



WICHITA STATE UNIVERSITY
FOUNDATION

2008 ANNUAL REPORT

WSU AND WICHITA – DRAWING STRENGTH FROM EACH OTHER

The two-way streets between Wichita State and its community are fast-paced, widening and full of promise. Our children are learning from WSU student teachers. Local business leaders are influencing WSU curriculum. University faculty are engaging students in community research projects. Success is the outcome for all. Without your support, some of these streets may narrow quickly or come to dead ends. Your investment nurtures WSU students and faculty, strengthening their collaborations within the community.

MISSION STATEMENT

The Wichita State University Foundation strives to enhance a community of learning excellence for our students and faculty through philanthropy and stewardship.

CORE VALUES

- Integrity: An obligation to honesty and openness with accountability, not only to ourselves but to others.
- Relationships: A commitment to enhancing trust, respect and diversity.
- Teamwork: A reliance upon the professionalism of our colleagues with acknowledgment that all are equally valued.
- Service: A practice of personally performing to a standard that is always exceptional.



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Letter from Donald L. Beggs, President, WSU

WELCOME TO WSU!

Strolling our campus—inside lecture halls, outside computer labs and on the Rhatigan Student Center patio—it is easy to encounter the university experience. It is also easy to encounter WSU throughout our community. That is what makes Wichita State so unique.

Saturday nights at the Wichita Symphony, you can hear WSU students and faculty perform Bach to Beatles. Walking through the doors of our hospitals, health clinics and dental offices you will witness WSU in action.

Through our Cooperative Education and Work-Based Learning program, WSU students receive hands-on experience and many are mentored by alumni.

It is exciting to hear of so many WSU graduates staying in the area and bringing our urban-serving mission to life.

The collaboration between WSU and local industries also is amazing. When I witness WSU students, faculty and local businesses working toward a single goal that is a win-win situation for all, it is inspiring. One example of this is the goal to motivate students toward careers in engineering, science and technology through the Kansas Best competition. Businesses including Bombardier Learjet, The Boeing Company, Spirit AeroSystems, Cessna Aircraft Company, Hawker Beechcraft Corporation and LSI Corporation sponsor this event with their time, talent and finances working shoulder-to-shoulder with WSU.

There is a great deal of Shocker pride throughout our community. The growth and success of Wichita has been enhanced by your investments in the students, faculty, staff and programs of Wichita State.

Thank you for realizing our vision, taking responsibility and shaping the Shocker future.

Thinkers, Doers, Movers & Shockers!

Respectfully,

Donald L. Beggs
President
Wichita State University



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Letter from Elizabeth King, president & CEO, WSU Foundation; and John Morse, chair, WSU Foundation Board

Dear Shocker family member,

As another year has gone by, we want to take a moment to admire and appreciate the ever-expanding relationship Wichita State and the Wichita community enjoy.

For fiscal year 2008 (July 1, 2007, through June 30, 2008), nearly 85 percent of our donors live in Kansas and more than half of them live right here in Sedgwick County.

WSU and Wichita interact, intertwine and intermingle to find ways to draw strength from each other. Each one is stronger because of the relationship with the other.

Alumni are bringing you the daily news, starting new companies, taking care of your health and filing your taxes. Wichita businesses are employing WSU students in cooperative education positions. Wichita community members are filling roles on WSU boards and councils.

You, too, are a part of this special community bond. We formally thank you today, but we appreciate you every day.

Our warmest regards,

Elizabeth H. King
President & CEO, WSU Foundation

John Morse
Chair, WSU Foundation Board of Directors



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WSU FOUNDATION FISCAL YEAR SUMMARY

The WSU Foundation concluded the 2008 fiscal year having raised, in cash and gifts-in-kind, more than \$25 million, the second highest year in the history of the Foundation. Of this amount, nearly \$14 million was received from gifts other than estates. In addition, of the \$25 million, 53.2 percent or \$13.8 million was earmarked to be placed in endowment, allowing the Foundation to be able to provide support from these funds in perpetuity.

Of the \$25 million in gifts, nearly 66 percent goes toward scholarships, fellowships and faculty and staff support.



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GIVING BACK THROUGH EDUCATION

Ebony Smith had the same teacher for first through fourth grades.

“I wanted to be just like her,” said Ebony, “and so that’s what I’ve always wanted to be.”

Ebony is a senior at Wichita State majoring in secondary education with an emphasis in English. She will be qualified to teach sixth through 12th grades.

“English was my favorite and best subject because I love reading and writing,” she said. “Therefore, it’s the one I want to share with others.”

Ebony is working at Curtis Middle School in Wichita, Kan., through the WSU Cooperative Education and Work-Based Learning program. She works there 13 hours a week.

“The experience I’m gaining now will benefit me later,” she said. “It also reaffirms my decision that this is what I want to do and introduces me to other people in the education field.”

Keith Wilson, Curtis Middle School principal, has been very supportive of Ebony. In addition to working with her university schedule, he guides Ebony to where she can best use her language arts skills.

“I have received great cooperation and consistent direction from the teachers I have worked with and one in particular has become a good mentor to me,” said Ebony.

Next year Ebony will be student teaching and has requested to teach at Southeast High School because that is where most Curtis Middle School students go.

“I also enjoy the diverse mixture of the students who attend Southeast,” Ebony said.

Ebony receives the Grow Your Own Teacher (GYOT) scholarship, funded by Wichita USD 259, each semester she maintains at least a 2.7 GPA and attends all monthly meetings.

“By being a recipient of the GYOT scholarship,” she said, “I not only receive money for tuition and books, but I also receive valuable information during our monthly meetings.”

At the meetings, Ebony meets different people within the education community, such as principals and instructional coaches. She also receives strategies on how to become a more effective teacher, such as learning about classroom management and different styles of teaching.

“These meetings also help in identifying different tools I, as a teacher, can take advantage of, such as the multilingual services provided for teachers, English as a Second Language students and parents,” said Ebony.

Though one of the scholarship’s requirements is for her to stay in Wichita to teach, she would anyway because her family is here.

In addition to the scholarship, Ebony has received grants but has had to take out loans since she married in 2006. In addition, Ebony works 15 hours a week at Kelly Elementary—where she attended school growing up. Ebony works with the morning and afternoon latchkey program.

“I believe you have to work really hard,” said Ebony, “and put in the effort through the stress and tears because it’s all worth it.”

Ebony would like to get her master’s degree right after student teaching. Regardless of whether she continues teaching, Ebony wants to have involvement with children, maybe as a child psychologist.

“It is a privilege to have a vital position in a young person’s life and impact them in a positive way.”



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LSI CORPORATION AND WICHITA STATE UNIVERSITY — A SHARING RELATIONSHIP

Merriam-Webster defines “partner” as one who shares. In this case, it’s more than one who shares.

Dave Cunningham, Wichita site manager and director of quality management systems at LSI Corp., is one of WSU’s contacts with LSI. He, along with other colleagues, has played an integral role in strengthening the partnership.

What better liaison could we ask for? In 1974, 11-year-old Dave attended an open house at NCR—a predecessor to LSI, with his dad. His experience with a football simulation game running on a mainframe computer there changed his life.

“I’m a software engineer at heart,” said Dave, who has been at LSI for 11 years.

Dave received his bachelor’s degree in computer science from WSU in 1986. He went on to work at Boeing writing software for B-52 Bomber avionics. He then moved to Pizza Hut, developing delivery software. Dave also worked at Cargill implementing maintenance and inventory tracking systems for its beef and pork plants.

“We couldn’t exist without WSU,” said Dave. “We heavily depend on the co-op program for electrical engineering, computer engineering and computer science students to man our test labs. LSI has \$60 million of lab equipment in which we need hands-on testers.”

The WSU Cooperative Education and Work-Based Learning program provided 87 students who filled 150 positions over the past three semesters. The program has worked with LSI since 2003. Dave also explained how Zulma Toro-Ramos, dean of the College of Engineering, her staff and LSI’s team work together discussing the technical needs of LSI’s new hires.

“One of our wishes is for more women to become engaged in the engineering industry,” said Dave. “We have a higher percentage of women managers, but there is a great opportunity here for female engineers.”

Hand-in-hand with the technical discussion is the sharing of ideas regarding engineering curriculum and requirements.

“We stress networking,” said Dave, “and we contribute by having some of our employees teach.”

LSI’s WSU participation, of course, goes further than group discussions. In June 1996, a scholarship was established to help and encourage students pursuing a degree in engineering.

“WSU’s focus on science, technology and math in kindergarten through 12th grades is right in line with LSI’s philosophy,” said Dave.

LSI helps sponsor Kansas Science Olympiad, a statewide interscholastic competition that challenges the abilities of secondary school teams to demonstrate their knowledge, ability and skills in all areas of science, and Kansas Best (Boosting Engineering, Science and Technology), a sports-like technology contest that motivates students by challenging them to build a remotely controlled robot that accomplishes a defined task within a competitive setting. LSI’s support to WSU also includes open houses, symposiums and donations of computer equipment.

A new project for LSI and Wichita State is a data storage research consortium—a “center for excellence” for storage research.

“It’s a very realistic goal. We want to get smarter—focus on power efficiency and the most effective use of storage,” said Dave. “We want to get to the place where when you think data storage research, you think Wichita State.”

LSI Corp. in Wichita is the third largest LSI site with nearly 650 employees compared to other locations in Israel, India, Colorado, California, Texas and Georgia.

Even with the fluctuations in the economy, LSI exceeded its growth projections over the past six years.

“We greatly depend on the university for our success,” said Dave, “and hopefully we provide the same success for WSU.”



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RESEARCH IS THE FOUNDATION

Wichita State University is Kansas' only urban-serving research institution.

"Research' is the key word," said Stan Longhofer, founding director of the Wichita State University Center for Real Estate and the Stephen L. Clark Chair of Real Estate and Finance.

Stan was attracted to quality academic research in grad school after receiving his Bachelor of Business Administration degree in economics from WSU in 1989. That attraction has been consistent throughout his entire academic career.

"I challenge you to find a dynamic, growing city without a quality research institution," said Stan. "Research universities bring together large groups of creative people who help spur a community's economic growth and development."

Stan's research areas include housing market dynamics, mortgage discrimination and land use and public policy. He has been published in Real Estate Economics, Financial Management and Journal of Real Estate Finance and Economics, among other leading academic journals. He also authors the Center for Real Estate's annual Wichita Housing Market Forecast.

For Stan, the academic research is the foundation for WSU's two key products: education and community outreach.

"Quality research lays the groundwork," said Stan. "With it, you can deliver cutting edge education for your students and resources for the community at large."

Stan believes that what makes WSU unique is that our urban setting allows education and community outreach feed back into the research questions we investigate.

"We learn what questions are relevant and what types of information can be used by private businesses," said Stan. "We can then use our skills to research these questions, teach the answers to our students and share them with the community at large to help the private sector be more successful.

His relationship with community professionals has helped keep him current on thought, theory and practice. His interactions with them also helped define how the real estate program is structured.

Stan is also grateful for the world-class players in Wichita who are willing to be accessible to WSU students.

"Their input adds real world relevance and makes the subject jump off the page," said Stan.

Stan believes that WSU's value to the community will continue to grow, enriching the quality of life of our neighbors. This will happen through research, relationships and communication of the university's assets.

"I truly believe that supporting quality academic research at WSU will have long-term benefits to Wichita and the entire state that will far exceed the cost of the investment," said Stan.



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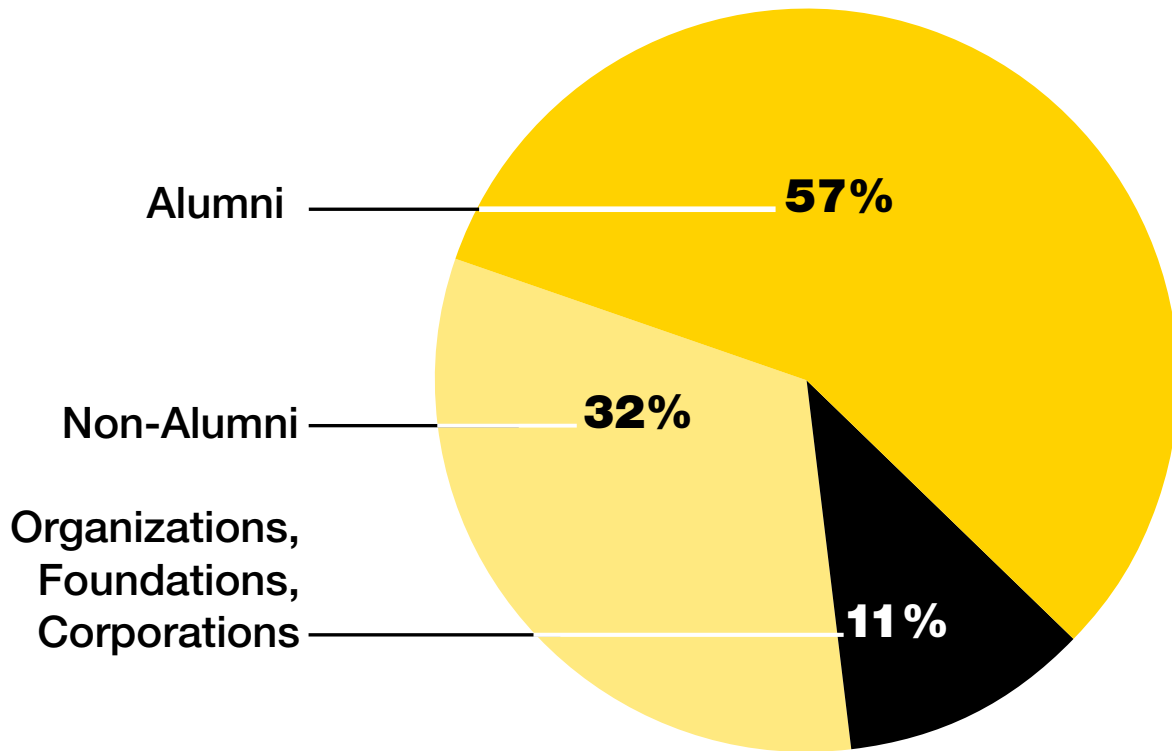
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WICHITA STATE DONORS, 2008

Corbin Society Associates
Corbin Society Members
Fairmount Society Annual Associates
Fairmount Society Annual Members
Fairmount Society Life Associates
Fairmount Society Life Members
Fairmount Society Lifetime Achievement Associates
Fairmount Society Lifetime Achievement Members
Harvest Club Associates
Harvest Club Members
Matching Gifts
Memorials
Morrison Club Associates
Morrison Club Members
National Advisory Council
President's Club Annual Associates
President's Club Annual Members
President's Club Life Associates
President's Club Life Members
Society of 1895
Sunflower Club Associates
Sunflower Club Members

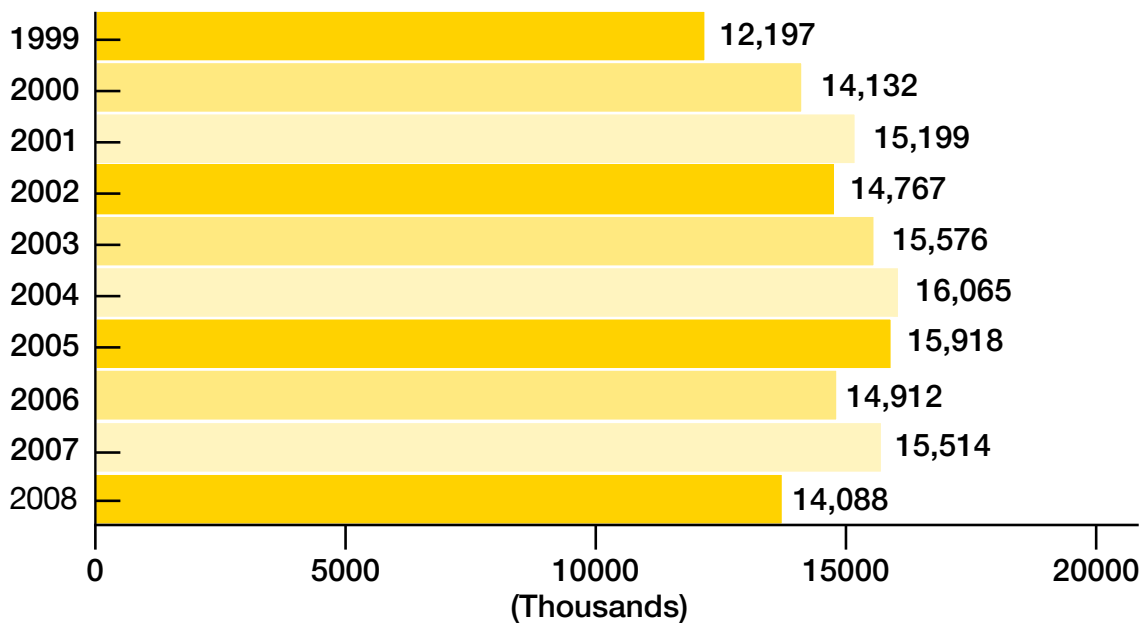
For a complete listing of individual donors, please visit:
<http://www.wichita.edu/2008annualreport/donors.asp>

About our Donors



Donor Information

Number of Donors by Year



Cash Gifts Received by Support Type

Scholarships (undergraduate & graduate)	\$6,213,789
Departmental	894,896
Faculty & Staff Support	7,820,991
Equipment, Buildings & Improvements	3,002,793
SASO	3,024,710
KMUW	702,695
Ulrich Art Museum	197,624
Ablah Library Support	479,494
Other Restricted	2,464,805
Unrestricted	1,070,828

Total	\$25,872,625
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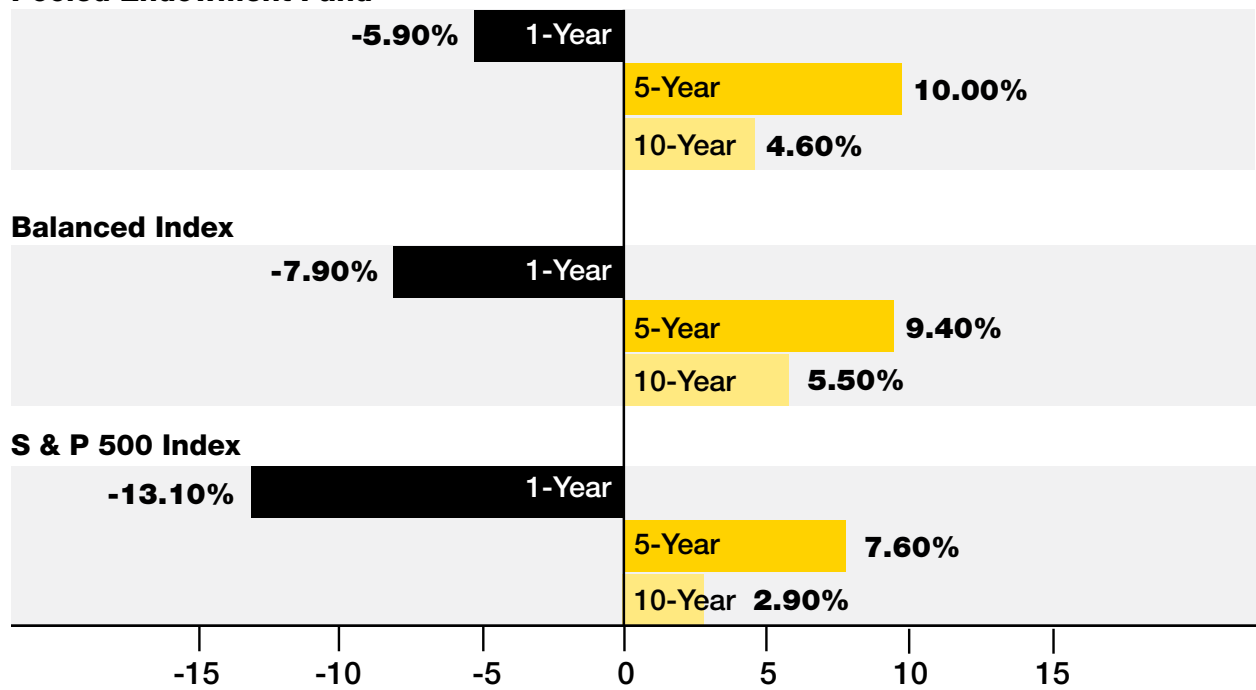
Support Provided to the University

Scholarships (undergraduate & graduate)	\$3,521,982
Departmental	708,048
Faculty & Staff Support	1,472,313
Equipment, Buildings & Improvements	1,535,272
Ulrich Art Museum	214,623
Ablah Library Support	831,006
Other Restricted	2,015,094
Unrestricted	125,157

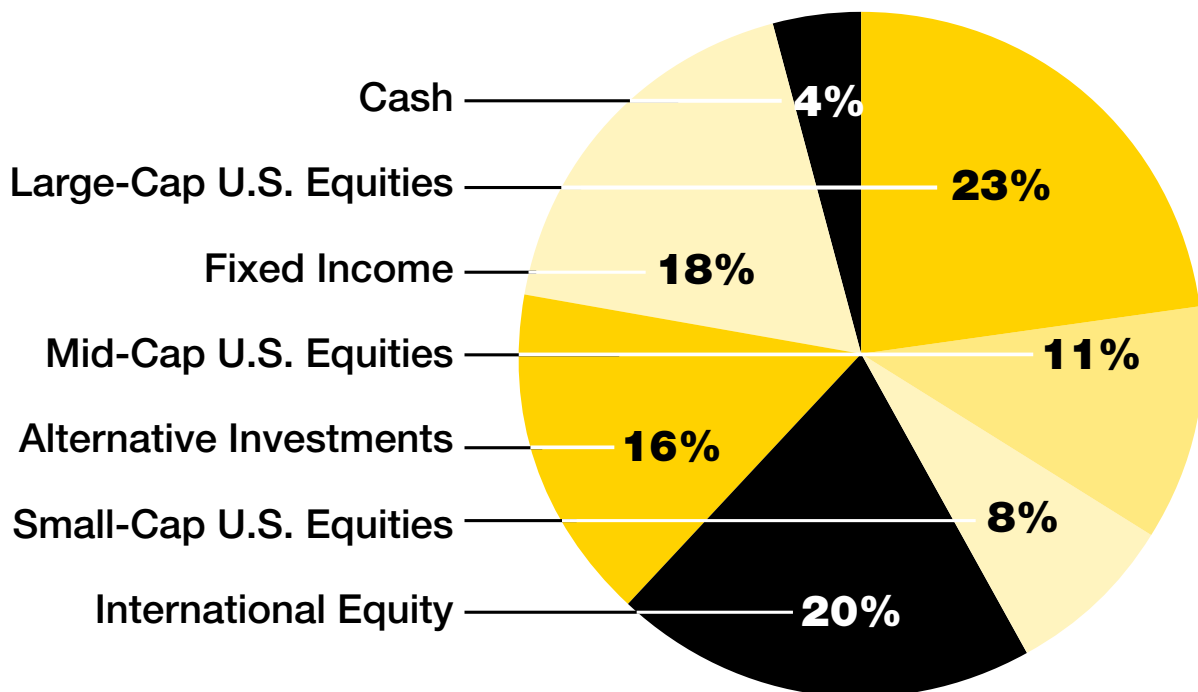
Total	\$10,423,495
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Summary of Investment Performance

Pooled Endowment Fund



Asset Allocation for Pooled Endowed Fund

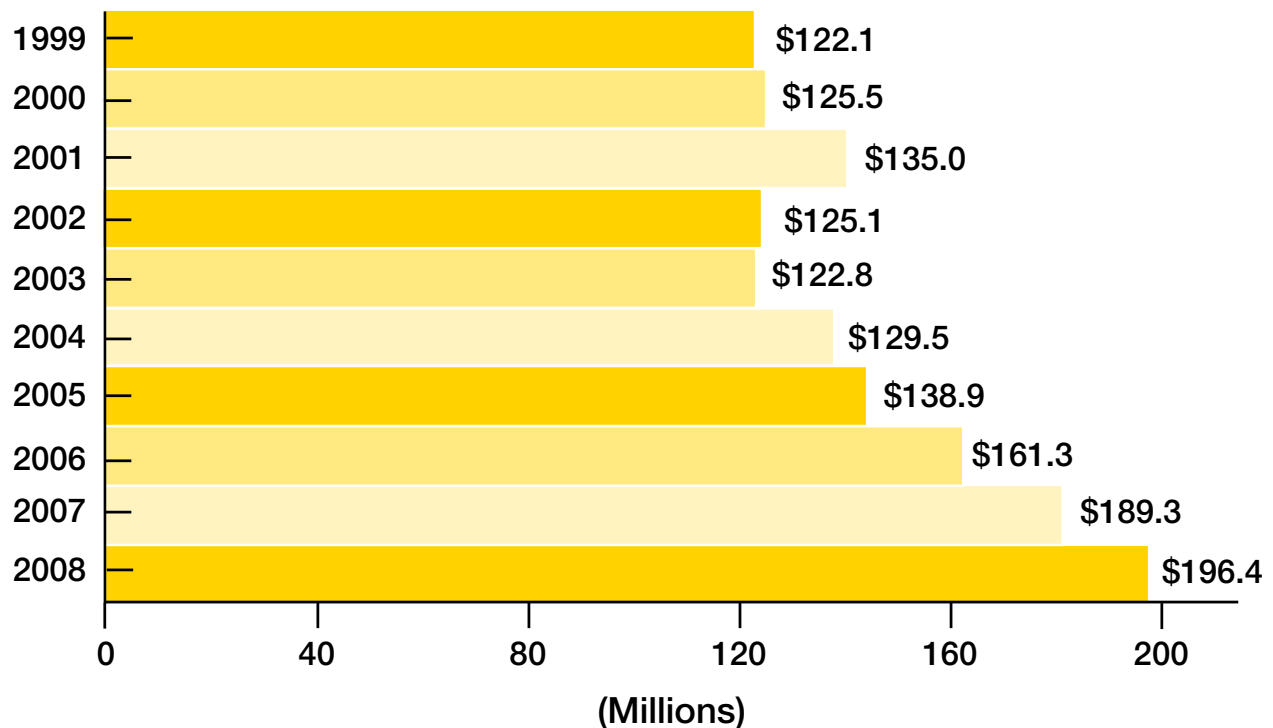


Pooled Endowment Fund

The Pooled Endowment Fund is a diversified investment portfolio designed to provide support to the University for perpetuity. The fund is managed by the Investment Committee of the WSU Foundation Board. The committee has designed asset allocations to support spending policies to maintain the purchasing power of the endowment for future generations while enhancing the real (inflation adjusted) principal value of the endowment. The targeted asset allocation of the portfolio is 57.5 percent equities, 27.5 percent alternative investments and 15 percent fixed income.

Gifts of \$15,000 or more are used to create an endowment to benefit the university as designated by the donor. A distribution of endowment funds for fiscal year 2008 was based on 4.25 percent of a five-year moving average of the endowed fund's market values as of June 30.

Market Value of WSU Foundation Assets



These figures include Board of Trustees Net Assets - -\$9,755,417 or \$9.8 million (2008)

Financial Statements

Assets	6/30/08	6/30/07
Cash & Cash Equivalents	\$11,004,513	\$7,146,919
Pledges Receivable	6,417,022	5,943,122
Other Receivables	1,057,879	144,741
Real Estate	399,675	339,675
Equipment & Software		
less accumulated depreciation	490,000	3,906
Collections	13,960,803	13,859,573
Other Assets	26,272	140,335
Investments (At Market)		
Repurchase Agreements	4,530,464	2,386,873
U.S. Government Securities	22,127,675	18,942,633
Corporate & Zero Coupon Bonds	5,029,290	6,226,212
Mortgage-backed Securities	12,223,866	17,246,466
Common & Preferred Stock	75,015,770	78,402,199
Foreign Stock	42,603,052	41,982,054
Foreign Bonds & Government Securities	1,370,435	1,348,480
Venture Capital	604,424	-
Cash Surrender Value of Life Insurance	3,164,459	3,760,799
Total Assets	200,025,599	\$197,873,987
Liabilities & Net Assets		
Current Liabilities	561,047	527,216
Due to Other WSU Entities	12,826,843	13,840,886
Net Assets	186,637,709	183,505,885
Total Liabilities & Net Assets	200,025,599	\$197,873,987
Revenue		
Gifts	21,543,084	\$18,682,550
Net Investment Return	(7,887,994)	23,564,469
Other	2,856,124	2,841,034
Total Revenue	16,511,214	\$45,088,053
Expenses		
Scholarships	3,169,296	2,951,420
University Support	7,254,199	7,183,878
Management & General	1,507,105	1,697,251
Fund-Raising	1,448,790	1,319,822
Total Expenses	13,379,390	\$13,152,371
Change in Net Assets	3,131,824	31,935,682
Beginning Net Assets	183,505,885	151,570,203
Net Assets, End of Year	186,637,709	\$183,505,885

Donor Bill of Rights

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

- To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- To have access to the organization's most recent financial statements.
- To be assured their gifts will be used for the purposes for which they were given.
- To receive appropriate acknowledgment and recognition.
- To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.
- To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
- To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
- To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
- To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

The text of this statement in its entirety was developed by the American Association of Fund-Raising Counsel (AAFRC), Association for Healthcare Philanthropy (AHP), Council for Advancement and Support of Education (CASE), and the Association of Fundraising Professionals (AFP), and adopted in November 1993.

Wichita State University Foundation

Joni Brainerd, development director, College of Engineering

Pam Chamberlin, development officer, University Libraries and College of Education

Angela Dudley, development director, W. Frank Barton School of Business

Diana Gordon, development director, College of Fine Arts

Terre Johnson, vice president, development

Darin Kater, development director, planned giving

Elizabeth King, president & CEO, WSU Foundation

Michael Lamb, vice president, planned giving & development services

Sharon G. Miles, senior development director, Fairmount College of Liberal Arts & Sciences

Lynette Murphy, development director, College of Health Professions

James Rhatigan, consultant

Patsy Selby, vice president, finance

How to Reach the Foundation:

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Woodman Alumni Center,
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Hours:

8 a.m. to 5 p.m. weekdays; closed major holidays