical research to tackle real societal issues in locations as distant as sub-Saharan Africa and as familiar as the fertile soil beneath our feet right here in Washington state. We help enable WSU to deliver its discoveries and services to every corner of the state as no other university can.

This is only the beginning. Guided by the steady vision and leadership of our 11th president, Dr. Kirk Schulz, Washington State University embarks on the ambitious *Drive to 25* to be recognized among the nation's top 25 public research universities—preeminent in research and discovery, teaching and engagement—by 2030. Success will herald real solutions for our students, state, industries and society.

WSU is ready for this challenge, and with the continued and generous support of all of Cougar Nation—our alumni, friends, and partners—we will succeed together.

To each generous Coug who chose to invest in Washington State University this year—and each and every year—thank you for your continued support and exceptional advocacy as donors and volunteers to advance the mission of our land-grant research university.

Go Cougs!

A handwritten signature in black ink, appearing to read 'LEE' in a stylized, cursive font.

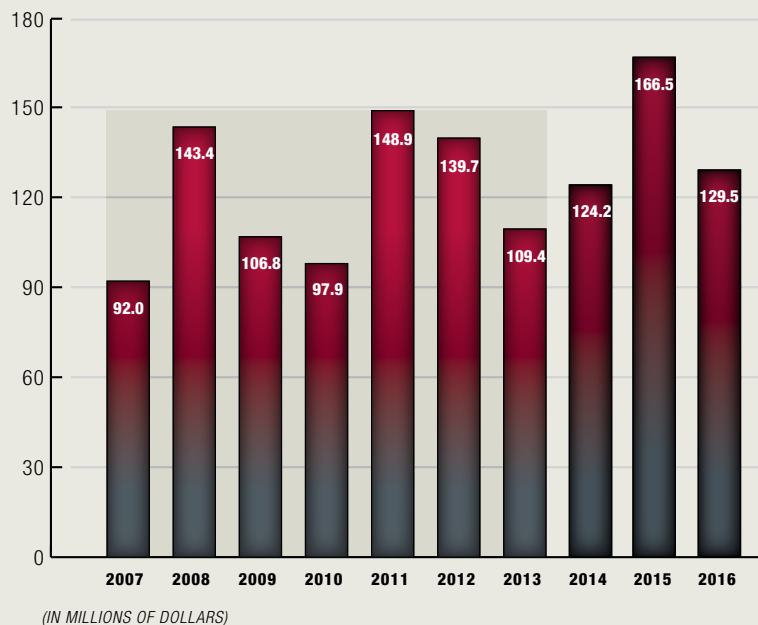
Lewis Lee '88
President, Washington State University Foundation
Chair, Board of Directors

FISCAL YEAR 2016 OVERVIEW

The Washington State University Foundation received \$99,618,557 in private gifts, grants, and pledges to support Washington State University during fiscal year (FY) 2016, which ended June 30, 2016. An additional \$29,847,806 in revocable commitments and other contributions were recorded by the WSU Foundation during this period, bringing total fund-raising activity during FY2016 to \$129,466,363. During this period, the all-alumni gift participation rate was 14.3%.

TOTAL PRIVATE SUPPORT 2007-2016* FOR FISCAL YEARS ENDED JUNE 30

**Includes private gifts, grants, pledges, revocable, and other contributions*



Mars Rover Team Wins 2nd in International Competition

A team of nearly 20 mechanical engineers from the Voiland College of Engineering and Architecture (several of who had graduated and held off job searches to compete) spent over a year designing and building the Mars Rover, meant to work alongside human explorers on the surface of the Red Planet.

Blaine Liukko, mechanical engineering major, was president of the WSU Everett Engineering Club during this time. The WSU Everett team became one of 30 semifinalists that represented seven countries, including the US, Bangladesh, Canada, Egypt, India, Poland, and South Korea at the international competition. Phil Engel, a WSU senior, earned an individual science award.

"My team came together," said Liukko, "each person taking on different responsibilities, to build the best machine we could. . . We learned from everyone, finding new ways to do things and make connections."

Teamwork was critical to the team's success. The students received hands-on experience and gained practical knowledge in the fields—electrical, software, and mechanical engineering—for which aerospace and advanced-manufacturing companies are looking.

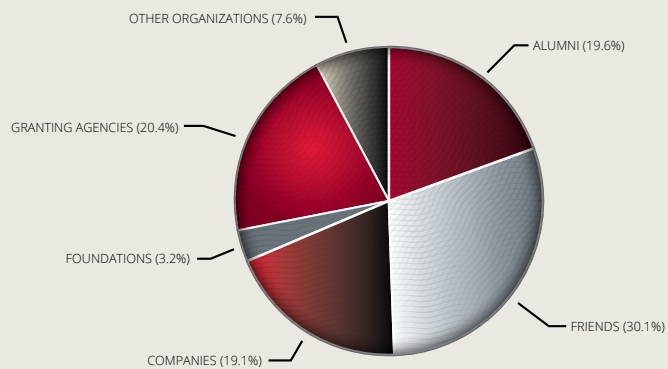
Sponsorship from the Mechanical and Materials Engineering Excellence Fund supports school activities not directly funded by the university. Every year over \$50,000 from the fund makes activities like these possible.

[Read More](#)

TOTAL PRIVATE SUPPORT (IN MILLIONS OF DOLLARS)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
PRIVATE GIFTS	37.2	52.0	36.7	33.6	44.4	42.2	50.5	55.5	78.2	67.2
PRIVATE GRANTS	26.5	22.6	23.5	25.3	56.6	27.7	26.7	25.0	28.6	26.2
PLEDGES	16.5	32.0	5.6	1.8	22.9	39.8	17.9	25.0	12.9	6.2
REVOCABLE COMMITMENTS	11.8	36.8	29.4	36.7	24.7	29.7	11.4	13.5	46.2	18.0
OTHER CONTRIBUTIONS	0	0	11.6	0.4	0.3	0.2	2.9	5.4	0.6	11.5
TOTAL	92.0	143.4	106.8	97.9	148.9	139.7	109.4	124.2	166.5	129.5
NUMBER OF DONORS	61,127	65,243	62,722	55,044	57,277	60,091	52,400	55,432	56,752	59,592

TOTAL PRIVATE SUPPORT BY SOURCE (FY2016)



FY2016 BY COMMITMENT TYPE

SOURCE	AMOUNT
Alumni	\$ 25,750,770
Friends	\$ 39,017,641
Companies	\$ 24,497,058
Foundations	\$ 4,184,066
Granting Agencies	\$ 26,193,959
Other Organizations	\$ 9,802,870

TOTAL **\$129,466,363**

TOTAL PRIVATE SUPPORT BY COLLEGE, CAMPUS,
AND UNIT AREA, FY2016 (IN MILLIONS OF DOLLARS)

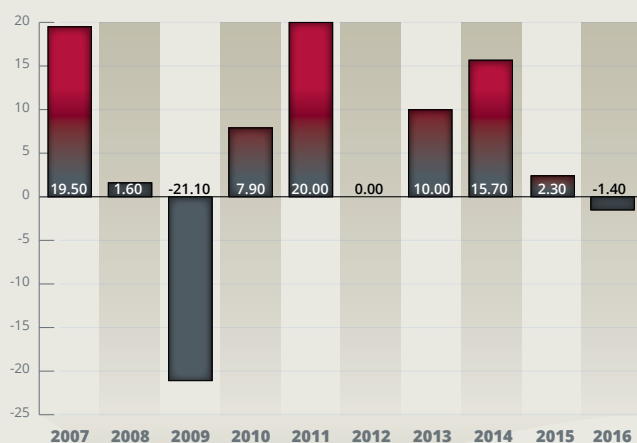
COLLEGE/CAMPUS/UNIT	GIFTS TO DATE	NEW PLEDGES	PRIVATE GRANTS	REVOCABLE COMMITMENTS	OTHER CONTRIBUTIONS	TOTAL COMMITMENTS
CAHNRS/4-H-EXTENSION	13,548,011	356,233	11,975,008	1,293,850	0	27,173,102
ARTS & SCIENCES	2,312,915	27,611	1,514,507	0	0	3,855,033
CARSON COLLEGE OF BUSINESS	1,153,572	131,802	2,000	1,899,250	10,000	3,196,624
MURROW COLLEGE/ PUBLIC MEDIA	2,493,557	55,959	1,376,220	465,000	0	4,390,736
EDUCATION	447,350	10,995	53,970	3,471,000	0	3,983,315
VOILAND COLLEGE OF ENG. & ARCH.	7,796,088	789,556	2,162,190	1,350,000	11,694,291	23,792,124
HONORS COLLEGE	269,155	4,496	0	195,000	0	468,651
ELSON S. FLOYD COLLEGE OF MEDICINE	2,338,965	486,314	1,141,234	260,000	0	4,226,514
NURSING	295,263	67,532	690,884	200,000	0	1,253,679
PHARMACY	766,428	9,679	1,037,460	100,000	0	1,913,566
VETERINARY MEDICINE	4,804,875	29,562	4,959,837	6,372,405	0	16,166,677
WSU SPOKANE	95,189	76,476	-79,695	0	0	91,970
WSU TRI-CITIES	691,695	2,057	228,493	0	0	922,245
WSU VANCOUVER	748,396	73,937	304,535	20,000	0	1,146,867
COUGAR ATHLETICS	7,420,212	2,918,119	0	30,000	107,671	10,476,002
GRADUATE SCHOOL	364,422	0	179,733	0	0	544,154
INTERNATIONAL PROGRAMS	90,865	3,876	75,000	0	0	169,741
LIBRARIES	108,097	1,245	0	0	7,340	116,682
MUSEUM OF ART	615,072	897,245	0	27,000	0	1,539,317
STUDENT AFFAIRS & ENROLLMENT	18,547,041	163,945	481,861	2,300,000	0	21,492,847
GENERAL UNIVERSITY SUPPORT	2,319,186	91,606	90,724	45,000	0	2,546,516
FY2016 ANNUAL TOTALS	\$67,226,352	\$6,198,245	\$26,193,959	\$18,028,505	\$11,819,301	\$129,466,363

INVESTMENT PERFORMANCE

For the period of July 1, 2015 to June 30, 2016, the endowment portfolio produced a total return of -1.40 percent. Gifts and other additions to the endowment fund totaled \$35,134,725 during this period. A total of \$16,331,936 was distributed from the endowment in support of programs at Washington State University.

BENCHMARK RETURN COMPARISONS

(AS A PERCENTAGE)

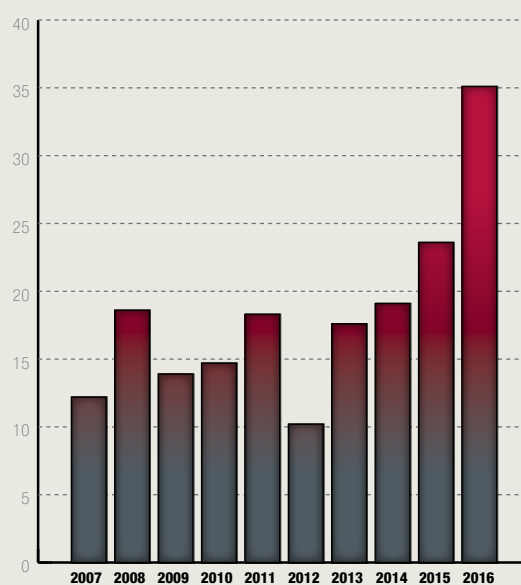


ONE-YEAR ANNUAL RETURN (as a percentage)

DATE	WSUF ENDOW. RETURN	S&P 500	70/30 PORTFOLIO	CPI
6/30/2007	19.50	20.60	16.10	2.70
6/30/2008	1.60	-13.10	-7.20	5.10
6/30/2009	-21.10	-26.20	-17.10	-1.40
6/30/2010	7.90	14.40	13.30	1.10
6/30/2011	20.00	30.70	22.30	3.30
6/30/2012	0.00	5.40	6.40	1.70
6/30/2013	10.00	20.60	13.90	1.80
6/30/2014	15.70	24.60	18.30	2.10
6/30/2015	2.30	7.40	5.80	0.10
6/30/2016	-1.40	4.00	4.80	1.00

Note: All performance figures of the Washington State University Foundation Endowment are net of expenses.

GIFTS & OTHER ADDITIONS TO ENDOWMENT, FISCAL YEARS 2007-2016



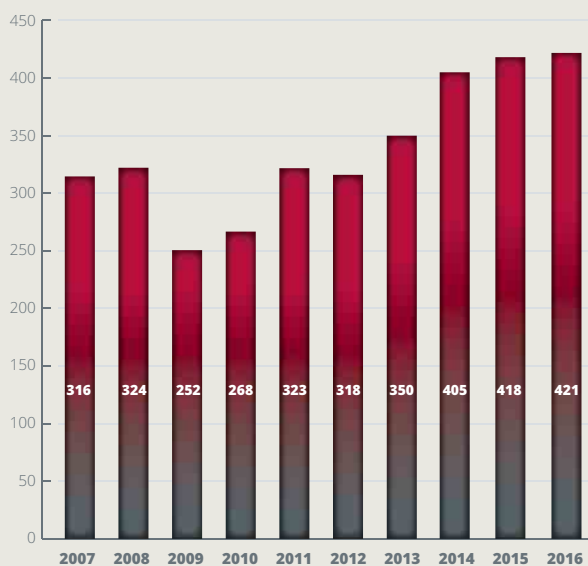
(IN MILLIONS)

2007	\$12,290,871
2008	\$18,648,129
2009	\$13,918,140
2010	\$14,728,094
2011	\$18,303,950
2012	\$10,247,807
2013	\$17,611,092
2014	\$19,174,488
2015	\$23,608,102
2016	\$35,134,725

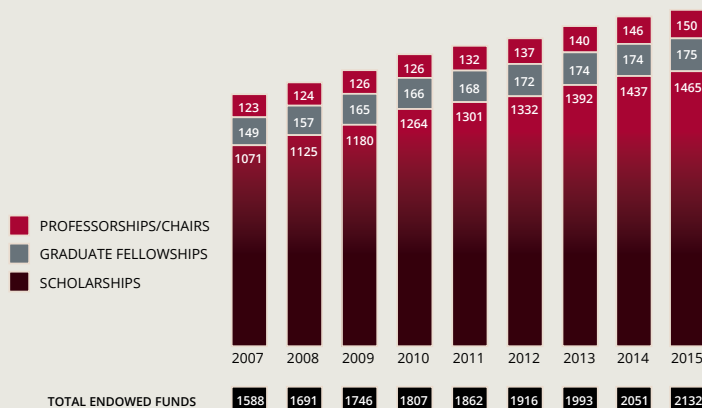
ENDOWMENT GROWTH

The WSU Foundation consolidates all endowed funds available for long-term investment in its Endowment Fund, with the exception of funds restricted by law or by special donor limitations. This fund is the investment pool for approximately 2,136 privately endowed funds supporting a wide variety of education, research, and service programs at WSU. As a result of private giving, investment returns, and institutional fund transfers, the market value of the WSU Foundation Endowment Fund increased from \$316 million in 2007 to nearly \$421 million as of June 30, 2016.

WSU FOUNDATION ENDOWMENT FUND 10-YEAR VALUE (IN MILLIONS OF DOLLARS)



ENDOWED SCHOLARSHIPS, FELLOWSHIPS, PROFESSORSHIPS/CHAIRS



Kayla Davis, Logan Scholar

Logan Scholars Program Benefits Future Teachers

"I was really excited to get a scholarship for my field," says Kayla Davis, a Logan Scholar studying elementary education at WSU. Kayla was among the first 18 recipients of the R.H. and Jane Logan Scholarship in fall 2016.

The R.H. and Jane Logan Scholarship, WSU's largest endowed scholarship fund, started with a \$16.5 million estate gift from alumnus Roscoe "Rock" Logan and his wife Jane. The scholarship is awarded annually to WSU undergraduates and graduate students who pursue careers in teaching, have a 3.0 or higher GPA, and demonstrate financial need. The awards are renewable for qualified "Logan Scholars."

"I really want to become a game changer in the field and do something different, creative and fun that will help students become well rounded individuals in every aspect of their lives—not just education," Kayla says.

Rock Logan graduated in 1933 in engineering and architecture from Washington State College. He served in the U.S. Navy then moved to the Bay Area to begin a 50-year partnership that became Braddock and Logan, builders and developers throughout California. An avid football fan, Logan was a founding partner in the Oakland Raiders NFL franchise and supported the San Francisco 49ers. An Adopted Cougar, Jane served on the WSU Foundation's Board of Governors and Board of Trustees.

[Read More](#)

INVESTMENT STRATEGY

The investment objectives of the WSU Foundation Endowment Fund reflect its long-term nature.

It is recognized that the desire to grow endowment gifts and to produce a large, stable, and predictable payout stream involves tradeoffs that must be balanced in establishing the investment and spending policies. Considerations that shape the Fund's objectives are outlined here:

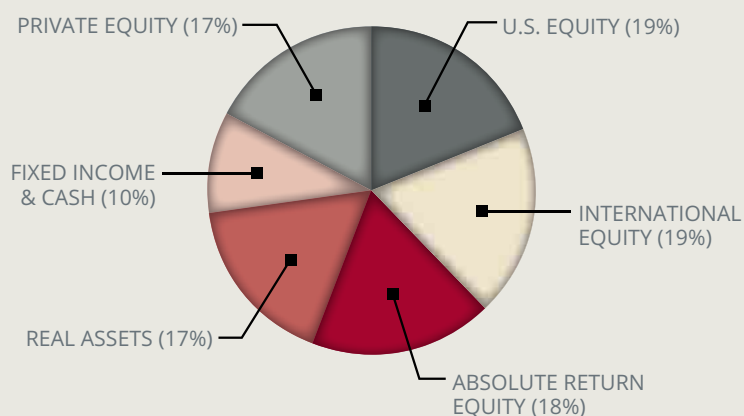
- Produce a relatively predictable and stable payout stream each year.
- Maintain purchasing power of the assets over the investment horizon.
- Balance the support of present and future generations of students and faculty.

In accordance with WSU Foundation bylaws, the WSU Foundation Investment Committee is responsible for investments, reinvestments, and general management of the endowment. The committee establishes policies for investing capital, monitoring and reviewing investment performance, establishing appropriate benchmarks, and managing the investments.

WSU FOUNDATION ENDOWMENT ACTUAL ASSET ALLOCATION

(AS OF JUNE 30, 2016)

As of June 30, 2016, the WSU Foundation Endowment assets totaled \$420,543,661 and were allocated as shown here.



ENDOWMENT MANAGEMENT AND FEES

In accordance with WSU Foundation bylaws, the WSU Foundation Endowment Fund is managed by the Investment Committee, a sub-committee of the WSU Foundation Board of Governors. The Investment Committee is responsible for investments, reinvestments, and general management of the Endowment. The committee establishes policies for investing capital, monitoring and reviewing investment performance, establishing appropriate benchmarks, and managing the investments to maximize the Endowment's financial potential while minimizing risk. Mercer Investment Consulting, Inc. serves as the Foundation's investment consultant.

Each year, the WSU Foundation distributes 4.0 percent of the endowed fund's 36-month rolling average to benefit WSU as designated in the Gift Use Agreement. Additionally, a 1.5 percent advancement fee is charged to the distribution from the endowment. There are other costs associated with the Endowment, such as investment management fees, custodial costs, and consulting expenses. Investment growth beyond the University distribution and the advancement and management fees grows the value of the fund.

For more information about the WSU Foundation Endowment Fund or its distribution fee structure, please call 800-448-2978.



From Lab to Marketplace

Amit Dhingra, Ph.D., specialist in plant genomics and biotechnology, held serendipitous conversations with orchard and berry field owners that led to an idea that challenged traditional thinking and addressed consumer demand.

Dhingra took the idea back to the lab at the WSU Department of Horticulture where a team of undergraduates and graduate researchers who worked with him moved it forward. The discoveries led to Phytelligence, the first plant-focused biotechnology startup to come from WSU: a product and process that uses a nutrient-filled gel-like substance in place of soil.

A generous investment from the Washington Research Foundation as well as contributions from growers and nurseries fueled the startup's growth and momentum. While the plants grow, Phytelligence conserves water and reduces the need for pesticides, fungicides, and insecticides. Dhingra said, "The method is resource-efficient and ecofriendly. For every tree produced, we save 80 gallons of clean water." Additionally, for every year the growers get trees sooner, they get a faster return on investment.

With the aid of WSU's Office of Commercialization in partnership with the Office of Economic Development, Phytelligence entered the marketplace. Phytelligence, located in the WSU Research and Technology Park, has created new jobs in Pullman.

[Read More](#)

WSU FOUNDATION

ABOUT THE WSU FOUNDATION

The mission of the Washington State University Foundation is to promote, accept, and maximize private support for programs, initiatives, and properties of Washington State University and its regional campuses. The WSU Foundation also prudently manages, invests, and stewards the assets entrusted to it by WSU and its alumni, friends, and donors.

Established in 1979, the WSU Foundation was created not as an object of philanthropy itself but, rather, as the preferred mechanism through which private support is raised and managed for the sole benefit of Washington State University. Private gifts and grants to the WSU Foundation are designated to the WSU college, program, or fund of the donor's choosing. Contributions can be made by contacting the WSU Foundation Office at 800-448-2978 or by [making a gift online](#).

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or 800-GIV-2-WSU (448-2978)

Fax: 509-335-4788

Email: foundation@wsu.edu

GOVERNANCE

WSU FOUNDATION TRUSTEES

Established with the creation of the Washington State University Foundation in 1979, the Trustees serve as the Foundation's volunteer membership. By volunteering their time to serve on Foundation committees and to build relationships with prospective donors, the members of the Trustees serve a critical fund-raising role in support of the Foundation and the University. The Board of Directors of the Trustees serves as the governing board for the WSU Foundation. The Board of Directors has fiduciary responsibility for the general business and affairs of the WSU Foundation, including oversight of the Foundation's property, assets, and policies.

The WSU Foundation welcomes nominations for new volunteers, and evaluates them annually. Typically, nominees are evaluated by the Foundation's Nominating Committee in the spring, recruited over the summer, and attend their first meeting in the fall. Know someone who might be interested? Nominate them [here](#). For more information, please contact the Board Relations Team at wsuf.board@wsu.edu.

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