

CHANGING LIVES

KANSAS STATE UNIVERSITY FOUNDATION
2007 CAMPAIGN PROGRESS & ANNUAL REPORT



In 2005, Kansas State University publicly announced its most ambitious fundraising effort ever—the \$500 million Changing Lives Campaign. To date, alumni and friends like you have helped raise more than \$480 million toward this goal.

K-State changed your life, and the K-State family will continue changing lives. Your support ensures a stronger university, a robust state, a powerful nation and a better world. Here are just a few stories of how the campaign is truly changing K-Staters' lives.



Student success

Emily Besler

Major:
Marketing and political science

Hometown:
Evergreen, Colorado

Favorite K-State memory:
Attending the K-State Proud pep rally, when the student body learned that they had raised more than \$62,000 to help their fellow students.

Hobbies:
Scrapbooking, watching K-State sports, playing volleyball, spending time with friends

Future plans:
To work in consulting with an emphasis in leadership development — eventually in a nonprofit leadership position.

“As a fifth-generation K-Stater, I grew up understanding the value of a K-State education. My professors, advisors, mentors and friends have believed in my potential as a leader and have given me the confidence to pursue my dreams.

At K-State, I have seen students who have been so inspired by the gifts of alumni and friends that they too have decided to give back. My experience with K-State Proud — the student philanthropic campaign — has demonstrated that those who benefit from private support want to pay it forward and continue the cycle of philanthropy.

K-State teaches that it is not where you come from, but where you are going; if you have a dream, all those around you will work to help you achieve your goals.”

Faculty development

Dave Fritchen

Position:

Professor and head of the Department of Architectural Engineering and Construction Science. Holds the John W. and Dorothy M. Burke Architectural Engineering Chair.

Educational background:

B.S. construction science, Kansas State University, 1971; M.S. civil engineering, University of Washington, 1977

Years with K-State:

14

Favorite K-State memory:

Making lifelong friends, especially with my wife, Kay

Hobbies:

Fishing, hunting, home improvement projects

“Helping our students succeed in their academic and professional careers is the most rewarding experience a faculty member can have. The Changing Lives Campaign has enhanced the opportunities for our students and faculty to learn and advance in their professions.

Private funding has a major impact on our ability to recruit and retain top-quality faculty to sustain our growth. Our alumni, friends and corporate partners are helping to create future generations of successful K-State students through their generous contributions.

It is a special privilege to be a part of the engineering and construction education process, and I can assure our donors their support has made a big difference in the lives of K-State students and faculty.”

Learning environment

Hal Ross Flour Mill

Size:
22,000 square feet, five stories,
72 feet tall

Funding:
\$10 million, all private donations

Furnished milling equipment:
Buhler Inc.

Number of major contributors:
51

Capacity:
1 metric ton of wheat per hour



The new Hal Ross Flour Mill, built and equipped entirely through private funds, is one of a kind. The mill places K-State in a position to deal with the changes in milling and address nutritional and health issues. Faculty members provide current and future students the opportunity to learn the art and science of flour milling in a highly automated facility.

“The Hal Ross Flour Mill affords K-State students training opportunities that weren’t possible in the mill located in Shellenberger Hall,” said Kendall McFall, grain science instructor, pictured with student Michael McSwain. “The new plant is equipped with the latest in milling technology, packaged to provide a flexible system for both teaching and research on all classes of wheat.”

New and refurbished space creates pride of place and a home for the programs that advance scholarship and improve the capacity of students and faculty to change lives.

Working together to change lives



We gratefully acknowledge the KSU Foundation Board of Trustees for their outstanding leadership. We sincerely appreciate the time and financial support they have provided in order to make the Changing Lives Campaign a success. Private philanthropy makes the difference between a dream that never gets a chance and a dream that comes true.

Over the 63-year history of the KSU Foundation, our group of volunteer leaders has grown from a handful to thousands. The cooperation of volunteers, university administration and faculty, and foundation staff makes our university the one-of-a-kind institution we call K-State.

From left: Dennis von Waaden, chairman, KSU Foundation Board of Trustees; Paul Stephenson, chairman, KSU Foundation Executive Committee; Gary Hellebust, president and CEO, KSU Foundation; Jon Wefald, president, Kansas State University.

Fiscal year highlights

Dear friends:

Thanks to each of our many generous donors, we are pleased to report that the Kansas State University Foundation again had a successful fundraising year with contributions totaling \$91.5 million in fiscal year 2007. Of the \$91.5 million total, \$51.7 million was received in cash, and \$39.8 million was committed through pledges and deferred gifts. There is no question that the excitement surrounding the Changing Lives Campaign is moving K-Staters to new levels of generosity.

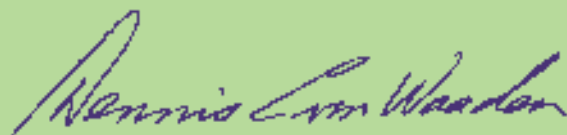
The \$500 million Changing Lives Campaign is the most ambitious undertaken in K-State's history, with an aggressive goal that we are well on our way to meeting. The successful completion of this campaign is imperative to ensure our capacity now, and in the future, to fulfill higher education's true promise of changing lives.

Consider the fact that state support for K-State has declined to less than 25 percent of the university's annual budget. Our university now relies on gifts from alumni and friends, and our faculty's ability to earn grants and contracts, to fund the major portion of the university's budget. By participating in this campaign and by supporting areas we care about most, we are demonstrating to others that we value K-State not just as our school, but as an important contributor to our future.

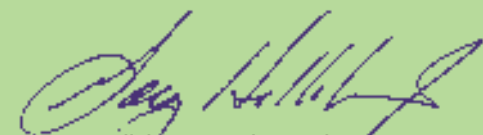
We recognize that K-State owes much of its success to the support and involvement of so many of you. On behalf of K-State's students, faculty and staff, we extend our heartfelt thanks.



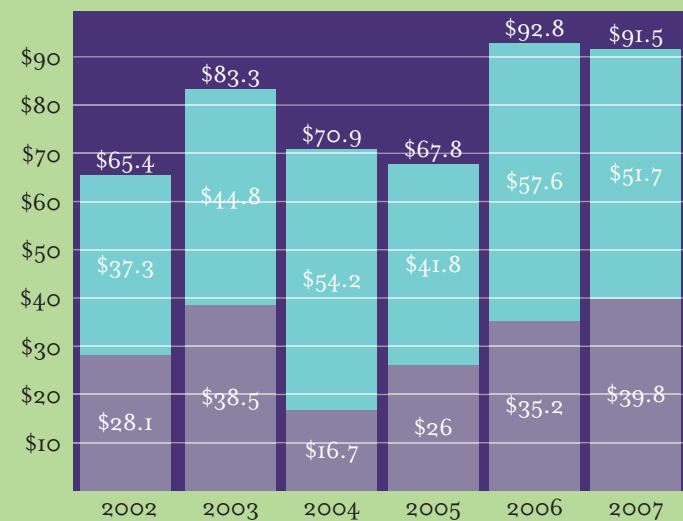
Paul Stephenson, chairman
Executive Committee



Dennis von Waaden, chairman
Board of Trustees



Gary Hellebust, president and CEO
KSU Foundation



2006-07

Changing Lives Campaign progress

The Changing Lives Campaign goal of \$500 million will meet priorities in K-State's nine colleges, as well as the alumni association, athletics and universitywide programs. With the help of dedicated volunteer leaders throughout the country, alumni and friends have given as never before.

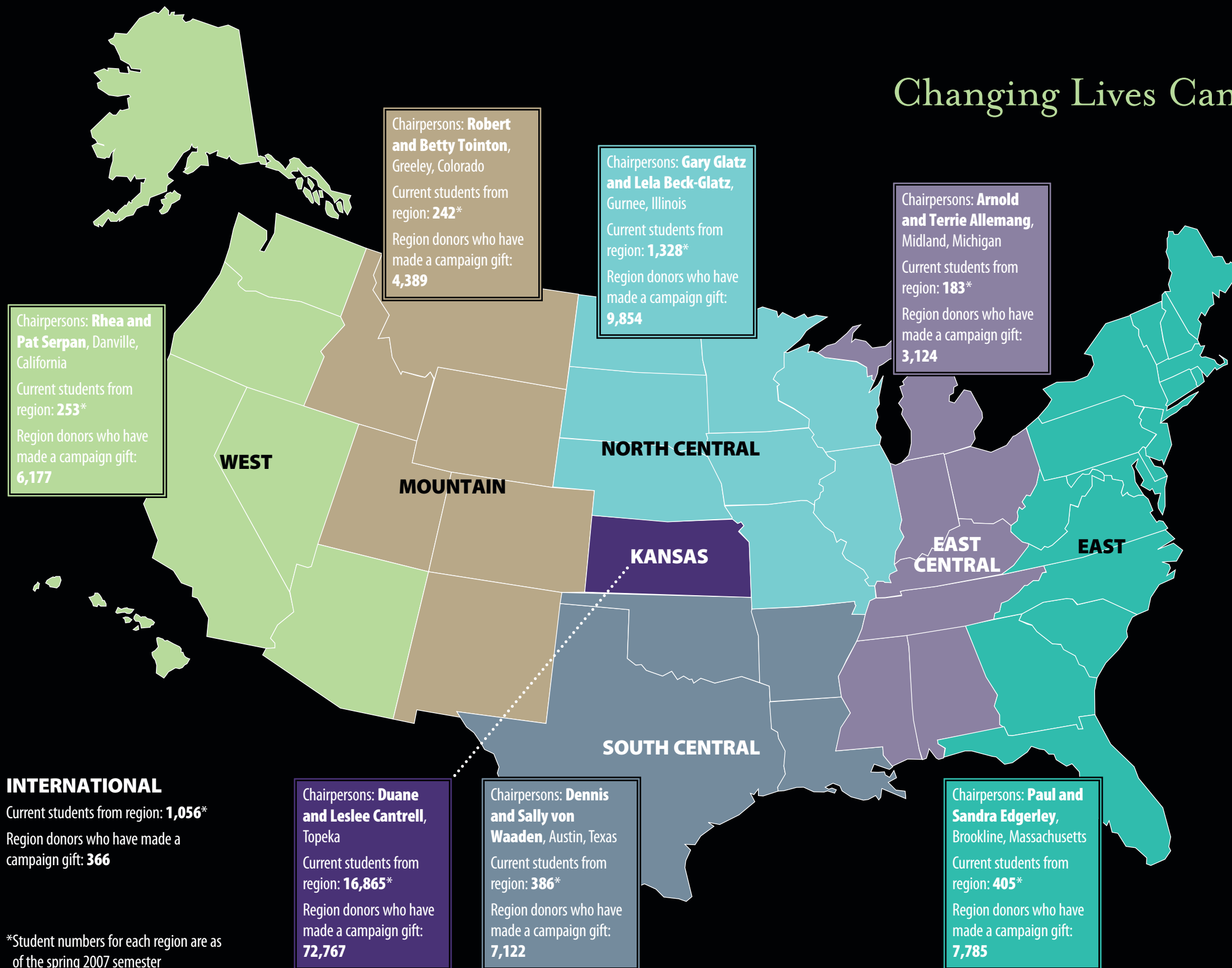
The charts here represent campaign progress at the close of fiscal year 2007. Exciting progress has been made since then, but there is still work to be done.

Constituency	Goal (millions)	Total raised	% of goal
Agriculture	\$100	\$79,737,666	80%
Architecture, Planning & Design	\$6	\$5,850,059	98%
Arts & Sciences	\$35	\$35,116,909	100%
Business	\$20	\$29,016,960	145%
Education	\$10	\$11,307,939	113%
Engineering	\$75	\$81,920,608	109%
Human Ecology	\$17	\$17,967,198	106%
K-State at Salina	\$5	\$5,441,479	109%
Veterinary Medicine	\$35	\$38,780,127	111%
Alumni Association	\$10	\$10,707,267	107%
KSU Athletics	\$90	\$92,601,853	103%
University Priorities	\$97	\$74,722,515	77%
Total	\$500	\$483,170,580	97%

Region	Goal (millions)	Total raised	% of goal
West	\$40	\$36,045,601	90%
Mountain	\$25	\$28,531,041	114%
North Central	\$40	\$46,744,282	117%
Kansas	\$250	\$245,220,130	98%
South Central	\$55	\$59,465,092	108%
East Central	\$15	\$16,497,146	110%
East	\$55	\$48,502,352	88%
International	\$20	\$2,164,936	11%
Total	\$500	\$483,170,580	97%



Changing Lives Campaign participation



We salute our volunteer leaders! The Changing Lives Campaign has engaged alumni across the country. Volunteers in each of the seven regions have been instrumental in helping identify and engage alumni and friends in K-State activities. The success of those efforts is illustrated by each region's statistics. Participation from alumni throughout the country is crucial to the success of the campaign.

HONORARY CHAIRPERSONS

- | | |
|--|--|
| Ross and Marianna Kistler Beach
Lawrence, Kansas | Mitch and Juli Richmond
Los Angeles, California |
| Jim and Marcia Colbert
Las Vegas, Nevada | Bill and Sharon Snyder
Manhattan, Kansas |
| Jack and Joann Goldstein
Manhattan, Kansas | Warren R. and Mary Lynn Staley
Edina, Minnesota |
| Robert and Marcia Hagans
Overland Park, Kansas | Joe M. and Inge T. Tiao
Manhattan, Kansas |
| Dean and Lavon Morton
Los Altos, California | Jack and Donna Vanier
Brookville, Kansas |
| Elizabeth Rhodes
Mesa, Arizona | M. Fred Tex and Nancy Chase Winter
Newport, Oregon |

INTERNATIONAL

Current students from region: **1,056***
Region donors who have made a campaign gift: **366**

*Student numbers for each region are as of the spring 2007 semester





K-State Proud: Students changing lives

K-State Proud was the first all-university student campaign of its kind at K-State — designed for students to have a part in the Changing Lives Campaign. Guided by the leadership of Student Foundation, the campaign allowed students to show their pride through philanthropy. Student campaign donations established Student Opportunity Awards for fellow K-State students in need.

All-University Campaign

In September 2006, K-State launched the inaugural All-University Campaign. Led by faculty and staff volunteers, the campaign reached out to all faculty and staff across campus, encouraging them to show their pride through philanthropy. The All-University Campaign will become an annual campaign coordinated through the annual giving department.



Telefund

K-State's annual Telefund hosted 22 calling sessions in 2007, logging pledges worth \$1,408,737. Cooperation and dedication separate K-State's Telefund from the year-round, automated, paid-caller systems that have become the standard among collegiate telephone campaigns. More than 16,000 K-State alumni and friends participated in the Changing Lives Campaign by pledging to Telefund 2007.

Annual giving

Annual giving at K-State strives to educate and encourage alumni, friends, faculty and staff, students and parents to support K-State on an annual basis through various giving and leadership opportunities. The purpose is to build a broad base of contributors who will support the immediate needs of the university by responding to customized mail appeals and telephone campaigns.

Each donor may choose to designate his or her support for students, faculty or research in any of the university's colleges, programs or departments. You decide who benefits from your support. Annual donors are an integral part of K-State — your gifts advance the university with every coming year. Every annual gift, whatever its size, makes a valuable and immediate difference at K-State.

Annual gifts support:

- ▶ Student scholarships
- ▶ Professional development for faculty
- ▶ Facility enhancements

Every gift makes a difference, and every gift changes lives.

Here are just a few ways our annual giving department communicates with K-State's alumni and friends:



Corporate and foundation relations

The corporate and foundation relations department acts as a catalyst to promote and strengthen relationships between corporations and foundations and the K-State academic community. Comprehensive strategic partnerships produce a variety of mutually beneficial programs between the university and corporations.

Cargill honors K-State alumnus with gift to leadership studies

Kansas State University has had a long-standing relationship with Cargill, a Minneapolis-based international provider of food, agricultural and risk management products and services. In 2007, Cargill announced a \$1 million gift to name the Cargill Center for Ethical Leadership within the Center for Leadership Studies.



When Warren Staley, a 1965 K-State graduate, recently retired as Cargill's president and chief executive officer, Cargill honored Staley with this gift to promote ethical business leadership at K-State.

"Cargill is pleased to make this unprecedented gift to support the ethics center as a way to recognize Warren Staley's commitment to promoting leadership and sound ethical business practices," said Greg Page, president and chief executive officer of Cargill.

For more than 20 years, Cargill has supported a variety of K-State's academic programs, diversity initiatives, scholarships and facilities improvements across campus. Cargill and K-State have worked together on targeted academic programs in the Colleges of Agriculture, Engineering and Human Ecology. Cargill also sponsors the Cargill Business Ethics Lecture Series in the College of Business Administration.

ConocoPhillips selects K-State for SPIRIT Scholars Program

ConocoPhillips, the third-largest integrated energy company in the United States, selected K-State as the newest member of its SPIRIT Scholars Program and presented a check for \$400,000 to the university in April. K-State is one of only eight universities in the country to receive this distinction.

The SPIRIT Scholars



Program provides academic scholarships to sophomores, juniors, seniors and graduate students. Mentoring opportunities and the opportunity to be interviewed for internships and full-time employment at ConocoPhillips are additional benefits of the program.

"ConocoPhillips is extremely proud of the Kansas State University graduates who work in our company," said Rand Berney, vice president and controller of ConocoPhillips and the executive contact for the partnership with K-State. "They bring a wealth of knowledge and breadth of experience that continues to create a lasting impact on our businesses."

ConocoPhillips officials said that by cultivating working relationships with universities like K-State, they are able to identify, develop and recruit top talent with the goal of giving students a competitive edge in business and creating the leaders who will drive the success of ConocoPhillips well into the future.



Rand Berney, vice president and controller of ConocoPhillips, visits with newly selected K-State SPIRIT Scholars.



Andrew Bell

Corporate matching programs enhance gifts to K-State

A young professional at ExxonMobil in Houston, Andrew Bell decided early that he wanted to give back to his alma mater. With the help of a corporate matching gift program, Bell was able to establish a scholarship for K-State student leaders.

"Utilizing matching gift programs is the ultimate opportunity to make dreams come true and to also keep education affordable for all students," said Bell, a 2003 management information systems graduate. "Not only does the partnership encourage alumni to give back to their university, but it allows donors the opportunity to channel their money into specific programs that can make a difference in other people's lives."

Bell used ExxonMobil's 3-to-1 matching gift program to establish an endowed fund, the Andrew K. Bell Residence Life Leadership Scholarship.

"I am fortunate to work for a company that realizes the importance of investing in the present and for the future," he said. "I was able to use matching funds provided by the ExxonMobil Foundation to multiply my contribution into something that could help others expand their leadership abilities. Corporations need to think of the matching gift program not just as an expense on the corporate balance sheet. Investing in education will continue to expand the creativity required in order for businesses to succeed."

2007 matching gifts

More than \$975,000 was received in matching gift donations in fiscal year 2007 — a 12 percent increase from fiscal year 2006.

Of that total, more than:

- ▶ 2,000 matching gifts were received.
- ▶ 1,500 alumni and friends utilized their company's matching gift program.
- ▶ 250 companies matched their employee's gifts to K-State.

The following corporate and foundation partners have supported Kansas State University with gifts of \$100,000 or more during the 2007 fiscal year.

CORPORATIONS

- Buhler Inc.
- Burke Lawton Brewer & Burke
- Cadence Design Systems Inc.
- Cargill Inc.
- Cereal Food Processors Inc.
- ConocoPhillips
- Hill's Pet Nutrition Inc.
- Jacob Tubing LP
- Kice Industries Inc.
- Lectra USA Inc.
- Mercy Regional Health Center
- Merial Limited
- Pepsi Cola Bottling Co. of Marysville Inc.
- Porter Farms
- Via Christi Health System Inc.
- Wildcat Construction Co. Inc.

FOUNDATIONS

- Cessna Foundation Inc.
- Carl M. and Ruth L. Coonrod Family Foundation
- Crosby Family Foundation
- Dane G. Hansen Foundation
- Dixon and Carol Doll Family Foundation
- Don C. and Florence M. McCune Foundation
- E. Eugene Carter Foundation
- Lattner Family Foundation Inc.
- Tointon Family Foundation

Volunteer leaders

KSU Foundation Executive Committee

The executive committee is composed of the chairman, vice chairman, secretary and treasurer of the board of trustees, the president of the university, the chairman of the K-State Alumni Association Board of Directors and additional members elected from the board of trustees.

The executive committee meets quarterly to consider policy and management issues and is authorized to act on behalf of the board of trustees between its annual meetings. Executive committee members also apply their expertise to committees including investment advisory, development and prioritization, technology, budget and operations, accounting and audit, trust management advisory and nominating.

Executive committee as of June 30, 2007

Paul Stephenson
Chairman, executive committee
Wichita, Kansas

Lee Harris
Vice chairman, executive committee
Leawood, Kansas

Duane Cantrell
Treasurer, board of trustees
Topeka, Kansas

Randy Coonrod
Wichita, Kansas

Tara Cupps
Wichita, Kansas

Paul Edgerley
Brookline, Massachusetts

Curt Frasier
Beloit, Kansas

Phil Howe
Secretary, board of trustees
Manhattan, Kansas

Earl McVicker
Vice chairman, board of trustees
Hutchinson, Kansas

Bill Sanford
Willoughby, Ohio

Rhea Serpan
Chairman, K-State Alumni Association Board of Directors
Danville, California

Eleanor Stolzer
Manhattan, Kansas

Betty Tointon
Greeley, Colorado

Dennis von Waaden
Chairman, board of trustees
Austin, Texas

Ex Officio

Duane Nellis
Provost
Kansas State University

Phil Phar
President
Livestock and Meat Industry Council

Lyle Pishny
Past chairman

Jon Wefald
President
Kansas State University

Gary Hellebust
President/CEO
KSU Foundation

KSU Foundation Board of Trustees

The foundation's governing board consists of elected volunteers who serve four-year terms. The board of trustees meets annually to consider foundation policies and strategic direction. Trustees also help identify, cultivate and solicit support for the university from individuals, corporations and foundations.

Trustees not only volunteer their time and expertise, they also provide continuous financial support to the university.

Board of trustees as of June 30, 2007

Barb Adee
Newton, Kansas

Ray Adee
Newton, Kansas

Robert Allen
Voorhees, New Jersey

Doug Anstaett
Topeka, Kansas

Lucinda Anstaett
Topeka, Kansas

Terry Arthur III
Manhattan, Kansas

Douglas Ayre
Larned, Kansas

Jane Ayre
Larned, Kansas

Jack Ayres
Scottsdale, Arizona

Janet Ayres
Scottsdale, Arizona

Bruce Bachman
Centralia, Kansas

Sally Baker
Granbury, Texas

Thane Baker
Granbury, Texas

Janice Barclay
Rogers, Arkansas

Dick Barclay
Rogers, Arkansas

Michael Barrera
Washington, D.C.

Jon Baum
Shawnee Mission, Kansas

Ann Becker
Wichita, Kansas

Dean Becker
Wichita, Kansas

Charles Belew
Wichita, Kansas

Jeanne Belew
Wichita, Kansas

Karen Bell
Manhattan, Kansas

Deloris Berland
Manhattan, Kansas

Steve Berland
Manhattan, Kansas

Ann Bidwell
Chicago, Illinois



Ann Bingham
Lake Quivira, Kansas

Larry Bingham
Lake Quivira, Kansas

Beth Bird
Anthony, Kansas

Dan Bird
Anthony, Kansas

James Birkbeck
Holton, Kansas

Mary Birkbeck
Holton, Kansas

Rolando Blackman
Dallas, Texas

Tamara Blackman
Frisco, Texas

Doug Blackwood
Olathe, Kansas

Jerry Boettcher
Beloit, Kansas

Eldon Boisseau
Wichita, Kansas

Janet Boisseau
Wichita, Kansas

Gary Boomer
Kansas City, Missouri

Kathleen Borck
Manhattan, Kansas

Lee Borck
Manhattan, Kansas

Nadalie Bosse
Leawood, Kansas

Brent Bowman
Leawood, Kansas

Lorie Doolittle Bowman
Leawood, Kansas

Kent Bradley MD
Valley Center, Kansas

Ron Bramlage
Junction City, Kansas

Barbie Breedlove
Olathe, Kansas

Loren Breedlove
Olathe, Kansas

Ben Brent
Manhattan, Kansas

Dwayne Broddle
Wichita, Kansas

Karen Brokenicky
Manhattan, Kansas

Phil Brokenicky
Manhattan, Kansas

Mary Brooks
Overland Park, Kansas

Bill Brooks
Overland Park, Kansas

Elizabeth Burke
Doylestown, Pennsylvania

Franklin Burke
Doylestown, Pennsylvania

Bernie Butler
Manhattan, Kansas

Duane Cantrell
Topeka, Kansas

Leslee Cantrell
Topeka, Kansas

Tom Carlin
Manhattan, Kansas

Michael Carlisle
Lawrence, Kansas

Charles Chandler IV
Wichita, Kansas

Dave Chelesnik
Del Mar, California

Michael Christensen
Waterloo, Nebraska

Susan Christensen DDS
Waterloo, Nebraska

Charlie Claar Jr.
Garden City, Kansas

James Coffman
Manhattan, Kansas

Larry Coffman
St. Joseph, Missouri

Sally Coffman
St. Joseph, Missouri



Board of trustees as of June 30, 2007
(continued)

Sharon Coffman
Manhattan, Kansas

Marcia Colbert
Manhattan, Kansas

Brenda Compton
Wichita, Kansas

Gib Compton
Wichita, Kansas

Randy Coonrod
Wichita, Kansas

Bonnie Cordill
Topeka, Kansas

Jerry Cordill
Topeka, Kansas

Nancy Coulter
Broken Arrow, Oklahoma

Roger Coulter
Broken Arrow, Oklahoma

Ann Cranor
Shawnee Mission, Kansas

Timothy Cranor
Shawnee Mission, Kansas

Tara Cupps
Wichita, Kansas

Terry Cupps
Wichita, Kansas

Chris Curtin
Overland Park, Kansas

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McPherson, Kansas

Neisha Dahlstrom
McPherson, Kansas

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Venette Davis
Topeka, Kansas

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Olathe, Kansas

Mark Dobbins
Olathe, Kansas

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Venice, Florida

Dick Dodderidge
Venice, Florida

Dixon Doll
San Francisco, California

Marilee Donaldson
Plano, Texas

Rich Donaldson
Plano, Texas

Joe Downey
Manhattan, Kansas

Sherry Downey
Manhattan, Kansas

David Dreiling
Manhattan, Kansas

Kristen Dreiling
Manhattan, Kansas

Don Dressler
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Linda Dressler
Irvine, California

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Gary Edwards
Houston, Texas

Peggy Edwards
Houston, Texas

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Howard Erickson
Manhattan, Kansas

Richard Evers
St. Joseph, Missouri

Sharon Evers
St. Joseph, Missouri

Jerry Fairbanks
Goodland, Kansas

Joe Farrar
Manhattan, Kansas

Nancy Farrar
Manhattan, Kansas

Ann Fingland
Manhattan, Kansas

Roger Fingland
Manhattan, Kansas

Barry Flinchbaugh
Manhattan, Kansas

Cathy Flinchbaugh
Manhattan, Kansas

Bernard Franklin
Kansas City, Kansas

Curt Frasier
Beloit, Kansas

Sherry Frasier
Beloit, Kansas

Marilyn Galle
Manhattan, Kansas

Nelson Galle
Manhattan, Kansas

Mark Galyardt
Atlanta, Georgia

Susie Galyardt
Atlanta, Georgia

Henry Gardiner
Ashland, Kansas

Doug Gaston
Leawood, Kansas

Rozanne Gaston
Leawood, Kansas

Jeff Gates
New York, New York

Malinda Gilchrist
Manhattan Beach, California

Mary Kevin Giller
Manhattan, Kansas

Tom Giller
Manhattan, Kansas

Gary Glatz
Gurnee, Illinois

Nick Golden
Overland Park, Kansas

Susan Golden
Overland Park, Kansas

Jack Goldstein
Manhattan, Kansas

Joann Goldstein
Manhattan, Kansas

Michael Goss
Westport, Connecticut

Celinda Graham
Wichita, Kansas

Jim Graham
Wichita, Kansas

John Graham
Manhattan, Kansas

Mary Lee Graham
Manhattan, Kansas

Sue Greig
Manhattan, Kansas

Carolyn Grier
Wichita, Kansas

Chuck Grier
Wichita, Kansas

Jim Grier III
Wichita, Kansas

Susan Grier
Wichita, Kansas

Jo Harbin
Salina, Kansas

Bill Harbin
Salina, Kansas

Barbara Harris
Leawood, Kansas

Lee Harris
Leawood, Kansas

Clay Harvey
Topeka, Kansas

Marsha Hedlund
Wichita, Kansas

Jerod Heiman
Wichita, Kansas

Christopher Hernandez
Kansas City, Kansas

Chris Hess
Carlsbad, California

Ken Hewson
Larned, Kansas

Mary Hewson
Larned, Kansas

Doug Hill
St. Louis, Missouri

Jerry Hill
Marina del Rey, California

Joleen Hill
Manhattan, Kansas

Vicki Hill
St. Louis, Missouri

Colleen Hodes
Rockaway, New Jersey

Steven Hodes
Rockaway, New Jersey

Elaine Hodgson
Overland Park, Kansas

Michael Hodgson
Overland Park, Kansas

Hank Hoesli
Wichita, Kansas

Sally Hoesli
Wichita, Kansas

Don Hoffman
Hays, Kansas

Gretta Hoffman
Hays, Kansas

Jeannie Hollis
Tucson, Arizona

Phil Hollis
Tucson, Arizona

Allen Homan
Portage, Michigan

Dianne Honomichl
De Soto, Kansas

Kevin Honomichl
De Soto, Kansas

Julie Hostetler
Manhattan, Kansas

Phil Howe
Manhattan, Kansas

Cleve Humbert
Manhattan, Kansas

Mark Hutton
Wichita, Kansas

Mary Hutton
Wichita, Kansas

Carl Ice
Colleyville, Texas

Mary Ice
Colleyville, Texas

Rae Iman
Albuquerque, New Mexico

Ron Iman
Albuquerque, New Mexico

Linda Irsik
Gainesville, Florida

Max Irsik
Gainesville, Florida

Rebecca Jackson-Claar
Garden City, Kansas

Connie Jaynes
Tulsa, Oklahoma

Ann Johnson
Lawrence, Kansas

Jim Johnson
Colorado Springs, Colorado

Steven Johnson
Overland Park, Kansas

Steve Johnson
Lawrence, Kansas

Larry Justice
Olathe, Kansas

Jim Kadel
Beloit, Kansas

Karol Kadel
Beloit, Kansas

Gial Kaegi
Derby, Kansas

Marge Kaegi
Derby, Kansas

Carolyn Keller
Littleton, Colorado

Cindy Keller
Pratt, Kansas

Frank Keller
Littleton, Colorado

Bill Keller
Pratt, Kansas

Hannah Kerschen
Wichita, Kansas

Rich Kerschen
Wichita, Kansas

Beth Kesinger
Manhattan, Kansas

Don Kesinger
Manhattan, Kansas

Mary Lee Kind
Thousand Oaks, California

Larry King
Denver, Colorado

Douglas Kitchen
Nashville, Tennessee

Kenny Knight
Lyons, Kansas

Tamara Knight
Lyons, Kansas

Joan Knoll
Topeka, Kansas

Loren Koch
Marietta, Georgia

Sandra Koch
Marietta, Georgia

Patrick Koons
Burdick, Kansas

Sharon Koons
Burdick, Kansas

Duane Koster
Garden City, Kansas

Kathleen Koster
Garden City, Kansas

Rick Krause
Great Bend, Kansas

Rita Krause
Great Bend, Kansas

Barbara Kruger
Henderson, Nevada

Lon Kruger
Henderson, Nevada

Cathryn Lacy
Des Moines, Iowa

Stephen Lacy
Des Moines, Iowa

Charles Lamphear
Lincoln, Nebraska

Karen Larson
Olathe, Kansas

Alan Lauck
Santa Fe, New Mexico

Jon Levin
Manhattan, Kansas

Lila Levin
Manhattan, Kansas

Bill Livingston
Wichita, Kansas

Cheryl Lockett
Leawood, Kansas

Kevin Lockett
Leawood, Kansas

Beth Lull
Salina, Kansas

Dennis Lull
Salina, Kansas

Joyce Lutz
Topeka, Kansas

Ronald Lutz
Topeka, Kansas

Dan Lykins
Topeka, Kansas



Board of trustees as of June 30, 2007
(continued)

Judy Lykins
Topeka, Kansas

Jo Lyle
Manhattan, Kansas

Kenneth Lyle
Manhattan, Kansas

Jan Markel
Rogers, Arkansas

Lynn Markel
Rogers, Arkansas

Renay Martin
Overland Park, Kansas

Rick Martin
Overland Park, Kansas

Terry Matlack
Shawnee Mission, Kansas

Diana McCaustland
Manhattan, Kansas

Bob McCaustland
Manhattan, Kansas

John McCloskey
Evergreen, Colorado

Earl McVicker
Hutchinson, Kansas

Candy Merrill
Overland Park, Kansas

Fred Merrill Jr.
Overland Park, Kansas

Lauren Meyer
Lenexa, Kansas

Mark Meyer MD
Lenexa, Kansas

Doris Miller
Manhattan, Kansas

Joe Miller
Spring Lake, New Jersey

Monte Miller Jr.
Manhattan, Kansas

Ron Minarcini
Marco Island, Florida

Harish Minocha
Manhattan, Kansas

Rich Mistler
Fairway, Kansas

John Mollett
Olathe, Kansas

Kathryn Mollett
Olathe, Kansas

John Montgomery
Junction City, Kansas

deAnn Moore
Mission Hills, Kansas

Sam Moore
Mission Hills, Kansas

John Morgan
Pacific Palisades, California

Linda Morgan
Pacific Palisades, California

Aaron Morrison
Salina, Kansas

Cy Moyer
Phillipsburg, Kansas

Bill Muir
Manhattan, Kansas

Elaine Mull
Pawnee Rock, Kansas

Glenn Mull
Pawnee Rock, Kansas

Keith Mull
Larned, Kansas

Dennis Mullin
Manhattan, Kansas

Andrew Murphy
Great Bend, Kansas

Mary Jo Myers
Arlington, Virginia

Richard Myers
Arlington, Virginia

David Nelson
St. George, Kansas

Mary Jo Nelson
St. George, Kansas

Larry Nettles
Leawood, Kansas

Gary Olson
Lawrence, Kansas

Julie Oltjen
Overland Park, Kansas

Rob Oltjen
Overland Park, Kansas

Ken Peirce
Hutchinson, Kansas

John Perrier
Dodge City, Kansas

Jan Pishny
Stilwell, Kansas

Lyle Pishny
Stilwell, Kansas

Mary Pollack
Manhattan, Kansas

Gary Proffitt
Sterling, Kansas

Casey Rachofsky
San Diego, California

Marc Rachofsky
San Diego, California

Randy Rathbun
Wichita, Kansas

Les Regier
Overland Park, Kansas

Ann Regnier
Leawood, Kansas

Bob Regnier
Leawood, Kansas

Sid Reitz
Salina, Kansas

Deborah Rempe
Windsor, Colorado

Michael Rempe
Windsor, Colorado

Kathleen Riordan
Prairie Village, Kansas

Michael Riordan
Prairie Village, Kansas

Barry Robinson
Rolling Hills Estates, California

Marcia Robinson
Rolling Hills Estates, California

Roy Robinson
Kansas City, Kansas

Sylvia Robinson
Kansas City, Kansas

David Rock
Frisco, Texas

Lisa Rock
Frisco, Texas

Brent Rockers
Clive, Iowa

Lynne Rockers
Clive, Iowa

Hal Ross
Wichita, Kansas

Mary Lou Ross
Wichita, Kansas

Bill Sanford
Willoughby, Ohio

Duane Saunders
Eden Prairie, Minnesota

Denise Schneider
Hinsdale, Illinois

Rob Schneider
Hinsdale, Illinois

Rhea Serpan
Danville, California

Pat Serpan
Danville, California

Shad Shadwick
Greeley, Colorado

Jeannine Shadwick
Greeley, Colorado

Jan Shaw
Ashland, Kansas

William Shaw
Ashland, Kansas

Connie Sink
Manhattan, Kansas

Roger Sink
Manhattan, Kansas

Bob Sjogren
Newton, Kansas

Red Skelton
Wichita, Kansas

Suzy Smith
Topeka, Kansas

Bill Snyder
Manhattan, Kansas

John Snyder
West Des Moines, Iowa

Sharon Snyder
Manhattan, Kansas

Dean Spencer
Council Grove, Kansas

Sharon Spencer
Council Grove, Kansas

John Stack
Gravois Mills, Missouri

P. J. Stamps-Kitchen
Nashville, Tennessee

Susan Stannard
Mission Woods, Kansas

Bill Stannard
Mission Woods, Kansas

Amy Lou Stephenson
Wichita, Kansas

Paul Stephenson
Wichita, Kansas

Eleanor Stolzer
Manhattan, Kansas

Bill Stolzer
Manhattan, Kansas

Joe Stout
Cottonwood Falls, Kansas

Mary Lea Stout
Cottonwood Falls, Kansas

Veryl Switzer
Manhattan, Kansas

Marilyn Taylor
Overland Park, Kansas

Bill Taylor
Overland Park, Kansas

John Teeter
Lenexa, Kansas

Patricia Teeter
Lenexa, Kansas

Jane Thiessen
Manhattan, Kansas

Richard Thiessen
Manhattan, Kansas

Bernita Thorn
Topeka, Kansas

Bob Thorn
Topeka, Kansas

Ann Tiao
Voorhees, New Jersey

Joe Tiao
Manhattan, Kansas

Frank Tillman
Manhattan, Kansas

Betty Tointon
Greeley, Colorado

Mark Truitt
Leawood, Kansas



Greg Tucker
San Francisco, California

Donna Vanier
Brookville, Kansas

Jack Vanier
Brookville, Kansas

John Vanier II
Salina, Kansas

Mary Vanier
Manhattan, Kansas

Randy Vautravers
Andover, Kansas

Dennis von Waaden
Austin, Texas

Sally von Waaden
Austin, Texas

Edwin Wambsgans
Larkspur, Colorado

Eunice Wambsgans
Larkspur, Colorado

Byron Warta
Newton, Kansas

Marjorie Warta
Newton, Kansas

Dan Wassenberg
Marysville, Kansas

Jon Wefald
Manhattan, Kansas

Ruth Ann Wefald
Manhattan, Kansas

Loma Wegerer
Moline, Illinois

Vernon Wegerer
Moline, Illinois

Carol Weibert
Manhattan, Kansas

Warren Weibert
Manhattan, Kansas

Elizabeth Weigel
Kansas City, Missouri

David Weigel
Kansas City, Missouri

Darrell Westervelt
Manhattan, Kansas

Jane Westfall
Manhattan, Kansas

Douglas Weyer
Lake Dallas, Texas

Herb Whitney
Houston, Texas

Mary Sue Whitney
Houston, Texas

Brian Wicks
Georgetown, Texas

Christine Wicks
Georgetown, Texas

Cathy Wieland
Colby, Kansas

Scott Wieland
Colby, Kansas

Don Wilbur Jr.
Paola, Kansas

Michael Wilds
Manhattan, Kansas

Larry Williams
Halstead, Kansas

Chuck Wilson Jr.
Del Mar, California

Diane Wolfington
Wichita, Kansas

Scot Wolfington
Wichita, Kansas

Dave Woolfolk Jr.
Manhattan, Kansas

Julia Woolfolk
Manhattan, Kansas

George Yapp
Barrington Hills, Illinois

Gary Younger
Wichita, Kansas

Sharon Younger
Wichita, Kansas

Cheryl Yunk
Manhattan, Kansas

Dan Yunk
Manhattan, Kansas



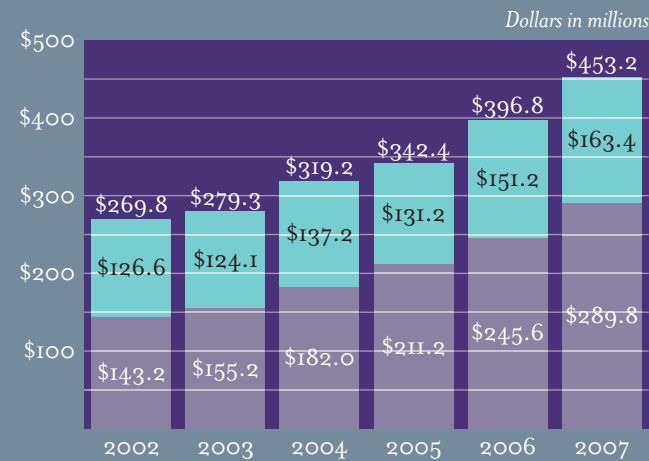
Assets and endowments

Permanent endowments and other foundation assets

This chart shows the foundation's total assets, which topped \$453 million in fiscal year 2007. The purple bars indicate the portion of total assets that are permanent endowments, the majority of which are held in the endowment pool. This pool earned an investment return of 19.32 percent in fiscal year 2007.

The blue bars represent temporarily restricted assets including donor-restricted expendable funds, quasi-endowed funds and unrestricted net assets. The foundation building, university real estate fund and underwriting funds for the foundation and the university are included in unrestricted net assets.

Other foundation assets
Permanent endowments



Endowed gifts: Endowment additions were made to both permanently endowed and quasi-endowed funds. Gifts that are designated as permanent endowments are held in perpetuity. The gift is invested and a portion of the annual investment return is used to support the purpose specified by the donor. The portion of the investment return that is available to support the fund's purpose is based on the foundation's distribution policy, which is set and reviewed annually by the executive committee. Quasi-endowed funds are invested like a permanent endowment, but allow the university to utilize principal when needed.

Expendable gifts: Expendable funds are available immediately to the designated college or department.

Trusts: In the case of trusts, donors make a contribution to the foundation to establish a trust benefiting the donor. The donor receives income from the trust for a set period of years or for life. No money from the trust goes to the designated university purpose until the trust is terminated.

Supporting K-State today and in the future

A proper balance of endowments, expendable funds and trusts are vital to the welfare of Kansas State University. A university is typically judged by its endowment level as it represents the university's long-term ability to offer scholarships, compensate staff and provide academic support. Expendable funding provides dollars that are available today to make an immediate impact on furthering the university's goals. Trusts represent a future revenue stream for K-State.

\$56.7 million transferred to the university

Charitable contributions help K-State develop new programs, provide opportunities for students and faculty, and enhance university life. In fiscal year 2007, the foundation transferred \$56.7 million to the university, a new record. The bulk of the \$56.7 million transferred came from current year expendable contributions. The remainder came from the annual investment return on endowed funds established in prior years.

\$91.5 million committed by donors

In the same fiscal year, a total of \$91.5 million was committed to the foundation.

\$51.7 million was received in outright gifts of cash, real estate or appreciated securities
+ \$39.8 million was committed through pledges or deferred gifts (not yet available to distribute to the university)
\$91.5 million in total gift activity

The \$51.7 million received in outright gifts was designated in this way:

\$18.8 million in endowed gifts (only investment return and earnings are available for distribution)
\$2.5 million in trusts (not available for distribution until a later date)
+ \$30.4 million in expendable contributions
\$51.7 million in outright gifts

Investments

The diversified portfolio approach to managing the endowment pool assets continued to provide returns that outpaced a custom benchmark index of broad market indices in the fiscal year 2007, by more than 300 basis points. The investment committee, consisting of nine trustees with financial markets expertise, works with staff and an investment consultant in formulating investment policy and, from that, an appropriate asset allocation. With this guidance, staff manages the portfolio of external managers and funds-of-funds.

In addition to ongoing portfolio and manager due diligence issues, the following were major issues addressed by the investment committee and staff during the fiscal year:

- ▶ Modification of the expendable pool asset allocation to better fit the portfolio structure to the pool cash flow history.
- ▶ Initiation of an investment consultant review through issuance of a request for proposals to investment consulting candidates.

Endowment pool asset allocation

- Traditional equity **38%** (domestic and international)
- Hedge funds **19%**
- Private capital **16%**
- Inflation hedge **16%** (real estate, commodities, energy)
- Deflation hedge **11%** (fixed income)



- ▶ Investigation of the pros and cons of creating an investment subsidiary of the KSU Foundation to manage the investment functions of the organization and potentially other similar entities.

Endowment pool asset allocation

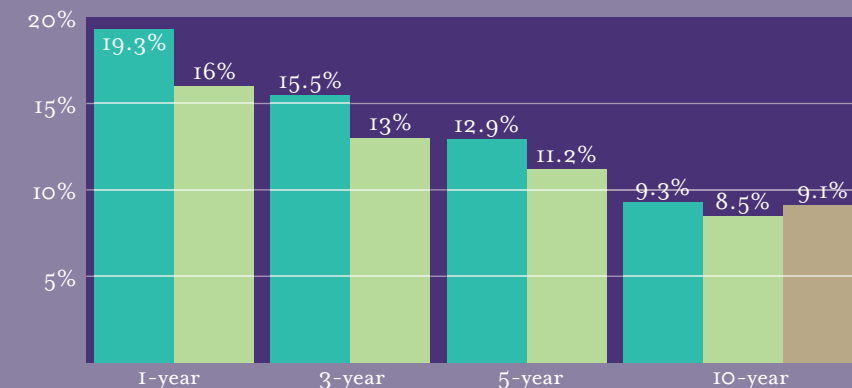
The endowment pool at June 30, 2007, had 11 percent allocated to a deflation hedge strategy comprised of high-quality fixed income; 38 percent allocated to traditional equity strategies, both domestic and international; 16 percent allocated to an inflation hedge strategy comprised of those assets which would cushion the portfolio from an unexpected rise in inflation, such as real estate, commodities and energy; 19 percent in hedge funds, both absolute return and long/short equity; and, 16 percent in private capital, consisting of private equity, distressed debt and venture capital.

Endowment pool returns

Endowment returns at fiscal year-end were: 19.3 percent, 15.5 percent, 12.9 percent and 9.3 percent for one-, three-, five- and 10-year periods respectively. The absolute return objective of equaling distributions plus expenses plus inflation was exceeded by 0.2 percent over a 10-year period. Meeting or exceeding the absolute return objective is a measure of how well the endowment is attaining intergenerational equity, the balancing of current and future distributions from the endowment.

Performance data is updated on the investments portion of the KSU Foundation Web site approximately six weeks after the end of each quarter; policies are updated as changes occur. See www.found.ksu.edu/investments.

Endowment pool performance analysis (as of June 30, 2007)



Endowment pool
Relative objective
Absolute objective

The **relative objective** of the endowment is to seek competitive investment performance compared to appropriate capital market measures, such as securities indices.

The **absolute objective** of the endowment is to seek an average total annual real return equal to or exceeding the distribution policy rate; specifically the CPI plus the distribution policy rate. This objective shall be measured over annualized, rolling 10-year time periods. The intent of this objective is to preserve, over time, the principal value of assets as measured in real, inflation adjusted terms.

Kansas State University Foundation
Manhattan, Kansas
Consolidated Statements of Financial Position
For the year ended June 30,

ASSETS	2007	2006
Cash and cash equivalents	\$24,982,670	\$32,494,121
Short-term investments and certificates of deposit	2,690,000	3,586,032
Equity investments	168,099,963	133,481,062
Book value — \$118,099,386 at June 30, 2007		
Book value — \$107,438,473 at June 30, 2006		
Corporate and other fixed income	47,331,325	51,920,421
Book value — \$46,195,920 at June 30, 2007		
Book value — \$51,999,183 at June 30, 2006		
U.S. Government and government agency obligations	1,348,291	1,352,295
Book value — \$1,334,193 at June 30, 2007		
Book value — \$1,334,193 at June 30, 2006		
Real estate investments	33,448,863	27,930,245
Book value — \$28,934,694 at June 30, 2007		
Book value — \$26,218,166 at June 30, 2006		
Alternative strategies	134,580,977	103,567,410
Book value — \$115,595,893 at June 30, 2007		
Book value — \$97,773,642 at June 30, 2006		
Other securities and investments	380,242	340,995
Book value — \$277,338 at June 30, 2007		
Book value — \$283,721 at June 30, 2006		
Pledges receivable, net	13,405,563	13,422,606
Receivables from estates	5,630,970	6,750,111
Loans receivable	1,839,336	710,861
Real estate and other depreciable property	18,031,197	19,903,983
Accumulated depreciation	(4,216,461)	(3,853,002)
Net real estate and other depreciable property — Golf course	1,767,223	1,745,980
Cash surrender value of life insurance policies	3,119,776	2,756,425
Other assets and accrued income	763,683	722,515
TOTAL ASSETS	\$453,203,618	\$396,832,060
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable, deposits and other liabilities	\$1,890,309	\$720,895
Accrued liabilities	1,376,924	1,211,876
Assets held for others	8,327,441	6,172,878
Current obligations, unitrust and annuity liabilities	2,682,248	2,492,663
Current portion of note, mortgage and bond payable	1,081,710	459,144
Total current liabilities	\$15,358,632	\$11,057,456
Other liabilities		
Unitrust and annuity liabilities, less current obligation	\$22,013,970	\$19,927,549
Note payable — Nanoscale, less current portion	1,669,890	1,753,081
Note payable — Printing Services, less current portion	—	638,882
Mortgage payable — Golf course, less current portion	1,052,568	1,367,205
Line of credit — Golf course	1,101,747	1,191,008
Bonds payable — Educational and Agricultural Research Facility Rev Bonds, less current portion	500,000	545,000
Total other liabilities	\$26,338,175	\$25,422,725
TOTAL LIABILITIES	\$41,696,807	\$36,480,181
Net assets		
Unrestricted net assets (designated)	\$35,489,312	\$31,590,034
Temporarily restricted net assets	86,178,444	83,156,464
Permanently restricted net assets	289,839,055	245,605,381
Total net assets	\$411,506,811	\$360,351,879
TOTAL LIABILITIES AND NET ASSETS	\$453,203,618	\$396,832,060

Kansas State University Foundation
Manhattan, Kansas
Consolidated Statement of Activities
For the year ended June 30,

REVENUES, GAINS AND OTHER SUPPORT	Unrestricted	Temporarily Restricted	Permanently Restricted	2007 Total	2006 Total
Contributions	\$1,875,928	\$34,819,920	\$12,301,368	\$48,997,216	\$64,460,609
Investment income	976,431	12,605,669	178,528	13,760,628	12,313,561
Net realized and unrealized gains on asset transactions	15,625,314	4,267,076	32,928,387	52,820,777	27,869,173
Other support					
Operational service charges, management fees and other	3,424,257	—	—	3,424,257	3,387,251
Receipts for grants, research, supplies, travel and other university departmental activities and funding allotments, etc.	(4,900)	6,449,448	6,720	6,451,268	4,744,822
Actuarial gain/(loss) on unitrusts and annuities obligations	(555,465)	(4,142,864)	(809,729)	(5,508,058)	(1,637,678)
Net assets released from restrictions	(2,672,219)	3,043,819	(371,600)	—	—
Satisfaction of program restrictions	54,021,088	(54,021,088)	—	—	—
Total revenues, gains and other support	\$72,690,434	\$3,021,980	\$44,233,674	\$119,946,088	\$111,137,738
EXPENSES AND SUPPORT					
Direct university support					
Scholarships and other student awards	\$10,962,142	—	—	\$10,962,142	\$8,731,925
Academic	6,058,132	—	—	6,058,132	7,390,198
Administrative — faculty and student support	27,064,155	—	—	27,064,155	22,092,443
Capital improvements	12,657,664	—	—	12,657,664	8,946,080
Subtotal	\$56,742,093	—	—	\$56,742,093	\$47,160,646
Investment — portfolio management	2,557,011	—	—	2,557,011	2,345,811
Investment — loan interest expense and write-off	269,948	—	—	269,948	389,919
KSUF administration	3,540,688	—	—	3,540,688	3,065,805
KSUF fundraising	5,681,416	—	—	5,681,416	5,561,781
Total expenses and support	\$68,791,156	—	—	\$68,791,156	\$58,523,962
CHANGE IN NET ASSETS	\$3,899,278	\$3,021,980	\$44,233,674	\$51,154,932	\$52,613,776
NET ASSETS AT BEGINNING OF YEAR	31,590,034	83,156,464	245,605,381	360,351,879	307,609,126
ADJUSTMENT TO NET ASSETS (KSUGCMRF Quasi Reorganization)					
	—	—	—	—	128,977
NET ASSETS AT END OF YEAR	\$35,489,312	\$86,178,444	\$289,839,055	\$411,506,811	\$360,351,879

The Consolidated Statements of Financial Position and the Consolidated Statements of Activities are excerpted from the Kansas State University Foundation's 2007 financial statements, which were audited by Varney and Associates, CPAs, LLC. For a complete copy, please view online at www.found.ksu.edu or send a request to Controller, KSU Foundation, 2323 Anderson Ave. Ste. 500, Manhattan, KS 66502-2911.



K-State Proud

For the first time in K-State history, students initiated their very own philanthropic campaign. Guided by the leadership of Student Foundation, the campaign brought student leaders from across campus together to promote philanthropy at K-State. Raising more than \$62,000 for their fellow students, the student body celebrated the campaign's success at the Big Monday basketball game on Feb. 19, 2007.

2007 Campaign Progress and Annual Report produced by the KSU Foundation's Department of Communications. Photographs: J&C Imaging/John La Barge, KSU Photographic Services/Dan Donnert, KSU Foundation/Joe Montgomery, The Mojo Dojo/Brandon Greene, Terry C. Johnson Center for Basic Cancer Research.



**KANSAS STATE UNIVERSITY
FOUNDATION**

KSU Foundation Center
2323 Anderson Avenue, Suite 500
Manhattan, Kansas 66502-2911
785-532-6266 • 800-432-1578

www.found.ksu.edu