

2015

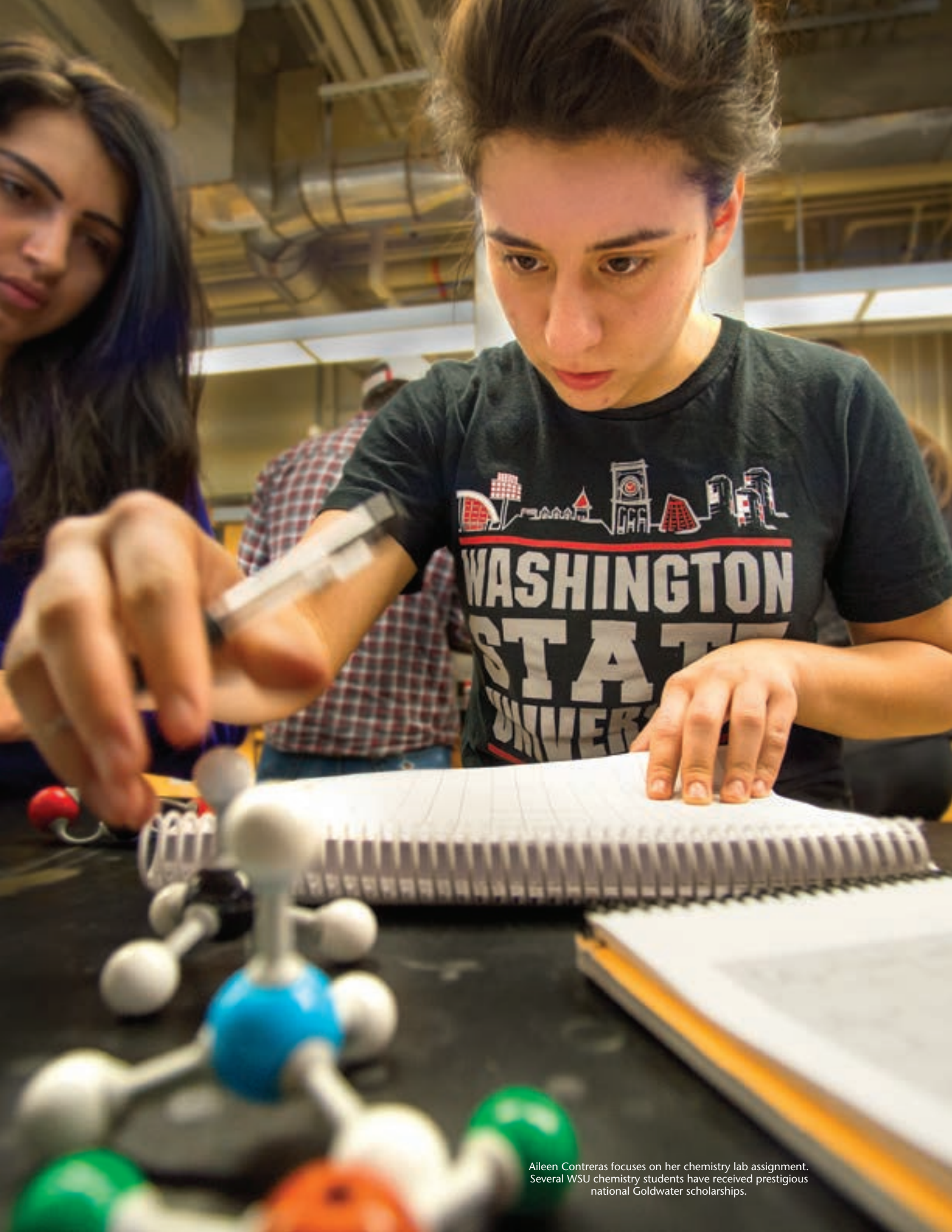
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal year ended June 30, 2015

An agency of the State of Washington



WASHINGTON STATE  UNIVERSITY



Aileen Contreras focuses on her chemistry lab assignment. Several WSU chemistry students have received prestigious national Goldwater scholarships.

Washington State University

2015 Comprehensive Annual Financial Report

Fiscal year ended June 30, 2015

Prepared by the Controller's Office

On the cover: The state's only land-grant institution and one of two public research universities, Washington State University provides a world-class education to nearly 30,000 students through its statewide locations and online. WSU was founded in 1890 in Pullman. Three additional locations, founded in 1989, are in Spokane, Tri-Cities, and Vancouver. WSU North Puget Sound at Everett, established in 2014, currently is located at Everett Community College. The Global Campus, founded in 2012, offers degrees worldwide in an online environment.

WSU mascot Butch T. Cougar is a hit with fans of all ages at university athletic events.



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For information about the financial data included in this report, contact:

Business Services/Controller
Washington State University
PO Box 641025
Pullman, Washington 99164-1025
509-335-2022

You may view the financial report at
genacct.wsu.edu/finstat.html.

For information about enrollment, degrees awarded, research, or academic programs at WSU, contact:

Institutional Research
Washington State University
PO Box 641009
Pullman, Washington 99164-1009
509-335-4553

or

Visit the WSU home page at wsu.edu.

Introduction

The University achieved a historic milestone April 1 when Washington Gov. Jay Inslee signed a bill creating the WSU medical school—just the second publicly funded medical school to be established in the state. The medical school anticipates admitting its inaugural class of students in the fall of 2017.



Regents and Administrative Officers

BOARD OF REGENTS

T. Ryan Durkan, Chair of the Board
Lura J. Powell, Vice Chair of the Board
Michael C. Worthy, Past Chair of the Board
Donald K. Barbieri
Theodor Baseler
Scott E. Carson
Harold A. Cochran
Laura M. Jennings
Ron Sims
Jansen VanderMeulen, Student Regent

Daniel J. Bernardo, Secretary Ex-Officio
Joan King, Treasurer Ex-Officio
Jay Inslee, Governor, State of Washington,
Advisory Member Ex-Officio

EXECUTIVE OFFICERS & CHANCELLORS

Daniel J. Bernardo, Interim President
Erica Weintraub Austin, Interim Co-Provost
Ronald C. Mittelhammer, Interim Co-Provost
Asif J. Chaudhry, Vice President for International Programs
David R. Cillay, Vice President for the Global Campus
John Gardner, Vice President for Development and
CEO of the WSU Foundation
Melynda Huskey, Interim Vice President for
Student Affairs and Dean of Students
Christopher Keane, Vice President for Research
Colleen E. Kerr, Vice President for External Affairs and
Government Relations
Joan King, Associate Vice President and Chief University
Budget Officer
Heather Lopez, Director of Internal Audit
William H. Moos, Director of Intercollegiate Athletics
Sasi K. Pillay, Vice President for Information Technology and
Chief Information Officer
Olivia Yang, Interim Vice President for Finance
and Administration

Lisa Brown, Chancellor, WSU Spokane
H. Keith Moo-Young, Chancellor, WSU Tri-Cities
Mel Netzhammer, Chancellor, WSU Vancouver
Paul Pitre, Dean of WSU North Puget Sound Everett
and Everett University Center

ADMINISTRATIVE OFFICERS

Matthew A. Skinner, Associate Vice President for Finance
and Administration & Interim CIO
Terry L. Ely, Executive Director of Business Services/Controller

ACADEMIC DEANS

William Andrefsky Jr., Dean, Graduate School
Candis S. Claiborn, Dean, Voiland College of
Engineering and Architecture
Cynthia Corbett, Interim Dean, College of Nursing
Daryll B. DeWald, Dean, College of Arts and Sciences
Larry W. (Chip) Hunter, Dean, Carson College of Business
Kimberlee K. Kidwell, Interim Dean, College of Agricultural,
Human, and Natural Resource Sciences
M. Grant Norton, Dean, Honors College
Lawrence E. Pintak, Dean, Edward R. Murrow
College of Communication
Paul Pitre, Dean, University Center of North Puget Sound
Gary M. Pollack, Dean, College of Pharmacy
Bryan K. Slinker, Dean, College of Veterinary Medicine
Joseph A. (Jay) Starratt, Dean of Libraries
John Tomkowiak, Dean, Elson S. Floyd College of Medicine
Michael S. Trevisan, Dean, College of Education

LEGAL COUNSEL

Danielle A. Hess, Senior Assistant Attorney General,
Division Chief, Washington State Office of the
Attorney General

Officer list effective as of 9/30/15.

Message from the President

Stewarding a Rich Legacy

It is with great pleasure I share the Washington State University Financial Report for Fiscal Year 2015.

In the past 12 months, the University has made significant progress toward its vision of becoming one of the nation's leading land-grant institutions. In fact, due to a series of watershed accomplishments, WSU is poised to enter an era of unprecedented opportunities. Among the notable milestones of 2015:

- Washington Governor Jay Inslee signed a bill April 1 creating the WSU medical school—just the second publicly funded medical school ever to be established in the state. We are striving to admit the inaugural class of medical students in fall 2017.
- In September, the WSU community celebrated the completion of a \$1 billion fundraising campaign that was supported by 206,000 donors.
- The 2015 fall semester statewide enrollment of nearly 30,000 students was an all-time record. Students of color represented nearly 28 percent of the enrollment.
- Annual research expenditures grew to more than \$335.9 million in 2015, placing WSU in the top 11 percent of public universities nationally for research funding.

As I guide the University through the period in which a nationwide search is underway to identify our next leader, I do so inspired by the commitment of the WSU community to truly make a difference in the world. The stories and reports you'll find in the follow pages reflect the vibrancy of an institution proactively aligning its resources to meet the needs of the stakeholders we serve locally, statewide, nationally, and internationally. Underpinning all of these activities is an institution-wide commitment to financial responsibility. The careful stewardship of all of our resources creates a remarkable environment of innovation and responsiveness.

I am proud—and humbled—to carry forward the University's rich legacy. The future is indeed bright.

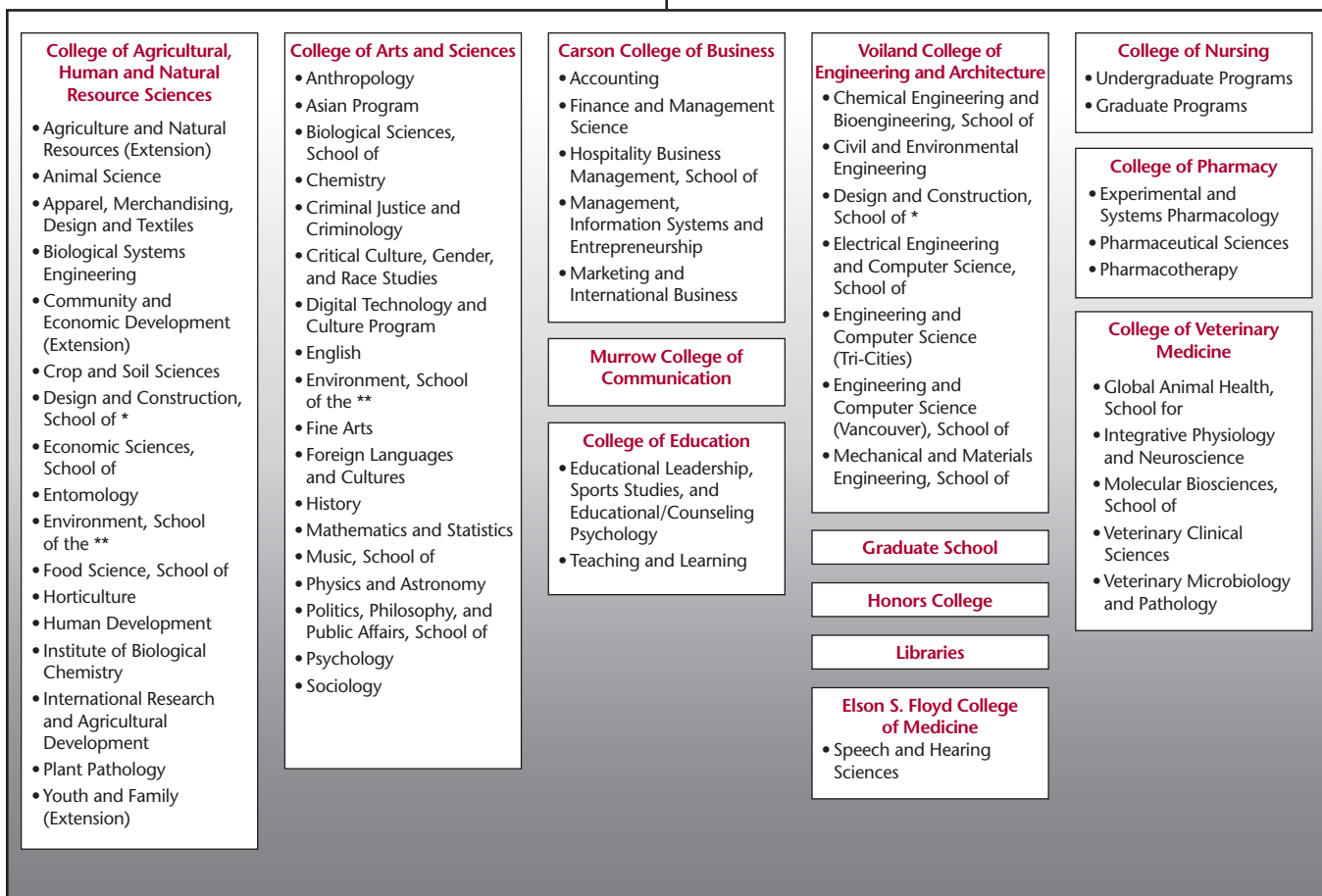
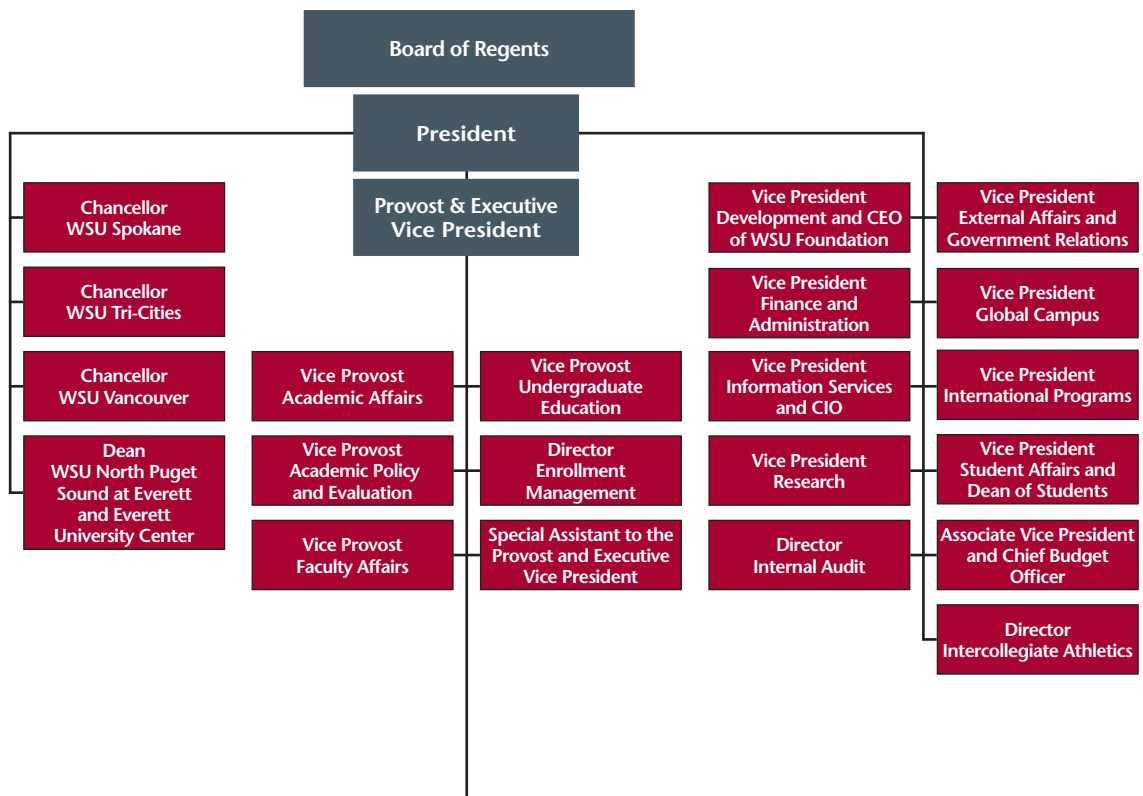
Best regards,



Daniel J. Bernardo, Ph.D.

Interim President, Washington State University





*Jointly administered by VCEA and CAHNRS

**Jointly administered by CAS and CAHNRS

Last Updated 12/17/15

Letter of Transmittal

December 16, 2015

To President Bernardo, Members of the Board of Regents, and Friends of Washington State University

We are pleased to present this *Comprehensive Annual Financial Report* (CAFR) of Washington State University for the fiscal year ended June 30, 2015. The report includes the audited financial statements as well as other useful information that helps ensure the University's accountability to the public. Responsibility for the accuracy of the information and for the completeness and fairness of its presentation, including all disclosures, rests with the University's management. We believe the information is accurate in all material respects and fairly presents the University's financial position, revenues, expenses, and other changes in net position.

We believe our system of internal controls is sound and sufficient to disclose material deficiencies in controls to the auditors and the audit committee and to provide management with reasonable, although not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition.

State law, federal guidelines, and certain bond covenants require that the University's accounting and financial records be audited by the Office of the State Auditor or a certified public accountant each year. The Independent Auditor's Report is included in the financial section of this CAFR and reflects an unqualified opinion on the basic financial statements. The University's internal auditors also perform fiscal, compliance, and performance audits. The reports resulting from these audits are shared with University management. Internal and external audit reports are provided to the Finance and Audit Committee of the Board of Regents. The audit of the University's federal financial assistance programs is performed by the Office of the State Auditor in conjunction with the statewide Single Audit.

The CAFR includes Management's Discussion and Analysis and all disclosures necessary for the reader to gain a broad understanding of the University's financial position and results of operations for the fiscal year ended June 30, 2015.

PROFILE OF THE UNIVERSITY

Founded in Pullman in 1890 as the state's land-grant research university, Washington State University today has campuses in Pullman, Spokane, Tri-Cities, and Vancouver. An award-winning Global Campus online program offers access to the University's degrees statewide and around the world. The University manages WSU North Puget Sound at Everett, a consortium of universities and colleges based at Everett Community College that offers bachelor's and master's degrees. Statewide enrollment exceeds 28,000 students who are served by over 2,000 faculty and 3,500 staff members. Among the University's faculty are ten members of the National Academy of Sciences, National Academy of Engineering, and the Institute of Medicine.

The Carnegie Foundation classifies the University as one of 96 U.S. public and private universities with very high research activity. *U.S. News and World Report* consistently ranks the University among the top 60 public universities. A 2010 *Wall Street Journal* survey ranked the University among the nation's top 25 colleges and universities that best prepare its students for workforce success. WSU Pullman has the safest campus among the six public universities and colleges in the state of Washington. It was also named one of the 50 greenest institutions in the state by *Seattle Business* magazine.

The University has eleven academic colleges plus the Graduate School. The colleges include: Agricultural, Human, and Natural Resource Sciences; Arts and Sciences; Business; Communication; Education; Engineering and Architecture; Honors; Nursing; Pharmacy; Veterinary Medicine; and the newly formed College of Medicine. The University offers more than 200 fields of study including more than 95 majors, 66 master's degree programs, and 47 doctoral degree programs. Professional degrees are offered in pharmacy

and veterinary medicine. Last year, 6,727 degrees, including bachelor's, master's, professional, and doctoral degrees, were conferred.

The University is known for research strengths in such diverse areas as biotechnology, reproductive biology, shock physics, viticulture, sleep research, wood technology, computer chips, and advertising's impact on healthy decision-making. Research stations are located in Lind, Long Beach, Mount Vernon, Othello, Prosser, Puyallup, and Wenatchee. There are extension offices in all 39 Washington counties.

The accompanying financial statements present all funds belonging to the University and its component units. The University is an agency of the State of Washington. It is governed by a ten-member Board of Regents appointed by the Governor and confirmed by the state senate. The financial reporting entity for the financial statements is comprised of the University and its component unit, the Washington State University Foundation (WSU Foundation). The WSU Foundation is a legally separate, nonprofit, tax-exempt organization and is reported as a discretely presented component unit based on the nature and significance of its relationship to the University. There are five legally separate entities that are reported as if they were part of the University. They are the Washington State University Alumni Association, Students Book Corporation, Washington State University Global Operations, Leadership and Development Corporation, Washington State University's Global Animal Health—Tanzania, and Washington State University's International Development.

The University is responsible for controlling its budget and using the funds to fulfill its educational, research, and public service missions. It is responsible for planning, developing, and controlling budgets and expenditures within authorized allocations in accordance with University, state, and federal policies and procedures. The University maintains budgetary controls to ensure compliance with provisions embodied in the biennial budget approved by the legislature of the State of Washington.

The State of Washington enacts biennial budgets beginning July 1 of odd-numbered years. The current biennial budget contained an increase in operating appropriations for higher education for the first time in several years. This increase made it possible for the University to keep tuition rates unchanged. Supplemental budgets may result in revisions to the biennial budget in even-numbered years.

Annually, the University's Board of Regents approves operating and capital budget requests which are then submitted to the Governor. Once the budget is enacted by the Legislature and signed by the Governor, the University is responsible for the planning, analysis, and implementation of approved policies and programs within the budgetary limits imposed by legislation.

The operating budget includes resources available for allocation in support of the University's fundamental missions of instruction, research, and public service. Operating budget allocations are provided to each campus, college, or budget area which in turn determines the distribution of funding to their departments. Capital funds are budgeted on a project-by-project basis.

Budgeted funds, both operating and capital, are monitored at the University level to ensure compliance with state authorized expenditure authority. Budget control is accomplished at the campus, college, and budget area level through monthly budget statements.

ECONOMIC CONDITION

The State of Washington contributed 2.5% of the national Gross Domestic Product (GDP) in 2014. Real GDP growth in Washington was 3.0% from 2013 to 2014, higher than the U.S. growth rate of 2.2%. Private industries in the state made up 86% of GDP in 2014, with the largest contributors being the real estate, manufacturing, and information industries.

The U.S. Census reports that Washington had an estimated population of 7.1 million in 2014, making it the 13th most populous state in the United States. The median household income of Washingtonians was \$61,366 in 2014, compared to a national average of \$53,657. Approximately 33.1% of Washington's population had attained a bachelor's degree or higher in 2014, compared to a U.S. average of 30.1%.

Two business sectors important to Washington's economy and WSU's mission are agriculture and aerospace technology. There were 184 aerospace products and parts manufacturing firms across Washington in 2014, producing total wages of \$10.3 billion. The aerospace manufacturing industry produced 53% of Washington's exports in 2014, or \$47.8 billion, and employed 94,000 workers. Crop production firms in Washington employed an average of 66,380 workers during the year, with total annual wages at \$1.6 billion. The USDA National Agriculture Statistics Service estimates the value of all land and buildings on Washington farms at \$36.8 billion for 2014.

Washington's unemployment rate improved between 2014 and 2015, with the rate declining to 5.3% in June 2015, matching the national average. The Washington economy continues to grow at a solid pace: positive signs include higher than expected personal income growth and increased housing and construction employment. Total nonfarm employment was 3.2 million in June 2015, an increase of 3.6% over the previous year.

ACKNOWLEDGMENTS

Preparation of the CAFR in a timely manner would not have been possible without the coordinated efforts of the staff of the Business Services/Controller's Office, and the staff of University Communications. Each member has our sincere appreciation for their contributions in the preparation of the report.

Sincerely,



Olivia Yang
Interim Vice President for Finance and Administration

Progress and Major Initiatives

Fiscal Year 2014–15

Advancing the nation's priorities

Founded as the people's university in 1890, Washington State University fulfills that commitment by transforming lives—in Washington and worldwide—through teaching, research, and community outreach. During the process of carrying out that mission, the University has earned a reputation as one of the most influential and admired institutions in the world.

Highlights of 2015

A drug co-invented by WSU alumna Leen Kawas and professors Joe Harding and Jay Wright to improve the cognitive and motor functions in people with Alzheimer's-like dementias and Parkinson's disease is on track to go into clinical trials in 2016. The M3 biotech drug, known as MM-201, builds new connections between brain cells.

Philip Lazarus, a WSU distinguished professor and chair of pharmaceutical sciences, has received a \$2.6 million federal grant to study the body's ability to keep tobacco smoke components from causing cancer. The research will look for genetic markers in enzymes that indicate an increased risk of developing lung, head, and neck cancers from exposure to the carcinogens commonly found in tobacco smoke. The National Institutes of Environmental Health Sciences is sponsoring the study.

Nez Perce tribal member Rachel Ellenwood became the first WSU student to win a nationally competitive scholarship from the Udall Foundation in 2015. The annual award is presented to college sophomores and juniors committed to careers related to the environment, tribal public policy, or Native American health care. Ellenwood plans a career as a nurse practitioner serving the Nez Perce community.

The release of a new winter wheat variety named Jasper in spring 2015 marked the 100th variety developed by the University since 1905. The WSU program is built on the work of several generations of wheat breeders, including the new variety's namesake, William Jasper Spillman, who started the University's wheat breeding program in 1894. Faculty member Arron Carter is credited with developing Jasper.

University researchers headed by Susmita Bose recently received a five-year, \$1.8 million grant from the National Institutes of Health to improve the way bone implants integrate into the body. The research team will focus its efforts on improving the materials used in hip and knee replacements so that they last longer.

WSU researchers are joining with 11 universities and national laboratories in a new, five-year, \$28.1 million U.S. Department of Energy (DoE) initiative to improve computer communication networks for energy delivery systems like power grids and pipelines. The Cyber Resilient Energy Delivery Consortium (CREDC) aims to improve the resilience and security of the cyber networks that serve as the backbone of the infrastructure that delivers energy to the nation—known as energy delivery systems (EDS)—for the electric power and oil and gas industries.



Alumna Leen Kawas and professor Joe Harding. Kawas is CEO of M3 Biotechnology Inc., a Seattle-based biopharma company researching a prospective Alzheimer's drug.



Rachel Ellenwood became the first WSU student ever selected for a prestigious Udall Foundation scholarship.



A research team led by Susmita Bose is improving the way bone implants integrate into the body, which means improved joint replacements and stronger bone implants.

In June, Alaska Airlines announced plans to fly a demonstration flight in 2016 using 1,000 gallons of alternative biofuel being produced by the WSU-led Northwest Advanced Renewables Alliance (NARA). The fuel is made from forest residuals, the tree limbs and branches that remain after a forest harvest. NARA is a five-year project supported by the U.S. Department of Agriculture National Institute of Food and Agriculture that responds to the airline industry's growing interest in development of a non-fossil fuel.

.....
The Daily Evergreen, WSU's student newspaper, won the top award for overall excellence from the Columbia Scholastic Press Association in 2015. The Gold Crown Award, presented to the *Evergreen* by the international student press group, was one of just two such awards given among 1,203 digital and print college newspapers, yearbooks, and magazines.

.....
For the second year in row, pharmacy doctoral student Brandon Gufford earned a national award for drug research in 2015 from the American Society for Clinical Pharmacology and Therapeutics. Gufford collaborated with pharmacy faculty members Mary Paine and John White to develop a new method for determining the effects of opioid drugs in people: measurement of pupil diameter as a marker of an opioid's effects rather than drawing a blood sample.

.....
In June, doctoral student Ian Richardson won the top award in the country for students studying cryogenics, or materials at very low temperatures. The Klaus and Jean Timmerhaus scholarship is given to one student in the United States every other year at the Cryogenic Engineering Conference. Last year Richardson received a NASA Space Technology Research Fellowship that advanced his research in making fundamental measurements of hydrogen-helium mixtures that occur in rocket fuel tanks.

.....
The Carnegie Foundation for the Advancement of Teaching recognized WSU in January with a Community Engagement Classification for the second time. The classification is one of seven nationally recognized classifications established by the Carnegie Commission on Higher Education more than 30 years ago to "recognize and describe institutional diversity in U.S. higher education." The foundation cited the University's "excellent alignment among campus mission, culture, leadership, resources, and practices to support dynamic and noteworthy community engagement" as the reason for the re-classification.

.....
An imaging agent discovered by a WSU researcher that homes in on prostate cancer will be developed for human clinical trials thanks to a two-year, \$2 million federal Small Business Innovation Research grant. Cliff Berkman, professor of chemistry and chief scientific officer at Cancer Targeted Technology, a Seattle-based biotechnology firm, discovered CTT1057. A positron emission tomography imaging agent, it will help diagnose and monitor metastatic prostate cancer.

.....
WSU and Bellevue College officials signed a Memorandum of Understanding in spring 2015 that commits both institutions to continue a conversation about partnering to create WSU-Bellevue College, an open-access institution offering both two-year and four-year degrees. The partnership would operate from the Bellevue College campus, located on the east side of Lake Washington, near Seattle. Bellevue College enrolls about 37,000 students annually.

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The University's Writing Program was again ranked among the best "writing in the disciplines" programs in the nation in the 2016 edition of *U.S. News & World Report's* "America's Best Colleges." Eighteen other institutions shared the top honors, including Brown, Harvard, Yale, Princeton, Stanford, George Mason, and Duke universities.

.....
Nanotechnology scientist Yuehe Lin is among the top-cited scientific researchers in the world. Thomson Reuters ranked Lin among the top 1 percent of those cited in their fields for articles published from 2003 to 2013. A professor in the School of Mechanical and Materials Engineering and in the Paul G. Allen School for Global Animal Health, Lin is among about 3,000 researchers included on the 2015 list, which represents "some of the world's most influential minds," according to the Thomson Reuters website.

.....
Thanks to a nearly \$2.7 million grant from the U.S. Department of Agriculture's Specialty Crop Research Initiative, WSU scientists are researching better ways to manage Zebra chip disease, which costs the regional potato industry millions of dollars in lost crops and management costs. Zebra chip disease is carried by the potato psyllid, an otherwise harmless insect.



Alaska Airlines plans to use biofuel produced by the WSU-led Northwest Advanced Renewables Alliance for a demonstration flight in 2016.



Doctoral student Ian Richardson won the top award in the country for students studying cryogenics. He plans a career in the aerospace industry.



WSU's writing program was named among the nation's best by *U.S. News & World Report* in its 2016 edition of "America's Best Colleges."

University honors President Floyd by naming medical college in his honor



The late WSU President Elson S. Floyd was affectionately known as “E Flo” by students. Thousands followed his Twitter account.

The University family and the higher education community nationwide mourned the death of WSU President Elson S. Floyd during the summer.

The University’s dynamic leader and nationally respected voice for affordable, accessible higher education died on June 20 due to complications from colon cancer. He was 59.

During his eight-year tenure, President Floyd transformed WSU into a top-tier research university while navigating some of the worst fiscal challenges in the institution’s history. Among a long list of notable accomplishments under his leadership:

- Overall student enrollment grew to record highs, reaching 28,686 in fall 2014. The number of students of color nearly doubled.
- Annual research expenditures grew by 57.5 percent from approximately \$213.2 million in 2007 to more than \$335.9 million in 2015, placing WSU in the top 11 percent of public universities for research funding.
- All of WSU’s health sciences programs were consolidated on its Spokane campus, including the colleges of nursing and pharmacy, and the new College of Medical Sciences.
- WSU won bipartisan support in the state legislature to create its own, separately accredited medical school at WSU Health Sciences Spokane.
- The University established the Edward R. Murrow College of Communication.
- WSU completed 30 major construction projects from 2007 to 2015, including one of the world’s most technologically advanced wine science centers at WSU Tri-Cities.
- The Paul G. Allen School for Global Animal Health opened with anchor gifts from Microsoft co-founder Paul G. Allen and the Bill & Melinda Gates Foundation.
- The University successfully completed the \$1 billion fundraising *Campaign for Washington State University*.

“This was a man wholly devoted to serving his state and expanding opportunities for all of Washington’s students,” said Washington Governor Jay Inslee following Floyd’s death. “He turned Washington State into Cougar State, dramatically expanding the scope of the University on both sides of the mountains. He loved inspiring students and challenging them. Thanks to Elson, there are Cougars all around the world engaged in innovative and influential work.”

Affectionately known as “E Flo,” President Floyd was a favorite among WSU students. He always went out of his way to greet and visit with the students he encountered and knew many of them by name. He once told a student reporter that as a college student he often felt invisible and didn’t want any WSU student to feel that way. He and his wife, Carmento, attended many student-centered activities, including WSU sports events where they were known to cheer from the student section. Thousands of students followed a Twitter account Dr. Floyd started as a way to better connect with them. He gave many students his personal cell phone number and encouraged them to contact him if they needed anything.

President Floyd took WSU’s land-grant responsibility into the field of health care, arguing successfully for a change in state law to allow WSU to create a fully accredited medical school that will produce more primary care physicians for Washington’s underserved communities.

In September, WSU’s Board of Regents approved a proposal to change the name of the newly established College of Medical Sciences to the Elson S. Floyd College of Medicine. “I was able to communicate our intention to President Floyd before his passing, and he was very grateful and humbled by the naming,” said Board of Regents Chair Ryan Durkan.

The University is currently engaged in a nationwide search to identify its 11th president.

University to establish state's second publicly funded medical school

The University achieved a historic milestone on April 1 when Washington Governor Jay Inslee signed a bill creating the WSU medical school—just the second publicly funded medical school to be established in the state.

The governor's signature capped a year-long public campaign led by the late WSU President Elson S. Floyd and administrators at WSU Health Sciences Spokane to educate legislators, community, and health care leaders statewide about the benefits of another medical school in Washington. Their arguments centered on the physician shortage facing many communities in Washington and the inability of the state to provide a medical education to all of its residents who seek medical degrees.

"This is truly a historic moment in the life of Washington State University," Floyd said at the signing ceremony. "I deeply appreciate the support of Gov. Inslee, the Washington state legislature, community leaders, and the health care industry. We look forward to developing a medical school that will improve access to primary health care for Washingtonians and broaden opportunities for students seeking a medical education in-state. It is an honor to serve the people of Washington."

Community-based model of education

The University will employ a teaching model that establishes collaborative partnerships with existing clinic networks throughout the state. This interdisciplinary, community-based model has been employed successfully in many other states, where it has proven to be cost-effective and resulted in a better distribution of physicians into rural and underserved communities.

WSU medical students will be assigned to one of four clinical campuses in Spokane, the Tri-Cities, Vancouver, and Everett. First- and second-year medical students will do most of their academic work in Spokane, but they will also be afforded time to observe and work in clinical settings in their home cities. Third- and fourth-year students will be based in their home cities, doing clinical rotations taught by local physicians.

The medical college will focus on delivering health care to the underserved through workforce development. It will seek to build pipeline and bridge programs with K-12 and undergraduate institutions, including schools that train Native American students.

College named to honor late president

To honor President Floyd's leadership in the effort, the WSU Board of Regents voted September 18 to name the college the Elson S. Floyd College of Medicine. On the same date, the University also announced the hiring of the college's first dean, John Tomkowiak.

Dr. Tomkowiak previously served as dean of the Chicago Medical School, president of the Rosalind Franklin University Health System, and the executive vice president for clinical affairs for Rosalind Franklin



April 1 marked a historic day at WSU: Washington Gov. Jay Inslee (seated, left) signed a bill that authorized the creation of a new medical school in Spokane.

University. Over the course of his career, he has been involved with many successful accreditations with the Liaison Committee of Medical Education (LCME), the primary accrediting body for medical schools in the United States.

Dr. Tomkowiak has been instrumental in the success of four community-based medical schools. Two of the four schools also had a primary care mission. He also was a part of the team that created the new medical school at Florida State University, one of the primary models for WSU's College of Medicine.

Accreditation process underway

With the hiring of its founding dean, the college continued moving forward to complete the organizational steps required to admit its first class of students—anticipated in the fall of 2017.

As the calendar moved toward the end of the year, college staff and administrators fine-tuned the document they must submit to the LCME as part of the accreditation process. That document addresses questions such as future funding and spending for the medical school, the curriculum that will be taught to students, and the infrastructure in place to support them.

The college also hired more than 40 clinicians and basic scientists to build the faculty necessary to support the medical school's operation. Most of the new faculty members are Spokane-based physicians who are helping develop the clinical content of the courses medical students will take during their first two years. An interdisciplinary team of physicians and scientists will teach each course. When the school opens, clinical faculty members will participate in teaching classes in their areas of expertise.

Besides physicians, five tenure-track faculty members were hired to do research and to teach. In addition, 18 faculty members from the WSU colleges of arts and sciences, pharmacy, nursing, and veterinary medicine have received joint appointments and will teach medical students as well.

University, wine industry celebrate world-class wine science center

The University and the Pacific Northwest wine industry celebrated a new milestone in their partnership with the June 4 dedication of the Ste. Michelle Wine Estates WSU Wine Science Center located at WSU Tri-Cities.

The \$23 million facility is expected to become a magnet for attracting world-class researchers and students who will focus their efforts on the opportunities and challenges facing grape growers and winemakers in the Northwest.

Considered one of the most technologically advanced wine science centers in the world, the facility features research laboratories and classrooms, a research and teaching winery, a two-acre vineyard, and greenhouses to train technical personnel to support Washington's large and expanding wine industry. It includes meeting and event space with a large atrium, Washington wine library, and conference rooms.

"The Wine Science Center is a boon to our campus, community, and the Washington wine industry," said Keith Moo-Young, WSU Tri-Cities chancellor, at the

dedication. "This center supports a critical industry in our state, and to have it strategically located here in the heart of wine country further demonstrates our role—as a land-grant university—to foster economic prosperity."

The facility was named to honor Ste. Michelle Wine Estates' commitment and contributions to the project. WSU alumnus Theodor (Ted) Baseler, president and CEO of Ste. Michelle Wine Estates, served as chair of WSU's Wine Campaign.

During the past several years, Ste. Michelle has established an endowed professorship in viticulture, supported the endowed chair of the director of the viticulture and enology program, and raised more than \$40,000 per year for student scholarships.

WSU offers the region's only four-year degrees in viticulture, enology, and wine business management, preparing future leaders for the industry in state and out. The program's scientists conduct research on everything from tannins and grape leafroll virus to yeast viability and deficit irrigation in vineyards.



The Ste. Michelle Wine Estates WSU Wine Science Center offers research and laboratory space as well as experimental winemaking facilities.



New construction strengthens key programs

The University continued its aggressive approach to constructing new facilities at its locations statewide during the past 12 months. The efforts reflect a long-range plan focused on creating state-of-the-art teaching, research, and student facilities to meet faculty and student needs.

Among the major building projects in 2015:

WSU Health Sciences Spokane teaching health clinic

The first step toward construction of a teaching health clinic at WSU Health Sciences Spokane was celebrated during a May 6 groundbreaking event. The University District Health Center will allow 48 medical residents to serve low-income patients while health sciences students learn alongside them.

PACCAR Environmental Technology Building

Construction of this \$52.8 million facility designed to boost environmental technology research and education was completed in the fall. The 96,000-square-foot building is dedicated to science and engineering programs focused on developing new technologies in renewable materials, sustainable design, water quality, and environmental and atmospheric research. The facility was named to recognize PACCAR's major donation to the project.

New plant growth facility

The Washington Grains Plant Growth Facility on the Pullman campus was dedicated October 17. The state-of-the-art facility, which adds greenhouse space, a seed storage area, and specialized lab spaces, will be used to research new varieties of wheat and barley. The Washington Grain Commission was a major funder of the project.

Global Scholars Hall

As part of a multiyear effort to upgrade and modernize residence halls on the Pullman campus, the University opened its newest hall, Global Scholars Hall, at the beginning of the 2015 fall semester. The hall houses about 275 students in single, double, and four-person suites, along with apartment-style living on the fifth floor. It also hosts multiple street level retail spaces.

Everett groundbreaking

Ground was broken September 22 for a new academic building that will serve as the home of WSU North Puget Sound at Everett and the Everett University Center, a consortium of higher education institutions managed by WSU. The facility will house classrooms, laboratories, faculty offices, and services for students working toward degrees in STEM education fields.



Dignitaries participate in the ceremonial groundbreaking for a new academic building in Everett.



The new PACCAR Environmental Technology Building houses programs focused on developing new technologies in renewable materials, sustainable design, water quality, and environmental and atmospheric research.

Ensuring student access; managing educational costs

The University continued to emphasize the enrollment of first-generation, low-income, and other underrepresented students during the past year—upholding a 125-year institutional promise to ensure that higher education is accessible to the state’s residents.

Those efforts continued to bear large dividends during 2015: Almost 40 percent of the undergraduates enrolled statewide for the fall semester were the first generation in their families to attend college.

The statistics are similar for underrepresented groups. In fall 2015, students of color made up nearly 36 percent of the entering freshmen at WSU’s locations statewide. Systemwide, students of color represented 27.8 percent of the total statewide enrollment of 29,686 students.

The University’s commitment to the success of its students required ongoing institutional-wide efforts to minimize tuition increases and to maximize financial aid resources. The state legislature recognized the need to make college more accessible and reduced tuition during its most recent session. Resident undergraduate tuition was reduced by 5 percent for the 2015–16 academic year and by an additional 10 percent for the 2016–17 school year.

And thanks to the resourcefulness of financial aid staff and the generosity of donors, the University awarded \$317 million in scholarships, grants, work study, and loans to undergraduates during 2014–15. Some 80 percent of undergraduates received financial aid and/or scholarships.

Need-based aid and private scholarships continue to provide a critically important bridge to transition students from academia to the workforce, where they serve as valuable resources to employers and provide a stimulus to the economy.



Nearly 40 percent of the undergraduates enrolled statewide fall semester were the first generation in their families to attend college.



Campaign surpasses \$1 billion goal; donors contribute record amount during past year

The University's most ambitious fundraising effort eclipsed its \$1 billion goal and realized its most successful year of fundraising in fiscal year 2015.

More than 206,000 donors helped *The Campaign for Washington State University: Because the World Needs Big Ideas* surpass its \$1 billion goal six months ahead of schedule on its way to reaching nearly \$1.1 billion in total private support. WSU donors committed more than \$166 million during fiscal year 2015—making the final year of the campaign the top fundraising year in school history.

Chaired by WSU alumnus, retired Boeing executive, and WSU regent Scott Carson, the public phase of the campaign launched in December 2010. "This is a historic time for Washington State University," Carson said. "Meeting our campaign goal in the midst of WSU's 125th year is a remarkable accomplishment and a direct testament to the overwhelming support from our loyal donors. So many people have invested in the success of this campaign and this great university. We cannot thank them enough."

Carson also acknowledged the critical role played by the late WSU President Elson S. Floyd, who died on June 20 following a battle with cancer.

"Perhaps most influential in the success of this effort was the vision of President Floyd, whose dynamic leadership propelled this University to achieve so much in the eight short years he was at the helm," Carson said. "Thanks to him, this campaign never lost momentum. It is among the many remarkable legacies he leaves with the University and the state it serves."

The campaign consisted of private commitments from a number of sources, including more than \$331 million from alumni, \$195 million from students, parents, faculty, staff, and other non-alumni, \$380 million from granting agencies, nearly \$96 million from corporations, and \$158 million from foundations and other organizations.

WSU Interim President Dan Bernardo praised the commitment of alumni, friends, and corporate partners who helped the University reach its target. "This

campaign truly will transform WSU's ability to tackle the grand challenges we face as a state, nation, and world in the years ahead," he said.

The five largest commitments in WSU history were made during this campaign, including gifts of \$26 million and \$25 million from Paul G. Allen and the Bill & Melinda Gates Foundation, respectively, to support international teaching and outreach and to fund construction of WSU's Center for Global Animal Health. Research at the school focuses on discovering new vaccines, diagnostics, and other strategies to control global infectious diseases that affect both animals and humans.

Washington's tree fruit industry made commitments totaling more than \$32 million to endow several new faculty positions and create endowments to accelerate tree fruit research activities and industry outreach at WSU.

The Gene and Linda Voiland School of Chemical Engineering and Bioengineering has become one of the leading programs in the nation, thanks to a \$17 million commitment from Gene and Linda Voiland in 2008.

In January, representatives from WSU Tri-Cities and Kadlec Regional Medical Center announced a landmark \$18 million gift to support the WSU Tri-Cities College of Nursing.

The campaign was not just about big gifts. Since the campaign began on July 1, 2006, more than 206,250 individual donors and industry partners stepped up to make nearly 820,000 gifts, grants, revocable, or other commitments.

Support for students and access to higher education was a top priority of the campaign, with more than \$154 million raised for endowed and current-use scholarships and graduate fellowships university-wide.

Nearly \$171 million was designated to create endowments that generate perpetual funding to support WSU's students, faculty, research, and programs. The fundraising effort generated 645 new named endowment funds, including 444 new endowed scholarships and graduate fellowships.



The University community celebrated conclusion of a successful \$1 billion fundraising campaign with a barbecue September 18 at WSU Pullman.



Financial Section



The 60-foot-tall skylight dome atop the Holland/Terrell Libraries is one of the landmarks at WSU Pullman.





Washington State Auditor's Office

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Washington State University July 1, 2014 through June 30, 2015

December 16, 2015

Board of Regents
Washington State University
Pullman, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Washington State University, Whitman County, Washington, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Washington State University Foundation (the Foundation), which represents 100 percent of the assets, net position and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the

financial statements are free from material misstatement. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the University's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Washington State University, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As discussed in Note 1, the financial statements of the Washington State University, an agency of the state of Washington, are intended to present the financial position, and the changes in financial position, and where applicable, cash flows of only the respective portion of the activities of the state of Washington that is attributable to the transactions of the University and its aggregate discretely presented component units. They do not purport to, and do not, present fairly the financial position of the state of Washington as of June 30, 2015, the changes in its financial position, or where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the financial statements, in 2015, the University adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, *Accounting*

and *Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 26 through 36 and information on postemployment benefits other than pensions on pages 62 through 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements as a whole. The information identified in the table of contents as the Introductory, Statistical Sections and Acknowledgments are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2015 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts

and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

A handwritten signature in dark ink, reading "Troy X. Kelley". The signature is written in a cursive, flowing style.

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

Management's Discussion and Analysis

Introduction

The following discussion and analysis provides an overview of the financial position and activities of Washington State University (the University) for the fiscal year ended June 30, 2015, with comparative information for the fiscal year ended June 30, 2014. This overview has been prepared by management and should be read in conjunction with the University's financial statements and accompanying footnote disclosures.

Using the Financial Statements

Washington State University is pleased to present its financial statements for fiscal year 2015. While audited financial statements for fiscal year 2014 are not presented with this report, condensed operations and financial position data will be presented in this section in order to illustrate certain increases and decreases. The emphasis of discussions about these statements will be on current year data.

The financial statements presented in this report encompass the University and its discretely presented component unit, the Washington State University Foundation. The University's financial reports include the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows.

The financial statements are prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), which establishes standards for external financial reporting for public colleges and universities. The financial statements are presented on a consolidated basis to focus on the University as a whole. The full scope of the University's activities is considered to be a single business-type activity and accordingly, is reported within a single column in the basic financial statements.

Management's discussion and analysis provides additional information regarding the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position.



The Northside Residence Hall is the newest living space for students at WSU Pullman. The facility features a variety of room configurations, including single and double rooms, with or without private bathrooms, and two-bedroom or four-bedroom suites with private bathrooms.

Financial Highlights

The University restated its net position for fiscal year 2014 as required by generally accepted accounting standards to reflect a change in accounting principle. This change in accounting principle, GASB 68, changed how pension liabilities are computed and required entities that prepare a separate financial statement to record their share of their primary government's pension liability on their books. This resulted in an \$85 million decrease in unrestricted net assets for 2014 and an additional \$14 million in 2015.

- Assets increased by \$90 million to end the year at \$2.7 billion.
- Liabilities increased by \$99 million to end the year at \$974 million.
- Net investment in capital assets totaled \$1.6 billion, an increase of \$66 million.
- Net position, which is the residual of assets after deducting liabilities, decreased \$10.8 million to end the year at \$1.7 billion.

Other significant changes to operations were as follows:

- Operating revenues totaled \$712 million, an increase of \$10 million.
- Operating expenses totaled \$1 billion, a decrease of \$33 million.
- Non-operating revenues, net of expense, totaled \$285 million, a decrease of \$23 million.

Condensed Financial Information and Analysis

Financial Position—Statement of Net Position

The Statement of Net Position is a snapshot of the University's financial position at fiscal yearend. It lists the University's assets (economic resources), liabilities (creditors' claims) and net position (residual interest in assets after paying creditors) based on end-of-year data.

Assets are classified as current, non-current or capital. Current assets are expected to benefit the University within 12 months and include cash, accounts receivable, inventories, prepaid expenses and investments that can easily be converted into cash to meet University expenses. Non-current assets include endowment fund assets, student loans receivable and investments expected to be held more than one year. Capital assets include construction in progress, library materials, furniture and equipment, land, buildings and improvements and are reported net of accumulated depreciation.

Liabilities are classified as current or non-current. Current liabilities are claims that are due and payable within 12 months and include payroll and benefits, amounts payable to suppliers for goods and services received and debt principal payments due within one year. Non-current liabilities are obligations payable beyond one year and include bond obligations, installment contracts, leases and earned but unused vacation and sick leave.

Net position is divided into five categories

- **Net investment in capital assets:** represents the University's capital assets net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- **Restricted—nonexpendable:** University endowment funds, Land Grant Endowment funds and similar funds for which donors or outside sources have stipulated as a condition of the gift that the principal be maintained in perpetuity.
- **Restricted—loans:** funds that have been established for the explicit purpose of providing student support as prescribed by statute or granting authority.
- **Restricted—expendable:** funds that are subject to externally imposed restrictions governing their use, such as scholarships, fellowships, research, loans, professorships, capital projects and debt service.
- **Unrestricted:** represent those assets that are available to the University for any lawful purpose.

Summarized Statement of Net Position

	June 30, 2015	Restated* June 30, 2014	Change
Assets			
Current assets	\$ 325,451,640	\$ 256,199,389	\$ 69,252,251
Non-current assets:			
Long term investments	160,994,873	214,507,165	(53,512,292)
Endowment and other restricted investments	533,292,492	503,991,331	29,301,161
Other non-current assets	32,929,596	53,714,730	(20,785,134)
Net investment in capital assets	1,621,637,839	1,555,948,639	65,689,200
Total assets	2,674,306,440	2,584,361,254	89,945,186
Deferred outflows of resources	15,982,114	16,925,239	(943,125)
Liabilities			
Current liabilities	116,964,042	104,898,773	12,065,269
Non-current liabilities:			
Accrued leave and deferred compensation	30,271,337	38,192,150	(7,920,813)
Unearned revenue	9,865,694	10,478,361	(612,667)
Long term liabilities	792,294,277	699,324,131	92,970,146
Other non-current liabilities	24,234,118	21,692,677	2,541,441
Total liabilities	973,629,468	874,586,092	99,043,376
Deferred inflows of resources	32,420,928	31,646,552	(774,376)
Net position			
Net investment in capital assets	931,981,850	948,421,251	(16,439,401)
Restricted nonexpendable	481,182,685	471,364,261	9,818,424
Restricted loans	28,145,314	27,527,323	617,991
Restricted expendable	250,389,405	236,173,174	14,216,231
Unrestricted	(7,461,096)	11,567,840	(19,028,936)
Total net position	\$ 1,684,238,158	\$ 1,695,053,849	\$ (10,815,691)

*The University restated its net position for fiscal year 2014 as required by generally accepted accounting standards to reflect a change in accounting principle. This change in accounting principle, GASB 68, changed how pension liabilities are computed and required entities that prepare a separate financial statement to record their share of their primary government's pension liability on their books. This resulted in an \$85 million decrease in unrestricted net assets for 2014.

Significant Changes in the Statements of Net Position

- Current assets increased by \$69 million. Cash equivalents decreased by \$3 million, while current investments increased by \$85 million due to invested proceeds of 2015 bond issues in short term securities in order to be ready to meet construction cash flow needs. Accounts receivable decreased by \$13 million. Federal government receivables were \$9 million less than last year, local and state grant receivables were \$2 million less than last year and Athletics receivables were \$1 million less at the end of fiscal year 2015 than at the end of fiscal year 2014.
- Non-current assets, other than capital assets, decreased by \$45 million. Endowment investments increased \$10 million owing to an increase in endowment earnings. A review of documents by the WSU Foundation resulted in a transfer in of \$19 million in quasi-endowments from the Foundation. This correction increased University endowment assets by \$19 million and decreased assets held in trust by \$19 million. Long term investments decreased by \$53 million as funds were moved into short-term investments to prepare for the cash needs of construction projects.

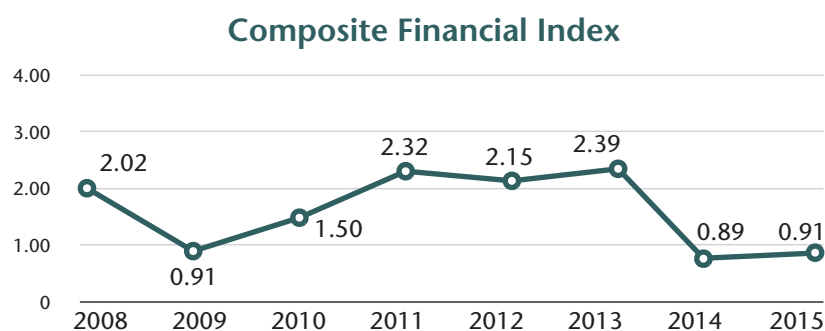
- Capital assets increased by \$65.7 million. The Wine Science Center in Tri-Cities, the Northside Residence Hall and the Football Operations Building were all completed. The PACCAR Environmental Technology Building was nearing completion.
- Current liabilities increased due to our reclassifying the current portion of accrual leave into current liabilities. This reclassification reflects the amount of leave expected to be paid within one year.
- Non-current liabilities increased by \$87 million. In 2015, the University issued \$87 million in General Revenue bonds to build a new multicultural center, digital classroom, the new Spokane teaching health center, a new facility for the Police Department, and for renovations on the Pullman Health and Wellness Center facility. \$64 million in General Revenue Bonds were issued to refund \$71 million in series 2005 and 2006 bonds. The net pension obligation on the University's pension plans increased by \$11 million. Long term accrued leave decreased by \$8 million due to the reclassification of the current portion to current liabilities. Other non-current liabilities increased by \$4 million.
- Net position decreased by \$10 million due primarily to the implementation of GASB 68. During fiscal year 2015, net investment in capital assets decreased by \$16 million due to increased depreciation and normal retirements. Restricted—nonexpendable net assets increased by \$10 million, the result of increased earnings in the endowment investments. Restricted—expendable net assets increased by \$15 million reflecting increases in cash from bond proceeds, increased gifts received, and increased capital appropriations. Overall, unrestricted net assets decreased by \$19 million. Of that decrease, pension expense for 2015 was \$15 million.

Financial Health and Flexibility

There are a number of ratios used to gauge financial health and flexibility. Each ratio measures one aspect of performance. The Composite Financial Index (CFI), recommended in the book, *Strategic Financial Analysis for Higher Education, Seventh Edition*, combines four core ratios into a single measure. Blending the four key measures of financial health into a single number provides a more balanced view of the state of the institution's finances. A weakness in one measure may be offset by the strength of another measure.

The four core ratios are the primary reserve ratio, the net operating revenues ratio, the return on net assets ratio and the viability ratio. Each of these ratios is converted to a strength factor using a common scale then multiplied by specific weighting factors and combined to form the Composite Financial Index.

The graph below shows Washington State University's Composite Financial Index over the past eight years. The ratio was climbing until the global economic downturn reduced operating budgets and investment returns. The University put proactive measures in place to generate greater diversity of revenues and combined that with strategic spending increases. The rate dropped dramatically for 2014 as a result of recognizing WSU's share of the State's pension liability. It increased again slightly in 2015.



Results of Operations—Statements of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position is the University's equivalent of an income statement. It shows the sources and amounts of revenues earned and nature and amount of expenses incurred during the year, classified as operating, non-operating or other.

Operating revenues are the inflows of funds from providing goods and services to the University's customers. They include tuition and fees, grant and contract payments, and sales and service revenue generated by student housing, student dining and other University enterprises. Operating expenses are the funds used up in generating operating revenues and in carrying out the University's mission.

Non-operating revenues are revenues earned for which goods and services are not provided and include state appropriations, current-use gifts and grants that are designated for purposes other than capital construction, land grant endowment income, endowment distributions and investment income. Non-operating expenses include interest expense on long-term debt.

Other revenues and expenses include capital appropriations, capital gifts or grants, additions to permanent endowments and gains or losses on the disposal of capital assets.

Statements of Revenues, Expenses and Changes in Net Position

	June 30, 2015	Restated June 30, 2014	\$ Change
Operating revenues (expenses)			
Student tuition and fees, net	\$ 292,867,105	\$ 290,508,398	\$ 2,358,707
Grants and contracts	237,393,082	248,903,143	(11,510,061)
Sales and services, net	167,245,337	154,089,274	13,156,063
Other operating revenues	15,014,923	9,305,921	5,709,002
Total operating revenues	712,520,447	702,806,736	9,713,711
Operating expenses	(1,048,103,906)	(1,080,893,163)	32,789,257
Operating loss	(335,583,459)	(378,086,427)	42,502,968
Non-operating revenues (expenses)			
State and federal appropriations	189,277,010	186,767,133	2,509,877
Federal financial aid	35,506,235	33,746,385	1,759,850
Non-capital gifts and grants	37,397,111	35,840,676	1,556,435
Investment income, net	45,295,886	73,309,420	(28,013,534)
Interest on debt	(26,298,696)	(25,071,064)	(1,227,632)
Federal interest subsidy on debt	2,701,583	2,681,195	20,388
Other non-operating revenues (expenses)	924,047	895,588	28,459
Net non-operating revenues (expenses)	284,803,176	308,169,333	(23,366,157)
Income (loss) before other changes	(50,780,283)	(69,917,094)	19,136,811
Capital appropriations	32,992,075	8,724,921	24,267,154
Capital gifts and grants	6,836,860	13,370,360	(6,533,500)
Additions to permanent endowments	135,657	91,532	44,125
	39,964,592	22,186,813	17,777,779
Decrease in net position	(10,815,691)	(47,730,281)	36,914,590
Net position, beginning of year	1,695,053,849	1,742,784,130	(47,730,281)
Net position, end of year	\$1,684,238,158	\$1,695,053,849	\$(10,815,691)

Significant Changes in the Statement of Revenues, Expenses and Changes in Net Position:

- Operating revenues increased by \$9 million. While the University did not raise tuition rates, enrollment increased resulting in a \$19 million increase in gross tuition revenue. At the same time, loans and financial aid grants increased tuition allowances, which reduced gross tuition, resulting in a net increase of \$2 million. Grant revenues decreased by \$12 million primarily due to a decrease in state and local grants. Sales and services of educational enterprises increased by \$13 million, a result of the increased enrollment. This includes housing revenue which increased by \$5 million and athletics revenue that increased by \$6 million. Other operating revenues increased by \$6 million due to an increase in summer session revenue recognition.
- As a result of the restatement of operating expenses for 2014, due to the implementation of GASB 68, benefits expense increased by \$85 million. This large increase reflected the cumulative effect of the change in accounting principle. When these restated operating expenses are compared to 2015 operating expenses which include only one year of pension expense, the result is a decrease of \$33 million. If we eliminate the one-time adjustment to 2014, operating expenses actually increased by \$52 million for 2015. Salaries increased by \$35 million as a result of pay increase for faculty, graduate assistants, and administrative employees. Payments for goods, services, and utilities increased by \$9 million, reflecting continued purchases of non-capitalizable equipment required to complete new buildings and other costs associated with the medical school and other new programs. Purchased services increased by \$8 million as a result of several new initiatives being undertaken by the University, including studies related to the new medical sciences department. Pension expenses increase by \$3 million. Depreciation expenses increased by \$6 million due to new buildings and equipment. Scholarships decreased by \$9 million as a result of decreased state support.
- Net non-operating revenues decreased by \$23 million overall. State operating appropriations increased by \$3 million. Federal PELL grant revenues increased by \$2 million. Gifts and contributions increased by \$1 million due to the WSU Foundation's Campaign for WSU. Investment income decreased by \$28 million over fiscal 2014. Fiscal year 2014 recorded a large increase in market value for the land-grant fund of \$32 million. The value increased again in fiscal year 2015, but only by \$4 million. Interest expense increased by \$1 million.
- Overall, other revenues increased by \$17 million. State capital appropriations increased by \$24 million. Appropriations are budgeted over two years. In the first year, expenditure amounts are lower as projects are just beginning. In the second year, fiscal year 2015, the expenditures increase as projects are completed. Capital gifts and grants decreased by \$7 million.

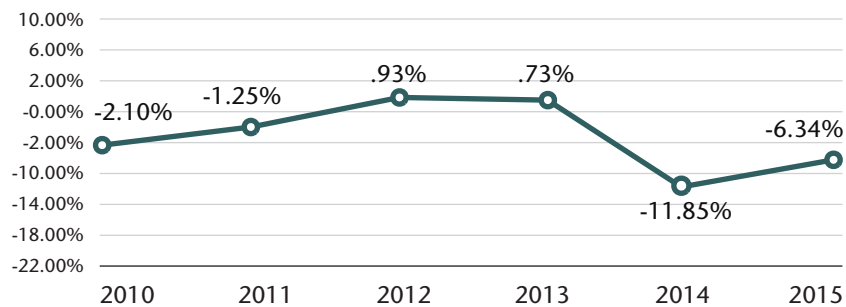


The university's STARS program (Students Targeted toward Advanced Research Studies) allows select students in biochemistry, genetics and cell biology, microbiology, or neuroscience to earn a doctorate in as little as seven years after leaving high school. The program immerses freshmen in research and provides them with one-on-one mentorship from faculty members.

Operating Performance

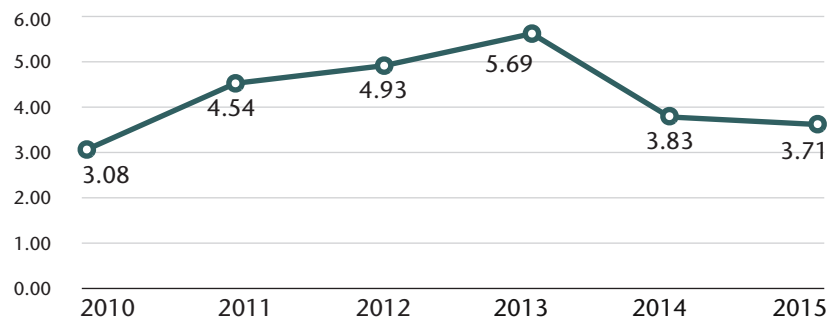
Rating agencies use a number of ratios to assess operating performance. One of the ratios more commonly used by Moody's is annual operating margin, which compares the operating surplus (or deficit) to operating revenues. Moody's definition of operating revenues includes several non-operating revenues in determining margin and an estimated spending rate of the University's investments rather than actual investment income. This ratio indicates the extent to which the University is balancing revenues with expenses and growing its resource base. GASB 68 was implemented in fiscal year 2015 which required a restatement of the fiscal year 2014 Statement of Net Position to record the University's share of the State's net pension obligation. The result of that change in accounting principle caused operating expenses to increase by \$85 million. In FY2015, additional pension expense was recognized that increased operating expenses by \$14 million.

Annual Operating Margin



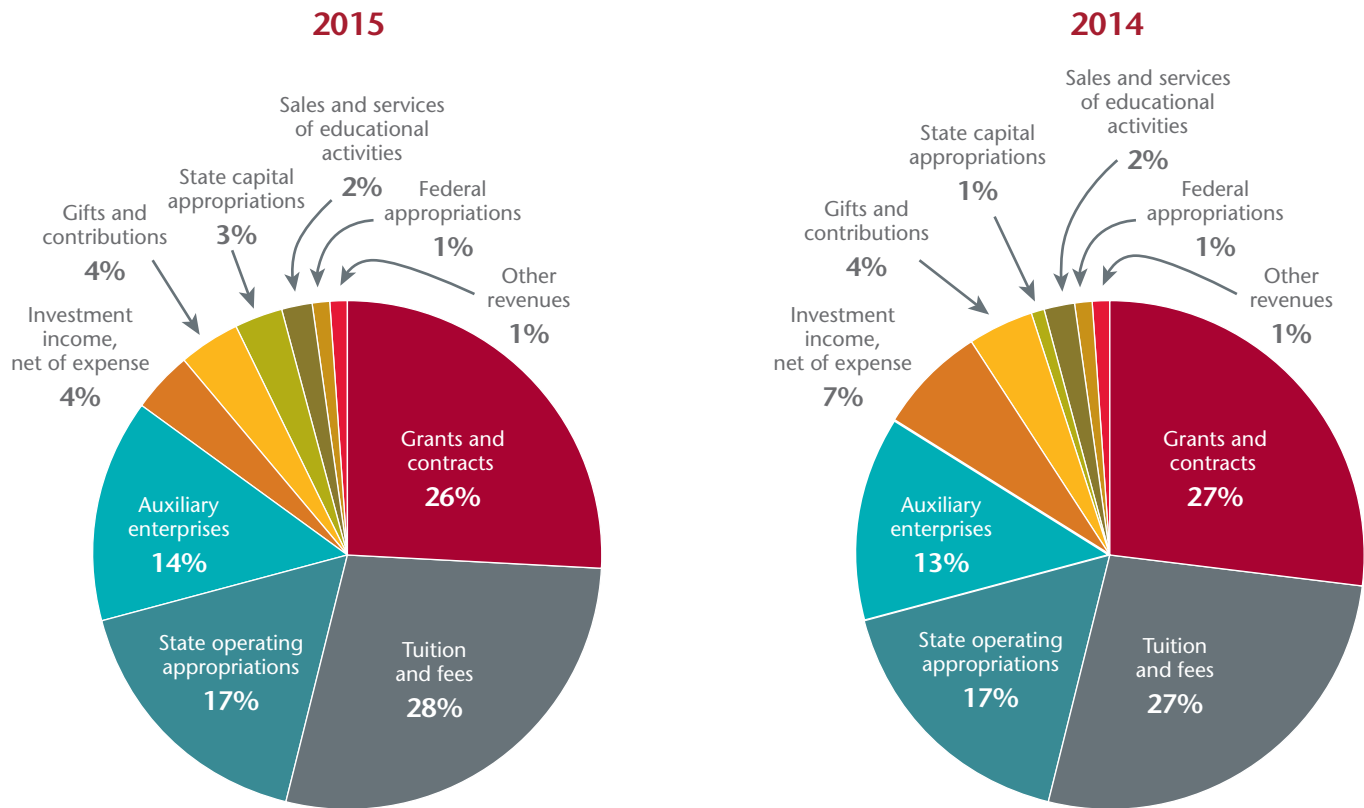
The ratio of expendable financial resources to operations (as defined by Moody's) measures the strength of net position. This ratio, illustrated in the chart below, shows that in 2013, the University had enough expendable resources from various sources to fund operations for a period of 5.69 months. In 2014, the University recorded its share of the State's pension liability in accordance with GASB pronouncement 68. This restatement reduced expendable resources by \$85 million. In 2015, the ratio increased slightly, indicating that there were expendable resources available to fund operations for 3.71 months.

Expendable Financial Resources to Operations



Revenues from all Sources

For the Years Ended June 30, 2015 and 2014



As the above graphs show, the University has a diversified revenue base. No single source of revenue generated more than 28% of the total fiscal year revenues. In fiscal year 2015, tuition revenues and grants revenues were the largest sources of revenue at 28% and 26% respectively, followed by State appropriations at 17%. The University relies on this state funding which subsidizes its instructional activities allowing for lower tuition rates. In 2015, the State appropriations increased and the University made no increase in tuition rates.

Grants and contracts generated \$237 million or 26% of total revenue. These funds support the university's research activities, which allow students to work with nationally recognized faculty as part of their educational experience. Tuition and fees generated \$293 million or 28% of total revenue. The State legislature sets tuition rates for all public universities in Washington. For the current biennium, tuition rates were not increased. State appropriations revenue increased in effort to offset unchanged tuition rates and generated \$178 million or 17% of total revenue.

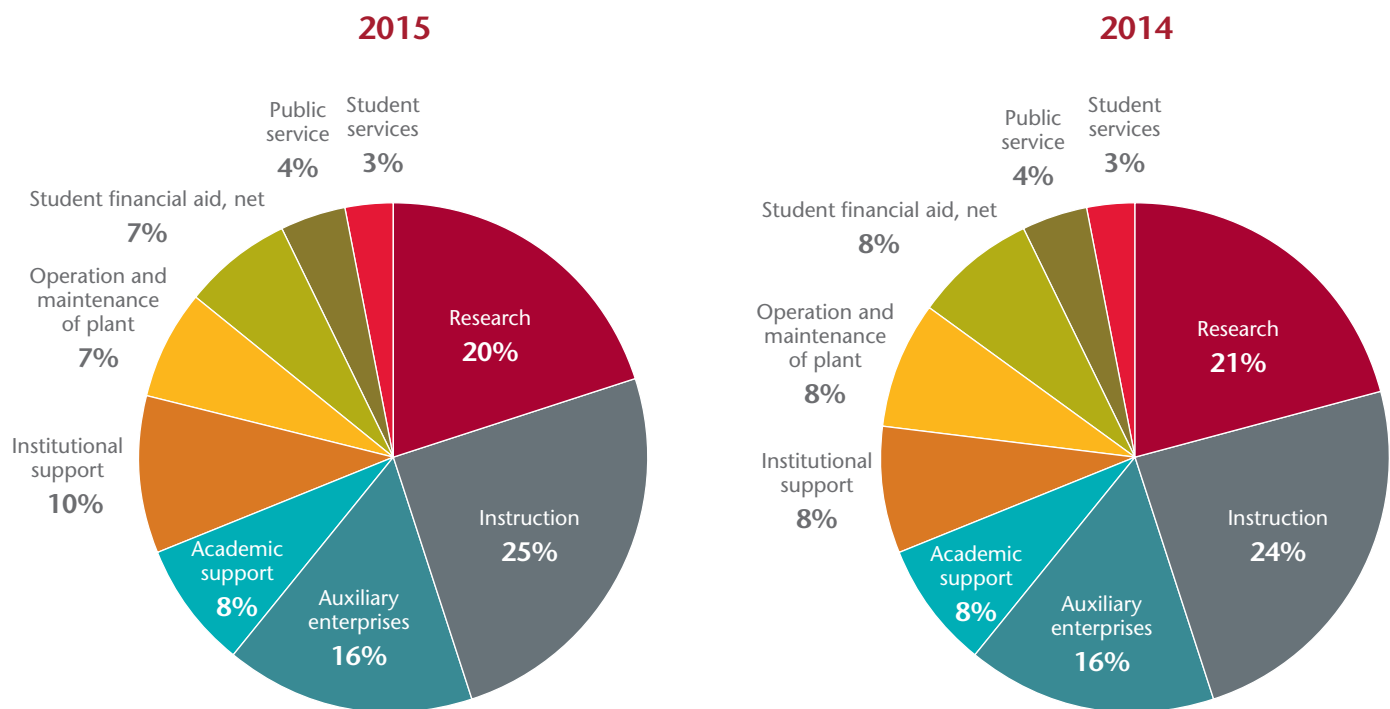
Investment income, net of expenses, decreased to 4% of total revenue. Gifts and contributions remained steady at 4% of revenue. State capital appropriations increased to \$33 million in the second year of the budget biennium.

Auxiliary enterprises generated \$145 million in revenues representing 14% of the total revenue, an increase over last year. Auxiliary enterprises, such as university residences, intercollegiate athletics and the student union are essential supporting activities.

Operating Expenditures by Functional Classification

For the Years Ended June 30, 2015 and 2014

(Note: for the purposes of these graphs, depreciation and 2014 pension expense has been allocated to the programs.)



The percentage of research costs decreased slightly due to the decline in local and state grants. Instruction costs increased slightly in comparison. The percentage of auxiliary expenses remained steady. Financial aid and operation and maintenance of plant costs both decreased slightly in 2015. Institutional support increased by 2% and all other costs remained steady.

Capital Assets and Long-Term Liabilities

Capital Assets

At June 30, 2015, the value of the University's net investment in capital assets was \$1.6 billion. This represents an increase of \$66 million over last year, as shown in the table below:

	June 30, 2015	June 30, 2014	Change
Land	\$ 34,126,588	\$ 41,075,811	\$ (6,949,223)
Construction in progress	118,988,436	110,587,406	8,401,030
Buildings, net	1,149,307,573	1,087,856,845	61,450,728
Other improvements and infrastructure, net	186,316,776	192,443,439	(6,126,663)
Equipment, net	78,230,441	70,294,644	7,935,797
Library resources, net	54,668,025	53,690,493	977,532
Total capital assets, net	\$ 1,621,637,839	\$ 1,555,948,638	\$ 65,689,201

The increase is a result of continued construction on multiple campuses. In 2015, construction in process increased by \$8 million as construction continued on the PACCAR Building and the Pharmacy relocation. A detailed schedule of changes in capital assets is disclosed in Note 6.

Long-Term Liabilities

At June 30, 2015, the University's long-term liabilities totaled \$814 million.

The University had \$692 million in outstanding bond debt and leases, representing an increase of \$84 million over the prior year. The University issued \$87 million in general revenue bonds to finance the construction of a new multicultural center, digital classroom, police department building and to renovate the Pullman Health and Wellness Center. The bonds were issued at a premium of \$15 million. Principal payments decreased revenue bonds outstanding by \$14 million. General obligation bonds decreased by \$3 million as a result of a bond refunding and principal payments. The University issued \$64 million in general revenue bonds to defease \$72 million in Housing & Dining, Parking and Student Fees bonds, for an aggregate debt service decrease of \$11 million. Capital leases decreased by \$1 million, primarily the result of principal payments.

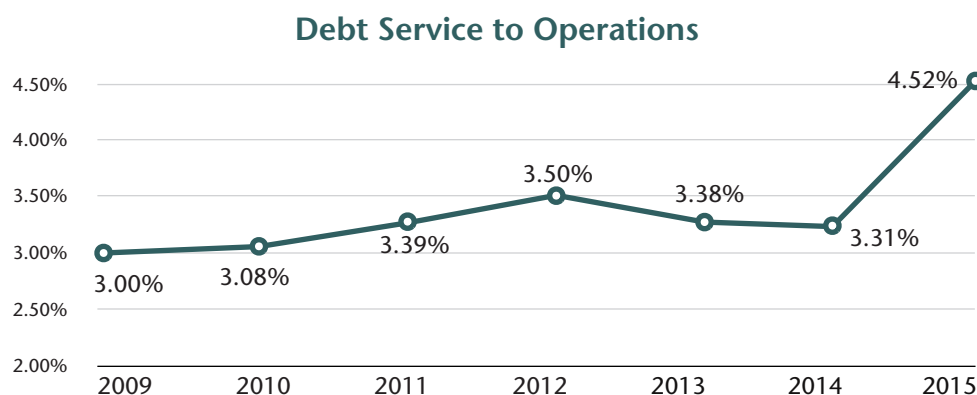
The net pension obligation for the University's pension plan, WSURP, managed by the State of Washington, increased by \$9 million based on the most recent actuarial study, done in 2014. The University implemented GASB 68, requiring WSU to record its proportionate share of the State's pension liabilities which totaled \$72 million. See Note 15 for more information on the implementation of GASB 68.

The table below summarizes outstanding liabilities:

	June 30, 2015	June 30, 2014	Change
Revenue and refunding bonds payable	\$ 646,692,893	\$ 558,037,787	\$ 88,655,106
State of Washington general obligation bonds	28,525,000	31,625,000	(3,100,000)
Capital leases	16,721,538	17,864,600	(1,143,062)
Pension obligation liability	122,354,878	41,210,245	81,144,633
Total long term liabilities	\$ 814,294,309	\$ 648,737,632	\$ 165,556,677

Debt Ratios

The debt service to operations ratio provides an indicator of the University's ability to repay annual principal and interest relative to its overall operating expenses. A lower ratio gives a level of comfort that the institution has a net revenue stream available to meet its debt burden. The graph below shows the University's debt service ratio for the past seven years.



The 2015 ratio of financial resources to debt (as defined by Moody's) shows that the University has sufficient expendable resources to pay its long-term debt obligations 1.8 times over.



The reduction in State capital funding has required the University to issue debt to finance necessary new buildings. This has reduced the ratio of total financial resources to direct debt, but the ratio remains well above Moody's median for Aa2 rated entities.

Economic Outlook

WSU's 2015-17 state biennial budget reflects further reinvestment in higher education. The Washington legislature provided new state funding to offset mandatory reductions in undergraduate resident tuition, and funded wage increases for state employees. Compared with the 2013-15 biennial budget, Washington State University's state appropriations for fiscal year 2016 increased by \$24.2 million over fiscal year 2014 and appropriations for fiscal year 2017 are \$50.8 million greater than fiscal year 2015. The Washington State Economic and Revenue Forecast Council September 2015 estimate of state general fund revenues indicated growth over the May 2015 forecast, however, the economic outlook for the rest of the 2015-17 biennium is slightly weaker. The impact on state appropriations is uncertain until the 2016 legislature concludes its session. The University's other, non-state appropriated operating revenue sources are expected to be stable or increase in the coming fiscal year.

Capital appropriations and bonding authority have been approved for the 2015-17 biennium at \$311.7 million. Federal appropriations for the University's land-grant programs are expected to remain near the \$10 million funding level in 2016.

Resident undergraduate tuition was decreased 5% by the Washington Legislature for the 2015-2016 academic year. Tuition for other student categories remained the same as the prior academic period and other student fees either remained flat or increased slightly. Enrollment is expected to be slightly above the 2014-15 academic year level—about 26,200 annual average full time equivalent students for the four-campus system. Due to the mandatory tuition reduction, net tuition and fee revenues may be slightly lower than the fiscal year 2015 level of \$292.9 million. In fiscal year 2016 the legislature provided approximately \$8.7 million dollars in new funding to offset the mandatory tuition reduction.

Federally sponsored research programs are the largest portion of externally funded grant expenditures. 66% of University sponsored projects were supported by federal funding and 34% by non-federal funding in 2015. Federal and non-federal funded project expenditures were slightly down from fiscal year 2014 by about 1%. The first three months of fiscal year 2016 show that sponsored program expenditures are increasing over the fiscal year 2015 levels. The longer-term outlook is uncertain, due to possible federal funding constraints and economic conditions nationwide, which could constrain both federal and non-federal project activities.

Washington State University Statement of Net Position as of June 30, 2015

Assets	University 2015	Foundation 2015
Current assets		
Cash and cash equivalents (Note 2)	\$ 83,747,718	\$ 620,944
Prepaid expenses	744,366	
Inventories (Note 3)	16,172,420	
Accounts receivable, net (Note 4)	61,925,500	17,269,177
Pledges receivable		44,684,068
Due from Washington State University		2,142,302
Investments, current portion (Note 2)	162,861,636	
Subtotal current assets	325,451,640	64,716,491
Non-current assets		
Long-term investments (Note 2)	160,994,873	
Endowment investment (Note 2)	533,292,492	352,608,004
Deposits in escrow	5,139,309	
Assets held in trust for agencies	5,320,452	
Long-term notes receivable from charitable trusts		6,511,474
Assets held in charitable and beneficial trusts		65,557,988
Loans receivable, net (Note 5)	21,317,232	
Capital assets, net of accumulated depreciation (Note 6)	1,621,637,839	
Pension Assets, net (Note 13)	1,152,603	2,531,776
Subtotal non-current assets	2,348,854,800	427,209,242
Total assets	2,674,306,440	491,925,733
Deferred outflows of resources (Note 14)	15,982,114	
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	77,528,819	18,819,777
Due to Washington State University Foundation	2,142,302	
Deposits	5,453,537	
Assets held for other organizations		290,389
Unearned revenue, current portion (Note 8)	9,839,352	
Long-term liabilities, current portion (Note 12)	22,000,032	
Subtotal current liabilities	116,964,042	19,110,166
Non-current liabilities		
Accrued leave (Note 7)	30,271,337	
Deposits held in custody for others	24,234,118	
Unearned revenue (Note 8)	9,865,694	
Long-term liabilities (Note 12)	669,939,399	
Pension Liability (Note 13)	122,354,878	
Subtotal non-current liabilities	856,665,426	
Total liabilities	973,629,468	19,110,166
Deferred inflows of resources (Note 14)	32,420,928	
Net Position		
Net Investment in Capital Assets	931,981,850	
Restricted nonexpendable	481,182,685	404,485,820
Restricted loans	28,145,314	
Restricted expendable	250,389,405	67,112,929
Unrestricted	(7,461,096)	1,216,818
Total net position	\$ 1,684,238,158	\$ 472,815,567

The footnote disclosures are an integral part of the financial statements.

Washington State University
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2015

Revenues	University 2015	Foundation 2015
Operating revenues		
Tuition and fee revenue, net	\$ 292,867,105	
Federal grants and contracts	123,912,036	
State grants and contracts	89,536,301	
Local grants and contracts	23,944,745	
Gifts and contributions		\$ 36,854,190
Sales and services of educational departments	22,319,611	
Auxiliary enterprises	144,925,726	
Other operating revenues	15,014,923	
Total operating revenues	712,520,447	36,854,190
Expenses		
Operating expenses		
Salaries and wages	473,928,844	
Benefits	136,894,874	
Scholarships and fellowships	63,701,593	
Utilities	24,628,118	
Payments to suppliers	160,137,755	
Purchased services	96,147,164	
Depreciation	92,665,558	
Total operating expenses	1,048,103,906	
Net operating loss	(335,583,459)	36,854,190
Non-operating revenues (expenses)		
State appropriations	178,717,955	
Federal appropriations	10,559,055	
Federal Pell Grants	35,506,235	
Interest on capital assets—related debt	(26,298,696)	
Federal bond interest subsidy	2,701,583	
Gifts and contributions	37,397,111	
Investment income, net of expense	45,295,886	3,959,180
Support provided to/for Washington State University, net		(53,201,540)
Fund raising		(6,499,730)
General and administrative expenses		(3,113,059)
Other non-operating revenues (expenses)	924,047	4,269,280
Total non-operating revenues (expenses)	284,803,176	(54,585,869)
Income before other revenues, expenses, gains or losses	(50,780,283)	(17,731,679)
Capital additions (deductions)		
Capital appropriations	32,992,075	
Capital grants and gifts	6,836,860	
Additions to permanent endowments	135,657	51,311,323
Total other revenues	39,964,592	51,311,323
Increase (decrease) in net position	(10,815,691)	33,579,644
Net Position		
Net position before restatement	1,780,811,216	439,235,923
Change in accounting principle as a result of GASB 68 (Note 13)	(85,757,367)	
Net position, beginning of year restated	1,695,053,849	
Increase (decrease) in net position	(10,815,691)	33,579,644
Net position, end of year	\$ 1,684,238,158	\$ 472,815,567

The footnote disclosures are an integral part of the financial statements.

**Washington State University
Statement of Cash Flows
For the Year Ended June 30, 2015**

Cash flows from operating activities	2015
Tuition and fees	\$ 342,266,231
Grant and contracts	246,961,597
Payments to suppliers	(147,904,466)
Payments for utilities	(26,038,073)
Purchased services	(95,689,868)
Payments to employees	(473,929,338)
Payments for benefits	(124,475,461)
Payments for scholarships and fellowships	(118,736,980)
Loans issued to students	(4,792,099)
Collection of loans to students	4,829,551
Auxiliary enterprise receipts	145,034,887
Sales and service of educational departments	22,306,567
Other receipts	18,619,335
Net cash used by operating activities	(211,548,117)
Cash flows from noncapital financing activities	
State appropriations	169,755,096
Federal appropriations	15,952,260
Gifts for other than capital purposes	
Private gifts	36,885,262
Additions to permanent endowment	135,658
Agency fund receipts	35,459,997
Agency fund disbursements	(33,918,326)
Federal Direct Loan receipts	229,407,492
Federal Direct Loan disbursements	(229,042,467)
Federal Pell Grants	35,506,235
Cash received from property	(5,431,635)
Net cash provided by noncapital financing activities	254,709,572
Cash flows from capital and related financing activities	
Proceeds of capital debt	101,905,162
Capital appropriations	39,055,282
Capital grants and gifts received	6,794,504
Purchases of capital assets	(154,486,844)
Principal paid on capital debt and leases	(17,644,667)
Interest paid on capital debt and leases	(28,363,295)
Net cash used by capital and related financing activities	(52,739,858)
Cash flows from investing activities	
Proceeds from sales of investments	265,538,970
Purchases of investments	(295,158,273)
Investment income	36,089,702
Net cash provided by investing activities	6,470,399
Net increase (decrease) in cash and cash equivalents	(3,108,004)
Cash—beginning of year	86,855,722
Cash—end of year	\$ 83,747,718

The footnote disclosures are an integral part of the financial statements.

Washington State University
Statement of Cash Flows-continued
Reconciliation of net loss to net cash used by operating activities

	2015
Operating loss	\$ (335,583,459)
Adjustments to reconcile net loss to net cash used by operating activities	
Depreciation expense	92,665,558
Changes in assets and liabilities	
Changes in assets	
Deposits in escrow	(885,428)
Prepaid expenses	110,475
Inventories	31,183
Accounts receivable, net	(12,883,695)
Investments	54,243,021
Changes in liabilities	
Accounts payable and accrued liabilities	327,287
Unearned revenue	(1,807,538)
Due to Washington State University Foundation	400,920
Deposits	295,928
Long term debt-current portion	(2,848,164)
Pension obligation	(5,614,205)
Net cash used by operating activities	\$ (211,548,117)
Noncash investing, capital and financing activities	
Loss on disposal of capital assets	\$ (602,602)
Amortization expense	\$ 642,323
Capital assets acquired through gifts	\$ 233,120

The footnote disclosures are an integral part of the financial statements.



The new Washington Grains Plant Growth Facility at WSU Pullman opened in the fall. The facility expands WSU's greenhouse space for this research by about 50 percent.

Notes to the Financial Statements

June 30, 2015

These notes form an integral part of the financial statements.

1. Summary of Significant Accounting Policies

Financial Reporting Entity

The concept underlying the definition of the financial reporting entity is that elected officials are accountable to their constituents for their actions. As required by accounting principles generally accepted in the United States of America (GAAP), the financial reporting entity includes both the primary government and all of its component units. An organization other than a primary government serves as a nucleus for a reporting entity when it issues separate financial statements. Washington State University (WSU) is a constituent agency of the State of Washington and is included as an integral part of the State's Comprehensive Annual Financial Report. Washington State University issues separate financial statements which encompass the University and its discretely presented component unit, The Washington State University Foundation.

The financial reporting entity, as defined by Governmental Accounting Standards Board (GASB) Codification Section 2100, *Defining the Financial Reporting Entity*, consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statement to be misleading or incomplete. The accompanying financial statements present all funds belonging to WSU, including individual colleges and departments of the University. WSU's component unit is discretely presented in the University's financial statements. Legally separate, related organizations are included in WSU's operations if they meet the criteria for blending or discrete presentation as set forth in GASB Codification Section 2600, *Reporting Entity and Component Unit Presentation and Disclosure*.

Discretely Presented Component Unit

The WSU Foundation ("the Foundation") is a legally separate, tax-exempt entity, and serves contractual asset management functions in support of the University's mission. The Foundation is a significant component unit based on the criteria of GASB Statement 39. This report presents the Foundation's financial condition and activities as a discretely presented separate component unit in the University's financial statements.

The Foundation reports its financial results in accordance with Financial Accounting Standards Board (FASB) pronouncements and guidance. As such, certain revenue recognition criteria and presentation features are different from GASB. No modifications have been made to the Foundation's financial information in the University's financial statements for these differences. The Foundation presents information about its financial position and activities according to the following three classes of net assets, depending on the existence and nature of donor restrictions. Under FASB, the Foundation's net assets are described as follows:

- Unrestricted net assets – Support received that is not subject to donor-imposed restrictions and over which the Board of Directors has discretionary control.
- Temporarily restricted net assets – Support received subject to donor-imposed use restrictions or time restrictions.
- Permanently restricted net assets – Support received subject to donor-imposed restrictions stipulating that funds be invested in perpetuity.

For presentation purposes, in the University's financial statements, temporarily restricted net assets have been shown as expendable net assets and permanently restricted net assets have been shown as nonexpendable net assets.

The Foundation's financial statements can be acquired at the following address:

WSU Foundation
P.O. Box 641925
Pullman, WA 99164-1925

Affiliated Organizations

The Washington State Alumni Association (WSUAA), and the Students Book Corporation are both legally separate 501(c)(3) corporations, for whom the University acts as the fiscal agent. Their balances and transactions are reported within agency funds of the University and reported as assets and liabilities held in trust by the University.

Financial statements for these entities, the Students Book Corporation and the WSUAA may be obtained by contacting the Business Services/ Controller's Office at 240 French Administration Bldg., P. O. Box 641025, Pullman, WA 99164-1025 or calling (509) 335-2022.

Basis of Presentation

The financial statements of the University have been prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis, as amended by GASB Statement No. 35, for Public Colleges and Universities. The University, along with its discretely presented component unit is considered a special purpose government engaged in business type activities (BTA). In accordance with BTA reporting, the University presents management's discussion and analysis, statement of net positions, statements of revenues, expenses and changes in net positions, statements of cash flows and notes to the financial statements. The financial statement presentation provides a comprehensive, entity-wide perspective of the University's assets, liabilities, net position, revenues, expenses, changes in net position, and cash flows.

Basis of Accounting

The financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred, regardless of the timing of the cash flows.

Non-exchange transactions, in which the University receives (or gives) value without directly giving (or receiving) equal value in exchange includes state and federal appropriations, and certain grants and donations. Revenues are recognized, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met, if probable of collection.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Bond premiums/discounts and insurance costs are deferred and amortized over the term of the bonds using the effective interest method. Unamortized balances are presented as reductions of the face amount of bonds payable. Related amortization is included in interest expense in the statements of revenues, expenses and changes in net positions.

Gains or losses on bond refundings are deferred and amortized over the term of the bonds using the effective interest method. Unamortized balances are presented as deferred outflows or inflows of resources.

During the course of operations, numerous transactions occur between individual funds for goods provided, services rendered or interfund loans. For the financial statements, the interfund receivables and payables have been eliminated. Both revenue and expenses relating to internal services, such as central stores, printing and publications, and information technology, have been eliminated.

New Accounting Pronouncements

In 2015 the University implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions which amends GASB Statement No. 27. This statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trust or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. See Note 14.

GASB has issued Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. This statement establishes accounting and financial reporting standards for situations where a state or local government, as a guarantor, agrees to indemnify a third-party obligation holder under specified conditions (i.e. nonexchange financial guarantees). Guidance is provided for situations where a state or local government extends or receives a nonexchange financial guarantee. The requirements of this Statement are effective for reporting periods beginning after June 15, 2013. The University has reviewed the statement and determined that it has no impact on the University.

In 2015 the University implemented GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Statement No. 71 addresses an issue regarding the application of the transition provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Under Statement No. 68, state and local government employers will be required to recognize the underfunded status of defined benefit pension plans as a net pension liability.

GASB has issued Statement No. 72, Fair Value Measurement and Application, which would generally require state and local governments to measure investments at fair value. GASB's goal is to enhance comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. This standard expands fair value disclosures to provide comprehensive information for financial statement users about the impact of fair value measurements on a government's financial position. The requirements are effective for financial statements for periods beginning after June 15, 2015, with early application encouraged. The University has determined that our valuation of these assets already complies with this pronouncement.

GASB has issued Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68 – effective for fiscal years beginning after June 15, 2015—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for fiscal years beginning after June 15, 2016.

GASB has issued Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans – effective for fiscal years beginning after June 15, 2016. This statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43.

GASB has issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions – effective for fiscal years beginning after June 15, 2017. This statement applies to government employers who provide OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45.

Cash, Cash Equivalents and Investments

Cash balances in excess of current requirements are pooled and invested in Treasury securities, time deposits, deposits with the Washington State Local Government Investment Pool (LGIP), federal agency bills and notes. Cash equivalents are short term, highly liquid investments convertible to known amounts of cash without change in value or risk of loss. Interest income earned on the investment pool is distributed on a quarterly basis based on daily cash balances in various funds. In accordance with GASB 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, cash, cash equivalents and investments are stated at fair value.

Accounts Receivable

Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff. This also includes amounts due from the federal government, state and local governments or private sources in connection with reimbursement of allowable expenditures made pursuant to the University's sponsored agreements. Accounts receivable are shown net of estimated uncollectible amounts.

Inventories

Inventories, consisting primarily of supplies and merchandise for resale, are valued at cost using various methods.

Capital Assets

Land, buildings and equipment are recorded at cost, or if acquired by gift, at fair value at the date of the gift. Capital additions, replacements and major renovations are capitalized. The value of assets constructed includes all material direct and indirect construction costs.

Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. In accordance with the state capitalization policy, only fixed assets with a unit cost of \$5,000 or greater are capitalized. Depreciation is computed using the straight line method over the estimated useful lives of the assets, generally 15 to 50 years for buildings and components, 20 to 25 years for infrastructure and land improvements, 20 years for library resources and 5 to 7 years for equipment.

Interest is capitalized on assets acquired or constructed with tax-exempt financing. The amount of interest to be capitalized is calculated by offsetting interest expense incurred while activities necessary to get the asset ready for its intended use are in progress, with interest earned on invested proceeds over the same period. The net capitalized interest for fiscal year 2015 was \$4,012,922.

In accordance with GASB Statement No. 42, the University reviews assets for impairment whenever events or changes in circumstances have indicated that the carrying amount of its assets might not be recoverable. Impaired assets are reported at the lower of cost or fair value. At June 30, 2015, no assets had been written down.

Unearned Revenues

Unearned revenues include funds that have been collected in advance of an event, such as summer semester tuition and certain auxiliary activities prior to the end of the fiscal year but are related to the subsequent fiscal year.

Tax Exemption

The University is a tax-exempt organization under the provisions of Section 115(a) of the Internal Revenue Code and is exempt from federal income taxes on related income.

Net Position

The University's net position is classified as follows:

- *Net Investment in Capital Assets.* This represents the University's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of capital assets.
- *Restricted—nonexpendable.* This consists of endowment and similar type funds for which donors or other outside sources have stipulated as a condition of the gift instrument that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income which may either be expended or added to the principal.
- *Restricted—loans.* The loan funds are established for the explicit purpose of providing student support as prescribed by statute or granting authority.
- *Restricted—expendable.* These include resources for which the University is legally or contractually obligated to spend resources in accordance with restrictions imposed by third parties.
- *Unrestricted.* These represent resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises.

Classification of Revenues

The University has classified its revenues as either operating or non-operating revenues according to the following criteria:

Operating Revenues. This includes activities that have the characteristics of exchange transactions such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises and (3) most federal, state and local grants and contracts.

Non-operating Revenues. This includes activities that have the characteristics of non-exchange transactions, such as gifts and contributions, state appropriations and investment income.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses and Changes in Net Position. Scholarship discounts and allowances are the difference between the published charge for goods and services provided by the University and the amount that is paid by students or third parties making payments on the students' behalf. To the extent that revenues are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and an allowance. Discounts and allowances for the year ending June 30, 2015 are \$121,372,715.

Reclassifications

For comparative purposes in the Management's Discussion and Analysis section, certain accounts in the prior year financial statements have been reclassified to conform to the presentation in the current year financial statements.

2. Cash, Cash Equivalents and Investments

Cash

As of June 30, 2015, the carrying amount of the University's change funds, petty cash and bank demand deposit accounts with financial institutions was \$34,854,251 as represented in the table below.

Table 1: Cash and Cash Equivalents

	2015
Cash	\$ 34,854,251
Cash equivalents	48,870,862
Deposits with fiscal agents	22,605
Cash and cash equivalents	\$ 83,747,718

Custodial Credit Risks—Deposits

Custodial credit risk for bank demand deposits is the risk that in the event of a bank failure, the University's deposits may not be returned to it. All cash, except for change funds and petty cash held by the University, is insured by the Federal Deposit Insurance Corporation (FDIC) or collateral held by the Washington Public Deposit Protection Commission (PDPC). The majority of the University's demand deposits are with the Bank of America.

University Endowments

The University contracts with the Foundation for the management of privately endowed assets. University and Foundation endowments are pooled and invested with the objectives of long-term capital appreciation and stable but growing income stream. The fair values of the University endowment investments at June 30, 2015 were \$65,040,506.

Land-Grant and Permanent Fund

The Land-Grant University has two land-grant endowments and two permanent funds established by legislation. The University's two land-grant endowments total 151,188 land-grant acres of timber, agricultural and grazing lands managed by the Washington State Department of Natural Resources. The income from this land is distributed to the Agricultural College Permanent Fund, established under RCW 43.79.136, and the Scientific School Permanent Fund, established under RCW 43.79.110. The Washington State Investment Board manages these two permanent funds for the sole benefit of the University. All distributed income is used for capital projects, facility maintenance, or debt service. The fair value of these funds after settlement of all pending transactions, receivables and payables, is shown in the table below.

Table 2: Permanent Fund

University permanent fund investments	Fair value	Average duration	Credit rating
Cash and cash equivalents	\$ 1,350,914		
Commingled monthly bond fund	317,539,796	5.44	Aa3
Commingled monthly equity fund	150,946,149		
Cash at state treasurer	546,849		
Pending transactions, receivables and payables	(2,131,722)		
Total permanent fund investments	\$ 468,251,986		

Endowment investments consist of University-held endowments valued at \$65,040,506 (as noted in the paragraph above and detailed in Table 3), and the permanent fund of \$468,251,986 for a total of \$533,292,492 as of June 30, 2015



The Brelsford WSU Visitor Center, located in downtown Pullman, provides a welcoming “front door” to out-of-town guests before they visit campus. The center opened in 2013.

Investments

Investments are classified as cash equivalents, short- or long-term investments, or endowment investments. University-invested assets include operating funds, current-use gift funds, proceeds from bond issues dedicated to specific capital projects and University endowment and trust funds. The carrying amount of University-invested assets includes cash equivalents and permanent fund investments as represented below.

Table 3: University Investments by type

University investments	Fair value	Maturity				Effective duration	Credit rating
		Less than 1 year	1-5 years	6-10 years	More than 10 years		
Cash equivalents							
Commercial paper	\$ 21,977,110	\$21,977,110				0.31	A1/P1
Other—Bank short term investment funds	3,982	3,982				0.01	NR
Local Government Investment Pool	26,889,770	26,889,770				0.10	NR
Total cash equivalents	48,870,862						
Current investments							
US Government Treasury	91,589,143	91,589,143				0.78	AAA
US Agency obligations	71,272,493	71,272,493				0.41	AAA
Total current investments	162,861,636						
Non-current investments							
Operating Funds							
US Government Treasury	80,961,709		\$80,961,709			1.49	AAA
US Agency obligations	12,495,500		12,495,500			1.64	AAA
Mortgage pass through	56,438,090		15,340,834	\$1,339,212	\$39,758,047	0.45	AAA
Fixed income mutual funds	10,148,425		10,148,425			1.01	
Subtotal non-current operating fund investments	160,043,724						
Miscellaneous	951,149						
Total non-current investments	160,994,873						
University endowments							
US stocks	3,101,698						
Mutual and commingled funds							
-US fixed income	9,829,518	6,745,541	-	3,083,977		2.00	A
-Foreign fixed income	2,551,783				2,551,783	5.75	A+
-US equity	7,355,757						
-Foreign equity	12,283,687						
-Private equity	11,758,938						
-Hedge funds	11,736,002						
-Timber	485,135						
-Real estate	3,534,794						
-Oil and gas	2,403,194						
Total endowment investments	65,040,506						
Total university investments	\$ 437,767,877						

Interest Rate Risk—Investments

Through its investment policies, the University manages exposure to fair value losses arising from increasing interest rates by limiting the modified duration of the operating portfolio to 1.1 years and by cash matching the dedicated bond portfolios to the anticipated construction schedules of the underlying projects.

Current-use gift funds are segmented into short-term, intermediate-term and long-term pools. University policies limit the portfolio average maturity of the short-term pool to one year or less, the portfolio average maturity of the intermediate-term pool to three years or less, and the portfolio average maturity of the long-term pool to ten years or less.

University endowments fall under the Foundation investment policy, which employs broad asset class diversification to control overall endowment fund volatility, and limits fixed income investments to a maximum of 15% of total endowment fund assets.

Concentration of Credit Risk—Investments

State law limits University operating investments to the highest quality sectors of the domestic fixed income market and specifically excludes corporate stocks, corporate and foreign bonds, futures contracts, commodities, real estate, limited partnerships and negotiable certificates of deposit. University policy does not limit the amount the University may invest in any one issuer.

Custodial Credit Risk—Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the University will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. At June 30, 2015, \$335,108,012 of the University's operating fund investments, held by Bank of New York Mellon in the bank's name as agent for the University, and \$373,966 of endowment assets, held in street name by E*trade for the account of the University, are exposed to custodial credit risk as follows.

Table 4: Investments exposed to custodial credit risk

University investment type	Fair value
Commercial paper	\$ 21,977,110
US Government Treasury	172,550,852
US Agency obligations	83,767,993
Mortgage pass throughs	56,438,090
Subtotal	334,734,045
US common stock	373,966
Total investments exposed to custodial credit risk	\$ 335,108,011

Foreign Currency Risk—Investments

University endowment exposure to foreign currency risk at June 30, 2015, is described in the table below and is limited by Foundation investment policy.

Table 5: University foreign currency risk

Foreign currency	Fair value
Euro	\$ 2,765,009
Japan - Yen	2,597,620
UK - Pound	1,767,541
S. Korea - Won	871,151
Switzerland - Francs	870,965
China - Yuan	674,479
Other (less than 5%)	4,845,361
Total foreign currency	\$ 14,392,126

Investment Expenses

Under implementation of GASB 35, investment income for the University is shown net of investment expenses. The investment expenses incurred for the fiscal year ended June 30, 2015 were \$464,136.

3. Inventories

Inventories as of June 30, 2015 are as follows:

Location	Method	Amount
Athletics	FIFO	\$ 1,153,952
Bulletin office	FIFO	148,894
Central stores	FIFO	388,655
Facilities operations	Weighted Average	1,566,351
Ferdinand's	FIFO	5,044,245
Housing and dining	LIFO	655,989
Telecommunications	FIFO	464,380
University publishing	FIFO	1,322,760
Veterinary hospital and pharmacy	LIFO	1,275,457
Veterinary microbiology/pathology	FIFO	2,060,225
Other inventory	Various	2,091,512
Inventories		\$16,172,420

4. Accounts Receivable

At June 30, 2015, accounts receivable are as follows:

Student tuition and fees	\$ 33,588,724
Due from the federal government	9,131,322
Due from the office of the state treasurer	9,242,917
Due from other state agencies	10,318,563
Interest and dividends receivable	477,946
Auxiliary enterprises	13,776,161
Due from other governments	455,709
Other	1,447,278
Subtotal accounts receivable	78,438,620
Less allowance for doubtful accounts	(16,513,120)
Accounts receivable, net	\$61,925,500

5. Loans Receivable

Loans receivable consisted of the following at June 30, 2015:

Federal programs	\$ 21,471,166
Institutional loans	503,418
Subtotal	21,974,584
Less allowance for doubtful accounts	(657,352)
Loans receivable, net	\$21,317,232

6. Capital Assets

A summary of changes in the capital assets for the year ended June 30, 2015 is presented as follows:

Capital assets, non-depreciable	Beginning balance	Additions/ transfers	Retirements	Ending balance
Land	\$ 41,075,811	\$ 1,164,432	\$ (8,113,655)	\$ 34,126,588
Construction in progress	110,587,406	121,490,634	(113,089,604)	118,988,436
Total capital assets, non-depreciable	151,663,217	122,655,066	(121,203,259)	153,115,024
Capital assets, depreciable				
Buildings	1,850,623,463	115,391,341	(1,556,635)	1,964,458,169
Other improvements and infrastructure	337,645,709	6,113,490		343,759,199
Machinery and equipment	276,469,704	31,013,426	(7,140,755)	300,342,375
Library resources	146,491,399	6,276,710	(999,895)	151,768,214
Total capital assets, depreciable	2,611,230,275	158,794,967	(9,697,285)	2,760,327,957
Less accumulated depreciation				
Buildings	762,766,618	53,825,366	(1,441,388)	815,150,596
Other improvements and infrastructure	145,202,270	12,240,153		157,442,423
Machinery and equipment	206,175,060	21,300,801	(5,363,987)	222,111,934
Library resources	92,800,906	5,299,178	(999,895)	97,100,189
Total accumulated depreciation	1,206,944,854	92,665,558	(7,704,307)	1,291,805,142
Total capital assets, depreciable, net	1,404,285,421	66,230,372	(1,992,978)	1,468,522,815
Capital assets, net	\$ 1,555,948,638	\$ 188,885,438	\$ (123,196,237)	\$ 1,621,637,839

The current year depreciation expense was \$92,665,558. Total interest expense was \$26,298,696 of which \$4,012,922 was capitalized.

7. Accounts Payable and Accrued Liabilities

At June 30, 2015, accrued liabilities were as follows:

Current accrued liabilities

Accounts payable	\$ 39,117,526
Contract retainage	5,167,350
Payroll	23,136,318
Accrued leave, current portion	10,107,625
Subtotal	77,528,819

Non-current accrued liabilities

Accrued annual leave	27,465,358
Accrued sick leave	2,727,968
Accrued compensatory leave	78,011
Subtotal	30,271,337
Total accrued liabilities	\$ 107,809,156

8. Unearned Revenue

Unearned Revenue is comprised of receipts which have not yet met revenue recognition criteria.

Current unearned revenue	
Athletics	\$ 2,206,781
ALIVE! program	479,027
Pre-paid Tri-Cities BSEL building rent	500,000
Bookie building	112,666
Housing and dining services	1,462,211
Summer session	4,794,363
Parking	284,304
Subtotal	9,839,352
Non-current unearned revenue	
Pre-paid Tri-Cities BSEL building rent	5,940,277
Bookie building	3,925,417
Subtotal	9,865,694
Total unearned revenue	\$ 19,705,046

9. Risk Management

The University, in accordance with state policy, self-insures unemployment compensation for all eligible employees. The University assesses all funds a monthly payroll expense for unemployment compensation for all employees. Payments made for claims from July 1, 2014 through June 30, 2015, were \$727,750. Cash reserves for unemployment compensation for all employees at June 30, 2015, were \$4,392,973. The University purchases commercial property insurance for auxiliary enterprise buildings that were acquired with bond proceeds when the bond agreement requires the University to insure property and earnings. The University assumes its potential property losses for most other buildings and contents. Liability exposures are insured through the State of Washington Self-Insurance Liability Program as covered by the Tort Claims Act (RCW 4.92 et seq.).

10. Leases Payable

The University finances some capital asset purchases through the Washington State Treasurer's leasing program. Under this program, the interest rates range from .7% to 5.3% and the lease periods range from 4 to 15 years. As of June 30, 2015, the University had \$21,007,770 in machinery, software, and equipment acquired under capital lease. Depreciation for the capital assets associated with capital leases is included in depreciation expense. The University also has leases for office equipment with various vendors. These leases are classified as operating leases. As of June 30, 2015, the minimum lease payments under capital leases and operating leases consist of the following:

Leases Payable

Fiscal year	Capital leases	Operating leases
2016	\$ 2,845,460	\$ 2,974,398
2017	2,622,951	2,505,746
2018	2,463,968	2,261,866
2019	1,669,243	1,476,019
2020	232,583	1,341,541
2021-2025	7,638,976	5,382,114
2026-2030	2,616,535	3,503,058
Total minimum lease payments	20,089,716	19,444,742
Amount representing interest	(3,368,178)	-
Net present value	\$ 16,721,538	\$ 19,444,742

11. Bonds Payable

Bonds Payable consists of specific and general revenue bonds issued by the University for construction and renovation of University buildings, for Housing and Dining System Facilities, for the Student Recreation Center, Parking Services, Compton Union Building and Athletics, as well as the University's share of Washington State General Obligation bonds issued for the construction of academic buildings. Washington State General Obligation bonds are backed by the full faith, credit and taxing power of the State. A portion of tuition and matriculation fees paid to the University are pledged for the payment of principal and interest on the University's share of these bonds.

Revenue bonds issued by the University include certain restrictive covenants. Certain revenue bonds have a specific revenue stream pledged to pay them. General revenue bonds are special fund obligations of the University, payable from general revenues which included non-appropriated, unrestricted income and revenues, including available auxiliary system revenues.

On March 11, 2015, the University issued \$87,370,000 in General Revenue Bonds, Series 2015. \$13.8 million will be used to build a new Multicultural Center, as approved by the Board of Regents on February 11, 2015 pursuant to Resolution 150211-504. \$47.4 million will be used to construct a new Digital Classroom, \$13.7 million will be used to construct the new Spokane Teaching Health Center and \$6.5 million will be used to construct a new facility for the Police Department, all approved by the Board of Regents on September 12, 2014 pursuant to Resolution 140912-491. \$6 million will be used to renovate the Pullman Health and Wellness Center facility, as approved on March 20, 2014 pursuant to Resolution 140328-478. The bonds were issued at a premium of \$14,535,161. The issue costs were \$442,471. The average interest rate is 4.98%. Interest is payable semiannually on April 1 and October 1, commencing October 1, 2015. Principal payments are due annually on April 1.

Bond Refunding Activity

The scheduled liabilities as of June 30, 2015 do not include revenue bonds that were advance refunded. Government obligations in amounts, maturities and bearing interest rates sufficient to fund retirement of these bonds are held in irrevocable trusts.

On March 11, 2015 the University issued \$64,470,000 in General Revenue Bonds, Series 2015 (refunding portion) to defease \$13,020,000 in Series 2005 Housing and Dining Services Bonds, \$5,695,000 in Series 2005 Parking Services Bonds, and \$53,405,000 in Series 2006A Student Fees Bonds. The net proceeds were used to purchase U.S. Government securities that were deposited to an irrevocable trust with an escrow agent to provide for all future debt service payment on the bonds. The refunding resulted in an aggregate debt service decrease of \$11,033,807 and an economic gain of \$8,449,464. The principal outstanding on the refunded bonds on June 30, 2015 is \$72,635,000.

Neither the assets of these trusts, nor their outstanding obligations, are included in the Statement of Net Position.



The WSU Pullman community came together in February for a Zumba dance-fitness event organized as part of the global One Billion Rising Event. The event called attention to the need for greater social justice and an end to violence.

As of June 30, 2015, the University was indebted for bonds payable for the purposes shown in the following table:

Purpose	Series	Interest rate/ ranges	Final maturity date	Principal outstanding	Current portion	See table next page
Housing and Dining System	2008	3.2%–5.25%	2038	\$ 23,235,000	\$ 555,000	1
	2010	3%–5%	2024	11,430,000	965,000	
	2010B	7.1%–7.4%	2041	35,305,000	-	
Housing and Dining System- Advance Refunding- Series 2005	2015	3%–5%	2030	11,125,000	510,000	
Student Recreation Center	2009	3%–5.25%	2032	31,505,000	1,260,000	2
Compton Union Building	2006B	5%–6%	2038	28,195,000	1,650,000	3
Compton Union Building- Advance Refunding- Series 2006A	2015	3%–5%	2039	48,390,000	-	
Intercollegiate Athletics	2007	4%–4.25%	2032	19,190,000	785,000	4
Parking and Trans Services- Advance Refunding- Series 2005	2015	3%–5%	2024	4,955,000	450,000	
Trust and building fee revenue bonds	2009B	3%–6.41%	2034	96,815,000	3,370,000	5
General revenue bonds	2012B	2%–5%	2037	95,480,000	2,550,000	
	2013	3%–5%	2038	40,735,000	940,000	
	2014	1.75%–5%	2039	17,840,000	415,000	
	2013	3%–5%	2024	9,050,000	735,000	
	2014	1.75%–5%	2039	36,205,000	845,000	
	1991B	5.4%–5.7%	2015	160,000	160,000	
	HE-WSU	3.5%–6.4%	2022	7,575,000	1,465,000	
State of Washington general obligation bonds	2001A	5%–5.6%	2025	11,145,000	785,000	
	2001C	5%–5.3%	2026	5,760,000	405,000	
	2002A	4%–6%	2026	3,885,000	240,000	
Cultural house	2015	3%–5%	2040	13,800,000	265,000	
Digital classroom	2015	3%–5%	2040	47,430,000	910,000	
Spokane medical facility	2015	3%–5%	2035	13,670,000	-	
Washington building renovation	2015	3%–5%	2025	6,000,000	480,000	
Police department building	2015	3%–5%	2045	6,470,000	125,000	
				625,350,000	19,865,000	
Less: unamortized insurance costs				(565,221)		
Less: unamortized discounts				(76,370)		
Plus: unamortized premiums				50,509,486		
Net bonds payable				\$675,217,894		

The University has pledged future revenues, net of specific operating expenses, to repay the principal and interest on revenue bonds. The following is a schedule of pledged revenues and related debt, as of June 30, 2015.

Pledged Revenue

Ref		Total future pledged revenues	Current year revenues, net of expenses	Current year principal and interest
1	Housing and Dining System (2008 & 2010)	\$ 53,919,748	\$24,691,419	\$ 3,082,680
2	Student Recreation Center (2009)	46,754,700	3,622,509	2,749,125
3	Compton Union Building (2006B)	39,558,759	6,275,571	3,273,145
4	Intercollegiate Athletics (2007)	26,962,434	(3,432,487)	1,584,219
5	Trust and building fee bonds (2009B)	\$165,133,809	\$32,381,210	\$ 5,746,926

Annual Debt Service Requirements

Future debt service requirements at June 30, 2015 are as follows:

Fiscal year	Revenue bond obligations			State of Washington General obligation bonds		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 16,810,000	\$ 27,809,877	\$ 44,619,877	\$ 3,055,000	\$ 1,472,970	\$ 4,527,970
2017	18,135,000	26,758,517	44,893,517	3,025,000	1,303,950	4,328,950
2018	18,855,000	26,051,960	44,906,960	2,785,000	1,135,100	3,920,100
2019	19,640,000	25,273,010	44,913,010	2,865,000	972,850	3,837,850
2020	20,470,000	24,430,218	44,900,218	3,015,000	805,850	3,820,850
2021–2025	117,060,000	106,729,842	223,789,842	10,980,000	2,830,250	13,810,250
2026–2030	133,670,000	77,694,541	211,364,541	2,800,000	133,425	2,933,425
2031–2035	136,850,000	44,836,332	181,686,332	-	-	-
2036–2040	112,275,000	16,242,780	128,517,780	-	-	-
2041–2045	3,060,000	147,166	3,207,166	-	-	-
Subtotal	596,825,000	375,974,243	972,799,243	28,525,000	8,654,395	37,179,395
Less: unamortized issuance costs	(565,223)		(565,223)			
Less: unamortized discounts	(76,370)		(76,370)			
Plus: unamortized premiums	50,509,486		50,509,486			
Total	\$ 646,692,893	\$ 375,974,243	\$ 1,022,667,136	\$ 28,525,000	\$ 8,654,395	\$ 37,179,395

12. Schedule of Long Term Liabilities

	Total amount issued	Balance outstanding 6/30/2014 Dr(Cr)	Additions Dr(Cr)	Reductions Dr(Cr)	Balance outstanding 6/30/2015 Dr(Cr)	Current portion
Revenue and refundings bonds, net	\$ 630,970,000	\$ 558,037,787	\$ 176,859,386	\$ (88,204,280)	\$ 646,692,893	\$ 16,810,000
State of Washington general obligation bonds, net	38,465,000	31,625,000	1,605,000	(4,705,000)	28,525,000	3,055,000
Capital leases		17,864,600	1,501,928	(2,644,990)	16,721,538	2,135,032
Net pension obligation		41,210,245	122,822,368	(41,677,735)	122,354,878	
Total	\$ 669,435,000	\$ 648,737,632	\$ 302,788,682	\$ (137,232,005)	\$ 814,294,309	\$ 22,000,032

13. Pension Plans

The University implemented Statement No. 68 of the Governmental Accounting Standards Board (GASB) *Accounting and Financial Reporting for Pensions* for the fiscal year 2015 financial reporting. This change in accounting principle changed how pension liabilities are computed and required entities that prepare a separate financial statement to record their share of the primary government's pension liability on their books. This resulted in an \$87,757,367 decrease in unrestricted net assets for 2014. In accordance with Statement No. 68 the University has elected to use the prior fiscal year end as the measurement date for reporting net pension liabilities.

The University offers four contributory pension plans: the Washington State Public Employees Retirement System (PERS) plan, the Washington State Teachers Retirement System (TRS), the Law Enforcement Officers' and Firefighters' Retirement System (LEOFF), cost sharing multiple-employer defined benefit pension plans administered by the State of Washington Department of Retirement Services and the Washington State University Retirement Plan (WSURP), a defined contribution pension plan with a supplemental payment to beneficiaries when required.

WSURP is not administered through a trust and is not subject to GASB 68. The pension liabilities herein calculated are consistent with prior years.

The University employs approximately 6,498 full-time employees eligible for participation in one of the various retirement plans.

For the year ended June 30, 2015, the payroll for employees covered by PERS was \$106,902,843, the payroll for employees covered by TRS was \$6,453,099, the payroll for employees covered by LEOFF was \$1,638,445 and the payroll for employees covered by the Washington State University Retirement Plan was \$277,391,365.

PERS, TRS and LEOFF

The state of Washington, through the Department of Retirement Systems, administers the PERS, TRS, and LEOFF plans. Pension plans administered by the state are accounted for using the accrual basis of accounting. Under the accrual basis of accounting, employee and employer contributions are recognized in the period in which employee services are performed; investment gains and losses are recognized as incurred; and benefits and refunds are recognized when due and payable in accordance with the terms of the applicable plan.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all plans and additions to/deductions from all plan fiduciary net position have been determined in all material respects on the same basis as they are reported by the plans.

The authority to establish and amend benefit provisions resides with the legislature. PERS retirement benefit provisions are established in chapters 41.34 and 41.40 RCW, TRS retirement benefit provisions are established in chapters 41.32 and 41.34 RCW and LEOFF retirement benefits provisions are established in chapter 41.26 RCW. The plans may be amended only by the Legislature. The Washington State Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for PERS, TRS, and LEOFF. The report may be obtained by writing to the Department of Retirement Systems, PO Box 48380, Olympia, Washington 98504-8380 or online at <http://www.drs.wa.gov/administration>.

Plan Descriptions. PERS Plan 1 provides retirement and disability benefits and minimum benefit increases beginning at age 66 to eligible nonacademic plan members hired prior to October 1, 1977. PERS Plans 2 and 3 provide retirement and disability benefits and a cost-of-living adjustment to eligible nonacademic plan members hired on or after October 1, 1977. Retirement benefits are vested after five years of eligible service. PERS Plan 3 has a defined contribution component that members may elect to self-direct as established by the Employee Retirement Benefits Board. PERS 3 defined benefit plan benefits are vested after an employee completes five year of eligible service.

TRS 1 provides retirement and disability benefits, a lump sum death benefit, and minimum benefits increases beginning at age 65 to certain eligible faculty hired prior to October 1, 1977. TRS 2 and 3 provide retirement benefits, and cost-of-living adjustment to certain eligible faculty hired on or after October 1, 1977. In addition, TRS 3 has a defined contribution component which is fully funded by employee contributions. Defined benefit plan benefits are vested after an employee completes five years of eligible service.

LEOFF 2 provides retirement benefits and a cost-of-living adjustment for eligible law enforcement officers. LEOFF System benefits are vested after an employee complete five years of eligible service.

Funding Policy. Each biennium, the state Pension Funding Council adopts PERS and TRS Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute. Under LEOFF, employer and employee contribution rates for Plan 2 are developed by the Office of the State Actuary to fully fund the plan. All employers are required to contribute at the level established by state law.

The required contribution rates expressed as a percentage of current year covered payroll are shown below. The University and the employees made the required contributions.

Federal Retirement Plans

Selected positions related to the College of Agricultural, Human, and Natural Resource Sciences are eligible to participate in two federal retirement systems maintained by the Office of Personnel Management.

Civil Service Retirement System

Civil Service Retirement System (CSRS) is a defined benefit retirement plan for employees with federal appointments hired prior to January 1, 1984, and who chose not to transfer to Federal Employees Retirement System (FERS). Retirement benefits are vested after an employee completes five years of eligible service.

As of June 30, 2015 the University had 5 employees enrolled in the plan.

Federal Employees Retirement System

The Federal Employees Retirement System (FERS) is a defined benefit retirement plan for employees with federal appointments hired after December 31, 1983, and those Civil Service Retirement System (CSRS) employees choosing to transfer into this system. Retirement benefits are vested after an employee completes five years of eligible service.

As of June 30, 2015 the University had 9 employees enrolled in the plan.

Contribution Rates and Required Contributions

The University's contribution rates and required contributions for the above retirement plans for the year ending June 30, 2015 are as follows:

	Contribution rates		Required contributions	
	Employee	University	Employee	Employer
PERS				
Plan 1	6.00%	9.21%	\$ 146,111	\$ 240,184
Plan 2	4.92%	9.21%	3,340,857	5,882,722
Plan 3	5.00–15.00%	9.21%	2,337,472	3,367,548
TRS				
Plan 1	6.00%	10.39%	3,777	6,542
Plan 2	4.96%	10.39%	0.00	0.00
Plan 3	5.00–15.00%	10.39%	538,661	663,934
LEOFF				
Plan 2	8.41%	8.59%	137,794	140,742
FED Plans				
CSRS	7.00%	7.00%	38,001	38,001
FERS	0.80%	13.20%	\$ 5,126	\$ 82,557

The University's actual retirement contributions to the above plans for the fiscal years ended June 30, 2015, 2014, and 2013 were:

Fiscal year ended		PERS	TRS	LEOFF	CSRS	FERS
2015	Rate	9.21%	10.39%	8.59%	7.00%	13.20%
2015	Contribution	\$ 9,490,454	\$ 670,476	\$ 140,742	\$ 38,001	\$ 82,557
2014	Rate	9.21%	10.39%	8.59%	7.00%	11.90%
2014	Contribution	\$ 9,103,599	\$ 386,605	\$ 125,517	\$ 50,740	\$ 72,689
2013	Rate	7.21%	8.05%	8.62%	7.00%	11.90%
2013	Contribution	\$ 6,777,706	\$ 136,907	\$ 119,947	\$ 58,951	\$ 87,162

Pension costs. At June 30, 2015 WSU reported a liability of \$72,179,174 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2014 by an actuarial valuation as of that date. WSUs' share was .93% for PERS 1, 1.12% for PERS 2/3, .083% for TRS 1, .08% for TRS 2, and .09% for LEOFF 2 of Washington State's proportionate share of Department of Retirement Systems (DRS) liability.

The following table represents the aggregate pension amounts for all plans subject to the requirements of GASB Statement No. 68 for WSU as an employer for the fiscal year 2014, expressed in thousands.

Aggregate Pension Amounts- All Plans

\$72,179,099	Pension liabilities
1,152,603	Pension assets
11,223,428	Deferred outflows of resources related to pensions
31,568,504	Deferred inflows of resources related to pensions
\$91,371,572	Pension expense/expenditures

The University reported deferred outflow/inflows of resources related to pensions from the following sources:

	Deferred outflows	Deferred inflows
Changes in assumption		
Net difference between projected and actual earnings on investments		\$ 31,568,504
Changes in proportion	\$ 995,523	
Contributions paid subsequent to the measurement date	10,227,905	
Total	\$11,223,428	\$ 31,568,504

The \$10,227,905 reported as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year	
2015	\$ 7,648,753
2016	7,648,753
2017	7,648,753
2018	7,712,912
2019-2020	(86,196)
Total	\$ 30,572,975

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2013 with the results rolled forward to the June 30, 2014 measurement date using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75%
Investment rate of return	7.50%

Mortality rates were based on the RP-2000 Combined Healthy Table and Combined Disabled Table published by the Society of Actuaries. The Office of the State Actuary applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent scale BB. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year, throughout their lifetime.

The actuarial assumptions used in the June 30, 2013, valuation were based on the results of an actuarial experience study for the period 2007-2012. Additional assumptions are current for subsequent events and law changes as of the 2013 report.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which a best estimate of expected future rates of return (expected returns, net of pension plan investment expense, but including inflation) are developed for each major asset class by the Washington State Investment Board. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Fixed income	20.00%	0.08%
Tangible assets	5.00%	4.10%
Real estate	15.00%	5.30%
Global equity	37.00%	6.05%
Private equity	23.00%	9.05%
Total	100.00%	

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent, the same as the prior measurement date. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan's net position was sufficient to make all projected future benefit payments of current plan members. Consistent with current law, the completed asset sufficiency test included and assumed 7.7 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. Consistent with the long-term expected rate of return, a 7.5 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue to be made at contractually required rates (including PERS Plan 2/3 whose rates include a component for the PERS Plan 1 liability). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.50 percent on pension plan investments was applied to determine the total pension liability.

Sensitivity of the Net Pension Liability/Asset to Changes in the Discount Rate. The following presents the net pension liability/asset of the state as an employer, calculated using the discount rate of 7.50 percent, as well as what the net pension liability/asset would be if it were calculated using a discount rate that is 1 percentage point lower (6.50 percent) or 1 percentage point higher (8.50 percent) than the rate.

	Employers' proportionate share of net pension liability (asset)
1% decrease (6.50%)	\$ 158,319,673
Current discount rate	\$ 71,026,496
1% increase (8.50%)	\$ 1,659,445

Washington State University Retirement Plan

Plan Description. Faculty, professional and other staff, are eligible to participate in the Washington State University Retirement Plan (WSURP), a 403Cb defined contribution plan. The Teacher's Insurance and Annuity Association (TIAA) and the College Retirement Equities Fund (CREF) are the companion organizations through which individual retirement annuities are purchased. Employees have at all times a 100% vested interest in their accumulations.

TIAA-CREF benefits are payable upon termination at the member's option unless the participant is re-employed in another institution which participates in TIAA-CREF.

WSURP has a supplemental payment component that guarantees a minimum retirement benefit goal based upon a one-time calculation at each employee's retirement date. The University makes direct payments to qualifying retirees when the retirement benefit provided by TIAA-CREF does not meet the benefit goal. Employees are eligible for a non-reduced supplemental payment after the age of 65 with ten years of full-time service.

The minimum retirement benefit goal is 2% of the average annual salary for each year of full-time service up to a maximum of 25 years. However, if the participant does not elect to make the 10% TIAA-CREF contribution after age 49, the benefit goal is 1.5% for each year of full-time service for those years the lower contribution rate is selected.

The University's Board of Regents are authorized to amend benefit provisions under RCW 28B.10.400. In 2011, the plan was amended to eliminate the supplemental benefit provisions for all employees hired after June 30, 2011.

Contributions. Contribution rates for the WSURP (TIAA-CREF), which are based upon age, are 5%, 7.5% or 10% of salary and are matched by the University. Employee and employer contributions for the year ended June 30, 2015 were each \$23,765,816. Supplemental payments made by the University for the year ended June 30, 2015 were \$1,343,466.

The University's actual retirement contributions to the plan for the years ended June 30, 2015, 2014, and 2013 were:

Fiscal year ended	Rate	Contributions	Supplemental payments
2015	5.00%–10.00%	\$23,765,816	\$1,343,466
2014	5.00%–10.00%	\$21,897,849	\$1,326,339
2013	5.00%–10.00%	\$20,329,453	\$1,275,987

The WSURP supplemental pension benefits are unfunded and charged to operations in the years in which they are paid. The University makes no contributions other than benefit payments and there are no plan assets. An actuarial study of the supplemental pension benefits was performed as of July 1, 2015. The actuarial assumptions for the evaluation included an investment rate of return of 4.25% and projected salary increases of 2% per year for two years and 4% per year thereafter. Based on assumptions made regarding expected benefit payments, the actuary presents a cash flow projection rather than an actuarial funding plan to liquidate unfunded liabilities. The University uses this cash flow projection to budget annual amounts to provide funds for these benefits. The unfunded actuarial accrued liability calculated at July 1, 2015 was \$73,930,000 under the plan's entry age normal method and is amortized over an 11-year period. The annual required contribution (ARC) is projected at \$10,309,000. The net pension obligation is the cumulative excess, if any, of the ARC over the actual benefit payments and is reported as a liability on the University's financial statements. The net pension obligation as of June 30, 2015 is \$50,175,779.

Other Post-Employment Benefits

Health care and life insurance programs for employees of the state of Washington are administered by the Washington State Health Care Authority (HCA). The HCA calculates the premium amounts each year that are sufficient to fund the statewide health and life insurance programs on a pay-as-you-go basis. These costs are passed through to individual state agencies based upon active employee headcount; the agencies pay the premiums for active employees to the HCA. The agencies may also charge employees for certain higher cost options elected by the employee.

State of Washington retirees may elect coverage through state health and life insurance plans, for which they pay less than the full cost of the benefits, based on their age and other demographic factors. The health care premiums for active employees, which are paid by the agency during the employees' working careers, subsidize the "underpayments" of retirees. An additional factor in the OPEB obligation is a payment that is required by the State Legislature to reduce the premiums for retirees covered by Medicare (an "explicit" subsidy). This explicit subsidy is also passed through to state agencies via active employee rates charged to the agency. There is no formal state or University plan that underlies the subsidy of retiree health and life insurance.

The state of Washington funds OPEB obligations at a state-wide level on a pay-as-you-go basis. Disclosure information, as required under GASB Statement No. 45, does not exist at department levels, and as a result, the AAL is not available for the University. The state of Washington's Comprehensive Annual Financial Report (CAFR) includes the state's measurement and recognition of OPEB expense/expenditures, liabilities, note disclosures, and required supplementary information specified by GASB Statement No. 45. The State Actuary's report is available at: http://osa.leg.wa.gov/Actuarial_Services/OPEB/OPEB.htm.

The University paid \$54.4 million for healthcare expenses in 2015, which included its pay-as-you-go portion of the OPEB liability, calculated by the actuary at \$2.7 million for 2015.

14. Deferred Outflows and Inflows

Deferred Outflows	Balance outstanding 06/30/14	Additions	Reductions	Balance outstanding 06/30/15
Revenue bonds				
Student Recreation series 2009	\$ 1,081,320		\$ (60,920)	\$ 1,020,400
Student fee 2006A refunding (CUB)	-	\$ 2,083,549	(26,401)	2,057,148
Parking series 2005	249,166	63,443	(251,309)	61,300
General revenue bonds series 2013 refunding	661,385		(61,525)	599,860
Housing and Dining series 2005	736,411	157,320	(739,600)	154,131
Housing and Dining series 2010	962,052		(96,205)	865,847
Pension changes in proportion		995,523		995,523
Pension contributions		10,227,905		10,227,905
Total	\$3,690,334	\$ 13,527,740	\$ (1,235,960)	\$15,982,114

Deferred Inflows				
General obligation bonds				
R2011A(202A)	\$ 289,664		\$ (26,334)	\$ 263,330
R2011B(2002A)	30,000		(2,500)	27,500
R2012A(R2003A(1995A-HEWSU))	270,000		(45,000)	225,000
R2014A(2004)(1995C)	111,428		(18,572)	92,856
R2014(2004)(1996A)	102,857		(17,143)	85,714
R2015C(R2005A(1997A-HE_WSU))		\$ 170,000	(11,976)	158,024
Pension net difference between projected and actual		31,568,504		31,568,504
Total	\$ 803,949	\$31,738,504	\$ (121,525)	\$32,420,928

15. Operating Expenses by Program

	Compensation and benefits	Supplies and services	Scholarships and fellowships	Depreciation	Total
Instruction	\$ 219,150,244	\$ 23,464,142			\$ 242,614,386
Research	127,226,180	64,749,947			191,976,127
Public service	32,018,586	8,343,724			40,362,310
Academic support	57,654,651	18,490,285			76,144,936
Student services	25,805,196	6,039,152			31,844,348
Institutional support	51,264,372	41,180,011			92,444,383
Operation and maintenance of plant	25,131,332	42,470,656			67,601,988
Auxiliary enterprises	72,573,157	76,175,120			148,748,277
Student financial aid			\$ 63,701,593		63,701,593
Depreciation				\$ 92,665,558	92,665,558
Total operating expenses	\$ 610,823,718	\$ 280,913,037	\$ 63,701,593	\$92,665,558	\$ 1,048,103,906

16. Commitments and Contingencies

There is a class action filed against the State of Washington on behalf of certain employees alleging improper denial of healthcare benefits. Although WSU has not been named as a defendant in the lawsuit, some of the class members are current or former employees of the University. Potentially, the state could assess the University with a material share of any amount paid in the event of a settlement or judgment. Due to the status of the lawsuit, the impact upon the University cannot be assessed with reasonable certainty at present.

Additionally, the University is engaged in various legal actions in the ordinary course of business. Management does not believe the ultimate outcome of these actions will have a material adverse effect on the financial statement.

The University has commitments of \$51,681,371 for various capital improvement projects that include construction and completion of new buildings and renovations of existing buildings.

17. Subsequent Events

Sometime between February and June 2016, the University will issue General Revenue Bonds in the amount of approximately \$36.3 million. \$30 million will be used to remodel the Chinook building for use by students. An estimated \$6.3 million will be used to fund the construction of a new Student Union on the Tri-Cities campus. Both of these projects were approved by the Board of Regents in May 2015.



Students at WSU Pullman enjoy the pleasant fall weather outside Thompson Hall. Built in 1894, Thompson is the oldest building on campus.

Required Supplemental Information



Alaska Airlines announced plans to fly a demonstration flight in 2016 using 1,000 gallons of biofuel being produced by the WSU-led Northwest Advanced Renewables Alliance.

2015 Schedule of WSU Contributions to Pensions

Schedule of WSU Contributions Public Employees Retirement System Last 10 Fiscal Years

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Contractually required contributions	\$ 9,103,597	\$ 6,777,706	\$ 6,645,613	\$ 4,986,926	\$ 5,019,056	\$ 7,946,450	\$ 5,775,034	\$ 4,078,209	\$ 2,181,194	\$ 1,233,742
Contributions in relation to the contractually required contribution	(9,103,597)	(6,777,706)	(6,645,613)	(4,986,926)	(5,019,056)	(7,946,450)	(5,775,034)	(4,078,209)	(2,181,194)	(1,233,742)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered-employee payroll	\$98,779,796	\$94,004,251	\$91,677,562	\$92,912,231	\$94,520,827	\$95,625,154	\$117,616,162	\$89,043,875	\$89,393,199	\$89,190,253
Contributions as a percentage of covered-employee payroll	9.22%	7.21%	7.25%	5.37%	5.31%	8.31%	4.91%	4.58%	2.44%	1.38%

Schedule of WSU Contributions

Teachers Retirement System Last 10 Fiscal Years *

	2014	2013	2012	2011
Contractually required contributions	\$ 386,605	\$ 136,907	\$ 74,419	\$ 36,143
Contributions in relation to the contractually required contribution	386,605	(136,907)	(74,419)	(36,143)
Contribution deficiency (excess)	773,210			
Covered-employee payroll	\$ 3,791,772	\$ 1,700,705	\$ 812,922	\$ 204,167
Contributions as a percentage of covered-employee payroll	10.20%	8.05%	9.15%	17.70%

**This schedule is to be built prospectively until it contains ten years data*

Schedule of WSU Contributions

Law Enforcement Officers Retirement System Last 10 Fiscal Years*

	2014	2013	2012	2011
Contractually required contributions	\$ 125,517	\$ 119,947	\$ 116,926	\$ 118,809
Contributions in relation to the contractually required contribution	(125,517)	(119,947)	(116,926)	(118,809)
Contribution deficiency (excess)				
Covered-employee payroll	\$1,461,750	\$ 1,391,502	\$ 1,356,453	\$ 1,297,086
Contributions as a percentage of covered-employee payroll	8.59%	8.62%	8.62%	9.16%

**This schedule is to be built prospectively until it contains ten years data*

Schedule of the State's Proportionate Share of the Net Pension Liability

Public Employees' Retirement System (PERS) Plan 1
Measurement Date of June 30*

	2014
WSU PERS 1 employers' proportion of the net pension liability	0.93%
WSU PERS 1 employers' proportionate share of the net pension liability	\$ 46,759,620
WSU PERS 1 employers' covered-employee payroll	\$ 2,812,551
WSU PERS 1 employers' proportionate share of the net pension liability as a percentage of its covered-employee payroll	16.63%
Plan fiduciary net position as a percentage of the total pension liability	61.19%

* As of June 30; this schedule is to be built prospectively until it contains ten years of data.

Schedule of the State's Proportionate Share of the Net Pension Liability

Public Employees' Retirement System (PERS) Plan 2
Measurement Date of June 30 *

	2014
WSU PERS 2 employers' proportion of the net pension liability	1.12%
WSU PERS 2 employers' proportionate share of the net pension liability	\$ 22,694,083
WSU PERS 2 employers' covered-employee payroll	\$ 64,557,213
WSU PERS 2 employers' proportionate share of the net pension liability as a percentage of its covered-employee payroll	35%
Plan fiduciary net position as a percentage of the total pension liability	93.29%

* As of June 30; this schedule is to be built prospectively until it contains ten years of data.

Schedule of the State's Proportionate Share of the Net Pension Liability

Teachers' Retirement System (TRS) Plan 1
Measurement Date of June 30 *

	2014
WSU TRS 1 employers' proportion of the net pension liability	0.083%
WSU TRS 1 employers' proportionate share of the net pension liability	\$ 2,452,825
WSU TRS 1 employers' covered-employee payroll	\$ 99,017
WSU TRS 1 employers' proportionate share of the net pension liability as a percentage of its covered-employee payroll	24.77%
Plan fiduciary net position as a percentage of the total pension liability	68.77%

* As of June 30; this schedule is to be built prospectively until it contains ten years of data.

Schedule of the State's Proportionate Share of the Net Pension Liability

Teachers' Retirement System (TRS) Plan 3
Measurement Date of June 30 *

	2014
WSU TRS 3 employers' proportion of the net pension liability	0.08%
WSU TRS 3 employers' proportionate share of the net pension liability	\$ 272,606
WSU TRS 3 employers' covered-employee payroll	\$ 3,642,005
WSU TRS 3 employers' proportionate share of the net pension liability as a percentage of its covered-employee payroll	7.49%
Plan fiduciary net position as a percentage of the total pension liability	96.81%

* As of June 30; this schedule is to be built prospectively until it contains ten years of data.

Schedule of the State's Proportionate Share of the Net Pension Liability

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2

Measurement Date of June 30 *

	2014
WSU LEOFF 2 employers' proportion of the net pension liability	0.09%
WSU LEOFF 2 employers' proportionate share of the net pension liability	\$ (1,152,604)
WSU LEOFF 2 employers' covered-employee payroll	\$ 1,450,990
WSU LEOFF 2 employers' proportionate share of the net pension liability as a percentage of its covered-employee payroll	(79.44%)
Plan fiduciary net position as a percentage of the total pension liability	116.75%

* As of June 30; this schedule is to be built prospectively until it contains ten years of data.

WSU Pullman is located on more than 620 acres among the rolling hills of southeastern Washington. The University is part of the Knowledge Corridor that connects WSU to the University of Idaho eight miles to the east.



Statistical Section

Student enrollment at WSU Pullman reached 20,043 students fall semester—a record. Systemwide, enrollment totaled nearly 30,000 students, also a high-water mark.







About 3,023 students participated
in commencement ceremonies
May 9 at WSU Pullman.

Financial Trends

These schedules contain trend information to help the reader understand how the University's financial performance has changed over time.

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71 Changes in Net Position

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76 Operating Expenses by Use

Narrative to the Statistical Section

Revenue Capacity

These schedules contain information to help the reader assess the University's revenue sources.

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80 Principal Revenue Payers

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Debt Capacity

These schedules present information to help the reader assess the University's current levels of outstanding debt.

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These schedules offer demographic and economic indicators to help the reader understand the environment within which the University's financial activities take place.

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96 Demographic Data

Net Position by Component

Last Ten Fiscal Years

IN THOUSANDS

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	AS RESTATED		AS RESTATED							
Net investment in capital assets	\$ 931,982	\$ 948,421	\$ 921,456	\$ 937,138	\$ 944,850	\$ 940,143	\$ 954,112	\$ 875,094	\$ 839,086	\$ 777,404
Restricted nonexpendable	481,183	471,364	443,585	434,224	418,321	415,394	384,439	371,530	348,845	333,974
Restricted loans	28,145	27,527	26,913	28,211	27,493	28,050	26,936	25,743	25,043	25,009
Restricted expendable	250,389	236,173	227,027	181,044	152,762	84,230	72,704	97,040	87,044	69,361
Unrestricted	(7,461)	11,568	123,803	101,155	91,734	81,791	72,032	69,686	67,029	61,232
Total net position	\$1,684,238	\$1,695,054	\$1,742,784	\$1,681,772	\$1,635,161	\$1,549,608	\$1,510,223	\$1,439,093	\$1,367,048	\$1,266,979

EXPRESSED AS A PERCENT OF THE TOTAL

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	%	%	%	%	%	%	%	%	%	%
Invested in capital assets, net of debt	55.3	56.0	52.9	55.8	57.8	60.7	63.2	60.8	61.4	61.4
Restricted nonexpendable	28.6	27.8	25.5	25.8	25.6	26.8	25.5	25.8	25.5	26.4
Restricted loans	1.7	1.6	1.5	1.7	1.7	1.8	1.8	1.8	1.8	2.0
Restricted expendable	14.9	13.9	13.0	10.7	9.3	5.4	4.8	6.7	6.4	5.5
Unrestricted	(0.4)	0.7	7.1	6.0	5.6	5.3	4.8	4.8	4.9	4.8
Total net position	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

PERCENTAGE INCREASE (DECREASE) FROM PRIOR YEAR

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	%	%	%	%	%	%	%	%	%	%
Invested in capital assets, net of debt	(1.7)	2.9	(2.0)	(0.5)	0.5	(1.5)	9.0	4.3	7.9	1.1
Restricted nonexpendable	2.1	6.3	2.2	3.8	0.7	8.1	3.5	6.5	4.5	(10.3)
Restricted loans	2.2	2.3	(4.6)	2.6	(2.0)	4.1	4.6	2.8	0.1	2.4
Restricted expendable	6.0	4.0	25.4	18.5	81.4	15.9	(25.1)	11.5	25.5	172.6
Unrestricted	(164.5)	(90.7)	22.4	10.3	12.2	13.5	3.4	4.0	9.5	16.9
Total net position	(0.6)	(2.7)	3.4	3.0	5.5	2.6	4.9	5.3	7.9	1.9

Some figures may not total due to rounding.

Changes in Net Position

Last Ten Fiscal Years

IN THOUSANDS

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	AS RESTATED			AS RESTATED						
Revenues										
Operating revenues										
Tuition and fee revenue, net	\$ 292,867	\$ 290,508	\$ 277,447	\$ 252,695	\$ 219,672	\$ 194,836	\$ 173,288	\$ 155,785	\$ 143,481	\$ 133,648
Federal grants and contracts	123,912	125,505	132,106	129,360	126,127	117,239	98,599	111,917	108,412	105,417
State grants and contracts	89,536	94,111	86,698	73,095	61,472	56,178	50,118	45,724	46,691	41,621
Local grants and contracts	23,945	29,287	31,522	32,238	38,690	31,971	34,674	32,017	30,769	25,437
Sales and services of educational departments	22,320	20,199	19,220	20,660	18,981	18,635	18,909	17,782	15,564	15,007
Auxiliary enterprises	144,926	133,891	131,852	117,422	104,438	107,875	101,126	95,146	87,824	84,106
Other operating revenues	15,015	9,306	10,698	13,337	12,383	15,148	19,600	21,011	20,652	18,998
Total operating revenues	712,520	702,807	689,543	638,807	581,762	541,883	496,315	479,383	453,393	424,233
Expenses										
Operating expenses										
Salaries and wages	473,929	438,173	412,203	392,582	392,810	389,495	396,068	382,877	354,581	334,758
Benefits	136,895	134,052	126,895	124,272	122,793	114,148	104,431	109,312	93,656	91,616
Scholarships and fellowships	63,702	73,030	55,097	55,204	54,094	51,651	45,473	41,735	39,418	33,606
Utilities	24,628	25,977	25,688	25,105	27,340	26,634	27,566	32,508	28,532	30,188
Payments to suppliers	160,138	149,030	132,921	119,198	118,133	121,200	127,320	130,494	115,649	108,326
Purchased services	96,147	87,927	86,197	72,256	68,597	53,233	50,925	50,031	47,325	42,239
Other operating expenses	0	0	0	0	0	0	1,381	1,743	1,780	1,888
Depreciation	92,666	86,946	84,701	77,614	74,475	73,516	68,493	64,558	50,595	56,279
Total operating expenses	1,048,104	995,136	923,702	866,230	858,242	829,878	821,658	813,258	731,536	698,901
Operating loss	(335,583)	(292,329)	(234,159)	(227,423)	(276,480)	(287,996)	(325,343)	(333,875)	(278,142)	(274,668)
Non-operating revenues (expenses)										
State appropriations	178,718	176,034	151,004	153,354	189,243	206,284	246,599	245,464	221,288	209,657
Federal appropriations	10,559	10,733	10,256	10,760	10,213	8,685	8,611	10,859	9,213	9,730
Federal Pell Grants	35,506	33,746	31,136	30,467	29,009	25,812	17,403	0	0	0
Interest on capital assets-related debt	(26,299)	(25,071)	(16,925)	(17,108)	(16,266)	(13,860)	(13,870)	(15,132)	(11,711)	(11,044)
Federal bond interest subsidy	2,702	2,681	2,913	2,913	2,259	0	0	0	0	0
Gifts and contributions	37,397	35,841	29,997	27,679	26,513	19,834	21,037	26,743	19,241	18,358
Investment income, net of expense	45,296	73,309	46,150	49,256	45,919	56,556	19,675	66,786	57,233	29,754
Other non-operating revenues (expenses)	924	896	167	(3,622)	(281)	775	(4,721)	4,016	9,878	(457)
Net non-operating revenues	284,803	308,169	254,698	253,699	286,610	304,087	294,735	338,735	305,142	255,998
Income before other revenues	(50,780)	15,839	20,539	26,275	10,130	16,092	(30,608)	4,860	26,999	(18,669)
Capital appropriations	32,992	8,725	34,357	18,674	40,099	19,542	94,290	59,763	72,324	41,402
Capital grants and gifts	6,837	13,370	5,987	4,535	35,133	3,354	7,059	7,203	201	318
Additions to permanent endowments	136	92	129	187	192	397	388	219	544	135
Increase (decrease) in net position	\$ (10,816)	\$ 38,027	\$ 61,012	\$ 49,672	\$ 85,553	\$ 39,385	\$ 71,130	\$ 72,045	\$ 100,069	\$ 23,186

Changes in Net Position-continued

Last Ten Fiscal Years

IN THOUSANDS

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	AS RESTATED		AS RESTATED							
Total revenues	\$1,063,587	\$1,058,234	\$1,001,639	\$ 936,632	\$ 960,342	\$ 883,123	\$ 911,378	\$ 900,435	\$ 843,315	\$ 733,588
Total expenses	1,074,403	1,105,964	940,627	886,960	874,789	843,738	840,249	828,390	743,247	710,401
Increase (decrease) in net position	(10,816)	(47,730)	\$ 61,012	\$ 49,672	\$ 85,553	\$ 39,385	\$ 71,130	\$ 72,045	\$ 100,069	\$ 23,186

EXPRESSED AS A PERCENT OF TOTAL REVENUES/TOTAL EXPENSES

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	%	%	%	%	%	%	%	%	%	%

Revenues

Operating revenues

Tuition and fee revenue, net	27.5	27.5	27.7	27.0	22.9	22.1	19.0	17.3	17.0	18.2
Federal grants and contracts	11.7	11.9	13.2	13.8	13.1	13.3	10.8	12.4	12.9	14.4
State grants and contracts	8.4	8.9	8.7	7.8	6.4	6.4	5.5	5.1	5.5	5.7
Local grants and contracts	2.3	2.8	3.1	3.4	4.0	3.6	3.8	3.6	3.6	3.5
Sales and services of educational departments	2.1	1.9	1.9	2.2	2.0	2.1	2.1	2.0	1.8	2.0
Auxiliary enterprises	13.6	12.7	13.2	12.5	10.9	12.2	11.1	10.6	10.4	11.5
Other operating revenues	1.4	0.9	1.1	1.4	1.3	1.7	2.2	2.3	2.4	2.6
Total operating revenues	67.0	66.5	68.9	68.2	60.6	61.4	54.5	53.2	53.8	57.8

Expenses

Operating expenses

Salaries and wages	44.1	39.6	43.8	44.3	44.9	46.2	47.1	46.2	47.7	47.1
Benefits	12.7	12.1	13.5	14.0	14.0	13.5	12.4	13.2	12.6	12.9
Scholarships and fellowships	5.9	6.6	5.9	6.2	6.2	6.1	5.4	5.0	5.3	4.7
Utilities	2.3	2.3	2.7	2.8	3.1	3.2	3.3	3.9	3.8	4.2
Payments to suppliers	14.9	13.5	14.1	13.4	13.5	14.4	15.2	15.8	15.6	15.2
Purchased services	8.9	8.0	9.2	8.1	7.8	6.3	6.1	6.0	6.4	5.9
Other operating expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.3
Depreciation	8.6	7.9	9.0	8.8	8.5	8.7	8.2	7.8	6.8	7.9
Total operating expenses	97.6	90.0	98.2	97.7	98.1	98.4	97.8	98.2	98.4	98.4
Operating loss	(30.6)	(23.5)	(29.3)	(29.5)	(37.5)	(37.0)	(43.3)	(44.9)	(44.7)	(40.6)

Non-operating revenues (expenses)

State appropriations	16.8	16.6	15.1	16.4	19.7	23.4	27.1	27.3	26.2	28.6
Federal appropriations	1.0	1.0	1.0	1.1	1.1	1.0	0.9	1.2	1.1	1.3
Federal Pell Grants	3.3	3.2	3.1	3.3	3.0	2.9	1.9	0.0	0.0	0.0
Interest on capital assets-related debt	(2.4)	(2.3)	(1.8)	(1.9)	(1.9)	(1.6)	(1.7)	(1.8)	(1.6)	(1.6)
Federal bond interest subsidy	0.3	0.3	0.3	0.3	0.2	0.0	0.0	0.0	0.0	0.0
Gifts and contributions	3.5	3.4	3.0	3.0	2.8	2.2	2.3	3.0	2.3	2.5
Investment income, net of expense	4.3	6.9	4.6	5.3	4.8	6.4	2.2	7.4	6.8	4.1
Other non-operating revenues (expenses)	0.1	0.1	(0.0)	(0.4)	(0.0)	0.1	(0.6)	0.4	1.2	(0.1)
Net non-operating revenues	26.8	29.2	25.3	27.0	29.7	34.4	32.2	37.5	36.0	34.8
Income before other revenues	(3.8)	(4.0)	(4.0)	(2.5)	(7.9)	(2.6)	(11.2)	(7.5)	(8.7)	(5.7)
Capital appropriations	3.1	0.8	3.4	2.0	4.2	2.2	10.3	6.6	8.6	5.6
Capital grants and gifts	0.6	1.3	0.6	0.5	3.7	0.4	0.8	0.8	0.0	0.0
Additions to permanent endowments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Increase (decrease) in net position	(3.8)	5.8	(4.3)	(2.5)	(7.9)	(2.6)	(11.2)	(7.5)	(8.7)	(5.7)

Some figures may not total due to rounding.

Changes in Net Position-continued

Last Ten Fiscal Years

PERCENTAGE INCREASE (DECREASE) FROM PRIOR YEAR

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	AS RESTATED		AS RESTATED							
	%	%	%	%	%	%	%	%	%	%
Revenues										
Operating revenues										
Tuition and fee revenue, net	0.8	4.7	9.8	15.0	12.7	12.4	11.2	8.6	7.4	7.1
Federal grants and contracts	(1.3)	(5.0)	2.1	2.6	7.6	18.9	(11.9)	3.2	2.8	(2.1)
State grants and contracts	(4.9)	8.6	18.6	18.9	9.4	12.1	9.6	(2.1)	12.2	6.8
Local grants and contracts	(18.2)	(7.1)	(2.2)	(16.7)	21.0	(7.8)	8.3	4.1	21.0	(7.6)
Sales and services of educational departments	10.5	5.1	(7.0)	8.8	1.9	(1.4)	6.3	14.3	3.7	8.6
Auxiliary enterprises	8.2	1.5	12.3	12.4	(3.2)	6.7	6.3	8.3	4.4	5.1
Other operating revenues	(61.3)	(13.0)	(19.8)	7.7	(18.3)	(22.7)	(6.7)	1.7	8.7	0.9
Total operating revenues	1.4	1.9	7.9	9.8	7.4	9.2	3.5	5.7	6.9	3.1
Expenses										
Operating expenses										
Salaries and wages	8.0	6.3	5.0	(0.1)	0.9	(1.7)	3.4	8.0	5.9	4.6
Benefits	2.1	5.6	2.1	1.2	7.6	9.3	(4.5)	16.7	2.2	10.7
Scholarships and fellowships	(12.8)	32.5	(0.2)	2.1	4.7	13.6	9.0	5.9	17.3	2.9
Utilities	(5.2)	1.1	2.3	(8.2)	2.7	(3.4)	(15.2)	13.9	(5.5)	18.8
Payments to suppliers	7.5	12.1	11.5	0.9	(2.5)	(4.8)	(2.4)	12.8	6.8	0.7
Purchased services	9.3	2.0	19.3	5.3	28.9	4.5	1.8	5.7	12.0	0.8
Other operating expenses	n/a	n/a	n/a	n/a	n/a	(100.0)	(20.8)	(2.0)	(5.7)	10.0
Depreciation	6.6	2.7	9.1	4.2	1.3	7.3	6.1	27.6	(10.1)	7.4
Total operating expenses	5.3	7.7	6.6	0.9	3.4	1.0	1.0	11.2	4.7	5.2
Operating loss	14.8	24.8	3.0	(17.7)	(4.0)	(11.5)	(2.6)	20.0	1.3	8.6
Non-operating revenues (expenses)										
State appropriations	1.5	16.6	(1.5)	(19.0)	(8.3)	(16.3)	0.5	10.9	5.5	7.1
Federal appropriations	(1.6)	4.6	(4.7)	5.4	17.6	0.9	(20.7)	17.9	(5.3)	13.8
Federal Pell Grants	5.2	8.4	2.2	5.0	12.4	48.3	n/a	n/a	n/a	n/a
Interest on capital assets-related debt	4.9	48.1	(1.1)	5.2	17.4	(0.1)	(8.3)	29.2	6.0	(1.7)
Federal bond interest subsidy	0.8	(7.9)	0.0	28.9	100.0	n/a	n/a	n/a	n/a	n/a
Gifts and contributions	4.3	19.5	8.4	4.4	33.7	(5.7)	(21.3)	39.0	4.8	30.1
Investment income, net of expense	(38.2)	58.8	(6.3)	7.3	(18.8)	187.4	(70.5)	16.7	92.4	(33.6)
Other non-operating revenues (expenses)	3.2	437.9	(104.6)	98.7	(136.2)	(116.4)	(217.5)	(59.3)	(2,261.4)	(107.3)
Net non-operating revenues	(7.6)	21.0	0.4	(11.5)	(5.7)	3.2	(13.0)	11.0	19.2	(0.9)
Income before other revenues	(420.6)	(22.9)	(21.8)	159.4	(37.0)	(152.6)	(729.8)	(82.0)	(244.6)	(446.0)
Capital appropriations	278.1	(74.6)	84.0	(53.4)	105.2	(79.3)	57.8	(17.4)	74.7	(33.0)
Capital grants and gifts	(48.9)	123.3	32.0	(87.1)	947.5	(52.5)	(2.0)	3,479.8	(36.7)	(4.6)
Additions to permanent endowments	48.2	(29.2)	(30.8)	(2.9)	(51.6)	2.4	77.6	(59.8)	302.0	(95.3)
Increase (decrease) in net position	(128.4)	(37.7)	22.8	(41.9)	117.2	(44.6)	(1.3)	(28.0)	331.6	(67.1)

Some figures may not total due to rounding.

Schedule of Expenses by Function

Last Ten Fiscal Years

FOR THE FISCAL YEAR (AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Operating expenses by function	AS RESTATED		AS RESTATED							
Instruction	\$ 242,614	\$ 213,458	\$ 198,807	\$ 191,044	\$ 187,534	\$ 190,349	\$ 198,926	\$ 192,010	\$ 175,712	\$ 165,266
Research	191,976	193,520	200,773	184,354	195,357	110,202	165,829	156,425	144,594	137,265
Public service	40,362	39,827	36,843	35,686	36,592	103,485	41,104	42,055	37,624	34,681
Academic support	76,145	72,765	66,323	65,198	63,386	59,979	59,750	60,727	54,489	50,026
Student services	31,844	29,586	27,996	24,976	23,652	21,872	21,561	22,115	20,737	19,431
Institutional support	92,444	71,080	68,619	58,399	60,788	55,367	46,625	47,511	40,763	39,648
Operation and maintenance of plant	67,602	72,758	61,123	59,630	60,493	54,049	41,529	50,622	46,465	45,140
Other operating expenses	0	0	0	0	0	0	36,817	42,352	39,825	35,784
Auxiliary enterprises	148,748	142,166	123,420	114,125	101,871	109,408	100,837	98,092	85,671	84,487
Scholarships and other student financial aid	63,702	73,030	55,097	55,204	54,094	51,651	40,186	36,791	35,062	30,893
Depreciation	92,666	86,946	84,701	77,614	74,475	73,516	68,493	64,558	50,595	56,279
Total expenses by function	\$1,048,104	\$ 995,136	\$ 923,702	\$ 866,230	\$ 858,242	\$ 829,878	\$ 821,658	\$ 813,258	\$ 731,536	\$ 698,901

FOR THE FISCAL YEAR (PERCENT OF TOTAL EXPENSE)

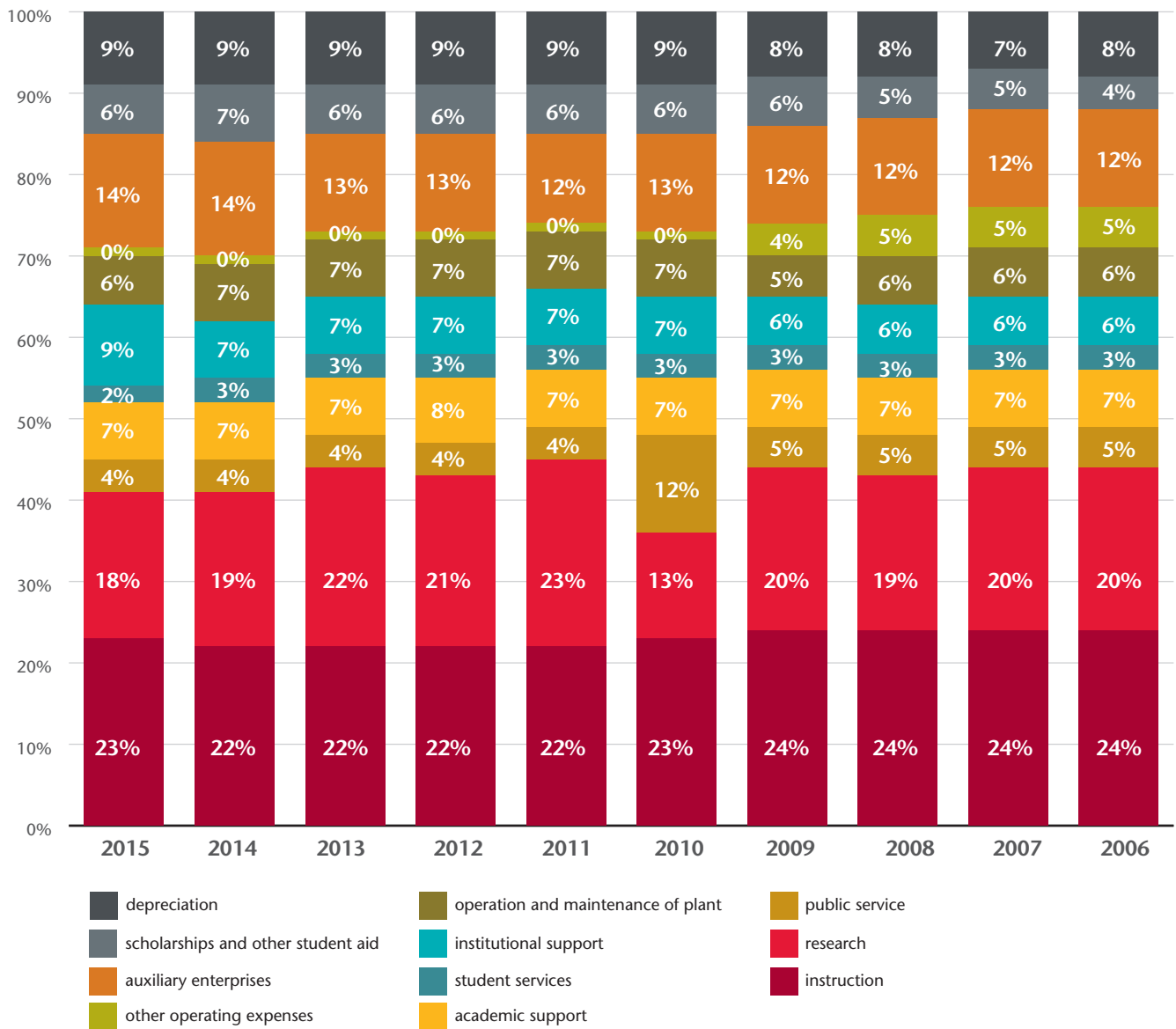
Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Operating expenses by function	%	%	%	%	%	%	%	%	%	%
Instruction	23.1	21.5	21.5	22.1	21.9	22.9	24.2	23.6	24.0	23.6
Research	18.3	19.4	21.7	21.3	22.8	13.3	20.2	19.2	19.8	19.6
Public service	3.9	4.0	4.0	4.1	4.3	12.5	5.0	5.2	5.1	5.0
Academic support	7.3	7.3	7.2	7.5	7.4	7.2	7.3	7.5	7.4	7.2
Student services	3.0	3.0	3.0	2.9	2.8	2.6	2.6	2.7	2.8	2.8
Institutional support	8.8	7.1	7.4	6.7	7.1	6.7	5.7	5.8	5.6	5.7
Operation and maintenance of plant	6.4	7.3	6.6	6.9	7.0	6.5	5.1	6.2	6.4	6.5
Other operating expenses	0.0	0.0	0.0	0.0	0.0	0.0	4.5	5.2	5.4	5.1
Auxiliary enterprises	14.2	14.3	13.4	13.2	11.9	13.2	12.3	12.1	11.7	12.1
Scholarships and other student financial aid	6.1	7.3	6.0	6.4	6.3	6.2	4.9	4.5	4.8	4.4
Depreciation	8.8	8.7	9.2	9.0	8.7	8.9	8.3	7.9	6.9	8.1
Total expenses by function	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

FOR THE FISCAL YEAR (PERCENT INCREASE (DECREASE) FROM PRIOR YEAR)

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Operating expenses by function	%	%	%	%	%	%	%	%	%	%
Instruction	13.7	7.4	4.1	1.9	(1.5)	(4.3)	3.6	9.3	6.3	6.2
Research	(0.8)	(3.6)	8.9	(5.6)	77.3	(33.5)	6.0	8.2	5.3	2.6
Public service	1.3	8.1	3.2	(2.5)	(64.6)	151.8	(2.3)	11.8	8.5	3.6
Academic support	4.6	9.7	1.7	2.9	5.7	0.4	(1.6)	11.4	8.9	5.7
Student services	7.6	5.7	12.1	5.6	8.1	1.4	(2.5)	6.6	6.7	11.6
Institutional support	30.1	3.6	17.5	(3.9)	9.8	18.7	(1.9)	16.6	2.8	10.9
Operation and maintenance of plant	(7.1)	19.0	2.5	(1.4)	11.9	30.1	(18.0)	8.9	2.9	10.0
Other operating expenses	n/a	n/a	0	0	0	0	(13.1)	6.3	11.3	(3.7)
Auxiliary enterprises	4.6	15.2	8.1	12.0	(6.9)	8.5	2.8	14.5	1.4	5.4
Scholarships and other student financial aid	(12.8)	32.5	(0.2)	2.1	4.7	28.5	9.2	4.9	13.5	(41.0)
Depreciation	6.6	2.7	9.1	4.2	1.3	7.3	6.1	27.6	(10.1)	85.8
Total expenses by function	5.3	7.7	6.6	0.9	3.4	1.0	1.0	11.2	4.7	5.2

Some figures may not total due to rounding.

Expenses by Function to Total Operating Expenses



Schedule of Operating Expenses by Use

Last Ten Fiscal Years

IN THOUSANDS

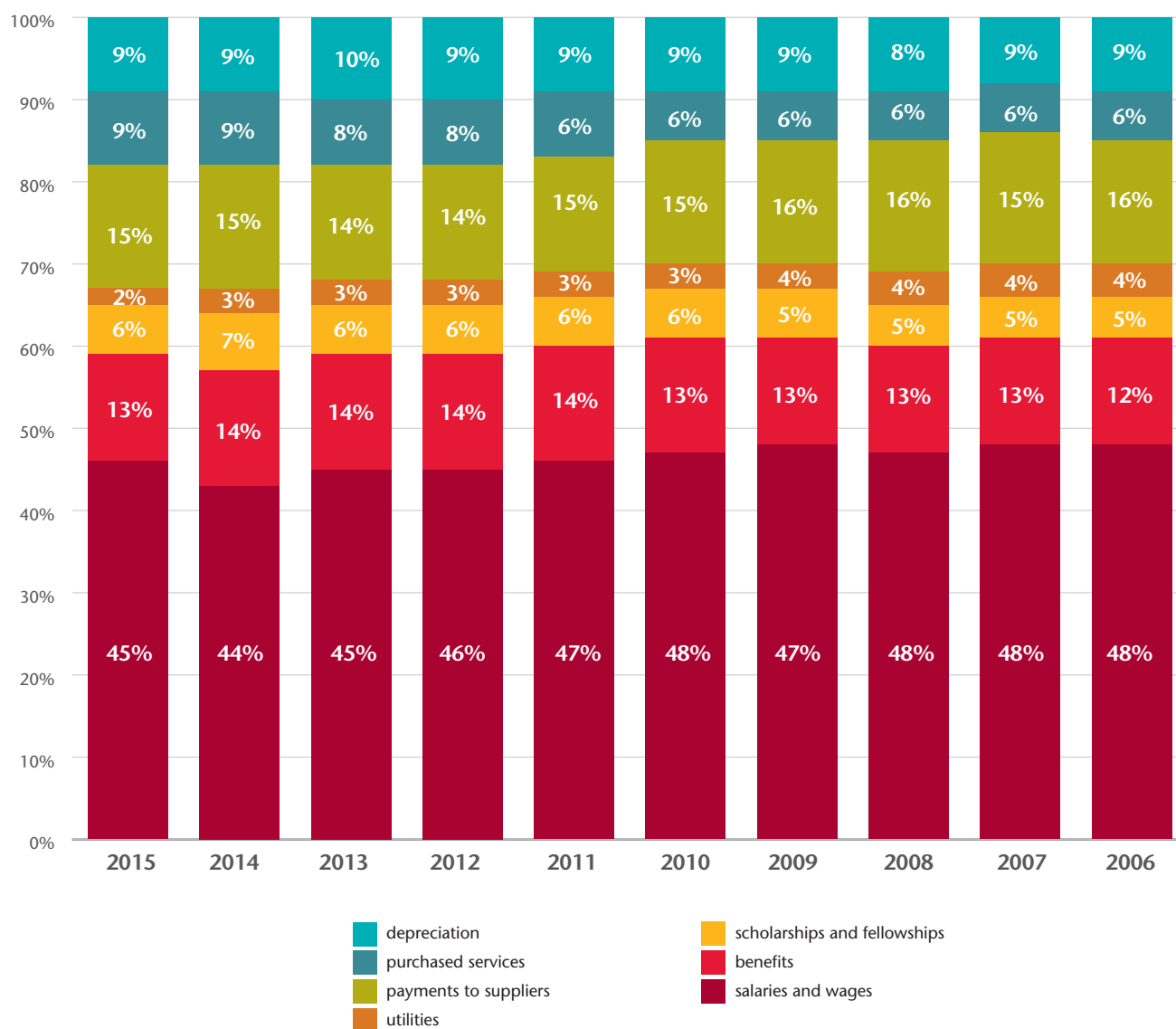
Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	AS RESTATED			AS RESTATED						
Expenses										
Operating expenses										
Salaries and wages	\$ 473,929	\$ 438,173	\$ 412,203	\$ 392,582	\$ 392,810	\$ 389,495	\$ 396,068	\$ 382,877	\$ 354,581	\$ 334,758
Benefits	136,895	134,052	126,895	124,272	122,793	114,148	104,431	109,312	93,656	91,616
Scholarships and fellowships	63,702	73,030	55,097	55,204	54,094	51,651	45,473	41,735	39,418	33,606
Utilities	24,628	25,977	25,688	25,105	27,340	26,634	27,566	32,508	28,532	30,188
Payments to suppliers	160,137	149,030	132,921	119,198	118,133	121,200	127,320	130,494	115,649	108,326
Purchased services	96,147	87,927	86,197	72,256	68,597	53,233	50,925	50,031	47,325	42,239
Other operating expenses	0	0	0	0	0	0	1,381	1,743	1,780	1,888
Depreciation	92,666	86,946	84,701	77,614	74,475	73,516	68,493	64,558	50,595	56,279
Total operating expenses	\$1,048,104	\$ 995,136	\$ 923,702	\$ 866,230	\$ 858,242	\$ 829,878	\$ 821,658	\$ 813,258	\$ 731,536	\$ 698,901

FOR THE FISCAL YEAR (PERCENT OF TOTAL EXPENSE)

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	%	%	%	%	%	%	%	%	%	%
Expenses										
Operating expenses										
Salaries and wages	45.2	44.0	44.6	45.3	45.8	46.9	48.2	47.1	48.5	47.9
Benefits	13.1	13.5	13.7	14.3	14.3	13.8	12.7	13.4	12.8	13.1
Scholarships and fellowships	6.1	7.3	6.0	6.4	6.3	6.2	5.5	5.1	5.4	4.8
Utilities	2.3	2.6	2.8	2.9	3.2	3.2	3.4	4.0	3.9	4.3
Payments to suppliers	15.3	15.0	14.4	13.8	13.8	14.6	15.5	16.0	15.8	15.5
Purchased services	9.2	8.8	9.3	8.3	8.0	6.4	6.2	6.2	6.5	6.0
Other operating expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.3
Depreciation	8.8	8.7	9.2	9.0	8.7	8.9	8.3	7.9	6.9	8.1
Total operating expenses	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Some figures may not total due to rounding.

Operating Expenses by Use Percentage



Schedule of Revenues by Source

Last Ten Fiscal Years

IN THOUSANDS

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	AS RESTATED		AS RESTATED							
Revenues										
Operating revenues										
Tuition and fee revenue, net	\$ 292,867	\$ 290,508	\$ 277,447	\$ 252,695	\$ 219,672	\$ 194,836	\$ 173,288	\$ 155,785	\$ 143,481	\$ 133,648
Federal grants and contracts	123,912	125,505	132,106	129,360	126,127	117,239	98,599	111,917	108,412	105,417
State grants and contracts	89,536	94,111	86,698	73,095	61,472	56,178	50,118	45,724	46,691	41,621
Local grants and contracts	23,945	29,287	31,522	32,238	38,690	31,971	34,674	32,017	30,769	25,437
Sales and services of educational departments	22,320	20,199	19,220	20,660	18,981	18,635	18,909	17,782	15,564	15,007
Auxiliary enterprises	144,926	133,891	131,852	117,422	104,438	107,875	101,126	95,146	87,824	84,106
Other operating revenues	15,015	9,306	10,698	13,337	12,383	15,148	19,600	21,011	20,652	18,998
Total operating revenues	712,520	702,807	689,543	638,807	581,762	541,883	496,315	479,383	453,393	424,233
State appropriations	178,718	176,034	151,004	153,354	189,243	206,284	246,599	245,464	221,288	209,657
Federal appropriations	10,559	10,733	10,256	10,760	10,213	8,685	8,611	10,859	9,213	9,730
Federal Pell Grants	35,506	33,746	31,136	30,467	29,009	25,812	17,403	0	0	0
Federal bond interest subsidy	2,702	2,681	2,913	2,913	2,259	0	0	0	0	0
Gifts and contributions	37,397	35,841	29,997	27,679	26,513	19,834	21,037	26,743	19,241	18,358
Investment income, net of expense	45,296	73,309	46,150	49,256	45,919	56,556	19,675	66,786	57,233	29,754
Other non-operating revenues	924	896	167	0	0	775	0	4,016	9,878	0
Net non-operating revenues	311,102	333,240	271,624	274,429	303,156	317,947	313,326	353,868	316,852	267,499
Total revenues	\$1,023,622	\$1,036,047	\$ 961,167	\$ 913,236	\$ 884,919	\$ 859,829	\$ 809,641	\$ 833,250	\$ 770,246	\$ 691,732

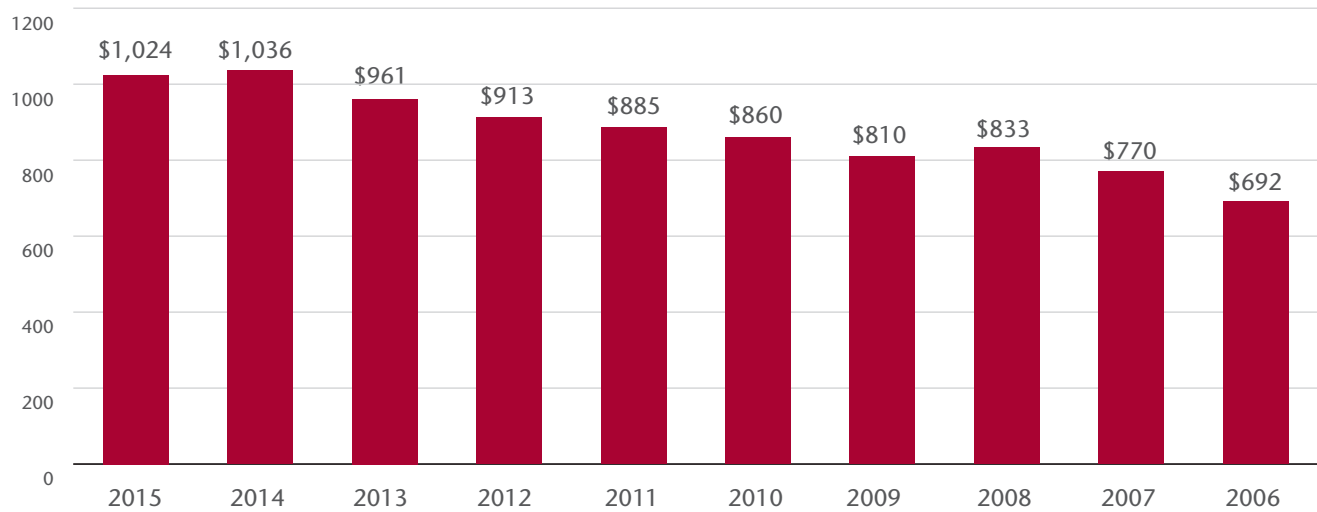
FOR THE FISCAL YEAR (PERCENT OF TOTAL INCOME)

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	%	%	%	%	%	%	%	%	%	%
Revenues										
Operating revenues										
Tuition and fee revenue, net	28.6	28.0	28.9	27.7	24.8	22.7	21.4	18.7	18.6	19.3
Federal grants and contracts	12.1	12.1	13.7	14.2	14.3	13.6	12.2	13.4	14.1	15.2
State grants and contracts	8.7	9.1	9.0	8.0	6.9	6.5	6.2	5.5	6.1	6.0
Local grants and contracts	2.3	2.8	3.3	3.5	4.4	3.7	4.3	3.8	4.0	3.7
Sales and services of educational departments	2.2	1.9	2.0	2.3	2.1	2.2	2.3	2.1	2.0	2.2
Auxiliary enterprises	14.2	12.9	13.7	12.9	11.8	12.5	12.5	11.4	11.4	12.2
Other operating revenues	1.5	0.9	1.1	1.5	1.4	1.8	2.4	2.5	2.7	2.7
Total operating revenues	69.6	67.8	71.8	69.9	65.7	63.0	61.3	57.5	58.9	61.3
State appropriations	17.5	17.0	15.7	16.8	21.4	24.0	30.5	29.5	28.7	30.3
Federal appropriations	1.0	1.0	1.1	1.2	1.2	1.0	1.1	1.3	1.2	1.4
Federal Pell Grants	3.5	3.3	3.2	3.3	3.3	3.0	2.1	0.0	0.0	0.0
Federal bond interest subsidy	0.3	0.3	0.3	0.3	0.3	0.0	0.0	0.0	0.0	0.0
Gifts and contributions	3.7	3.5	3.1	3.0	3.0	2.3	2.6	3.2	2.5	2.7
Investment income, net of expense	4.4	7.1	4.8	5.4	5.2	6.6	2.4	8.0	7.4	4.3
Other non-operating revenues	0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.5	1.3	0.0
Net non-operating revenues	30.4	32.2	28.2	30.1	34.3	37.0	38.7	42.5	41.1	38.7
Total revenues	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

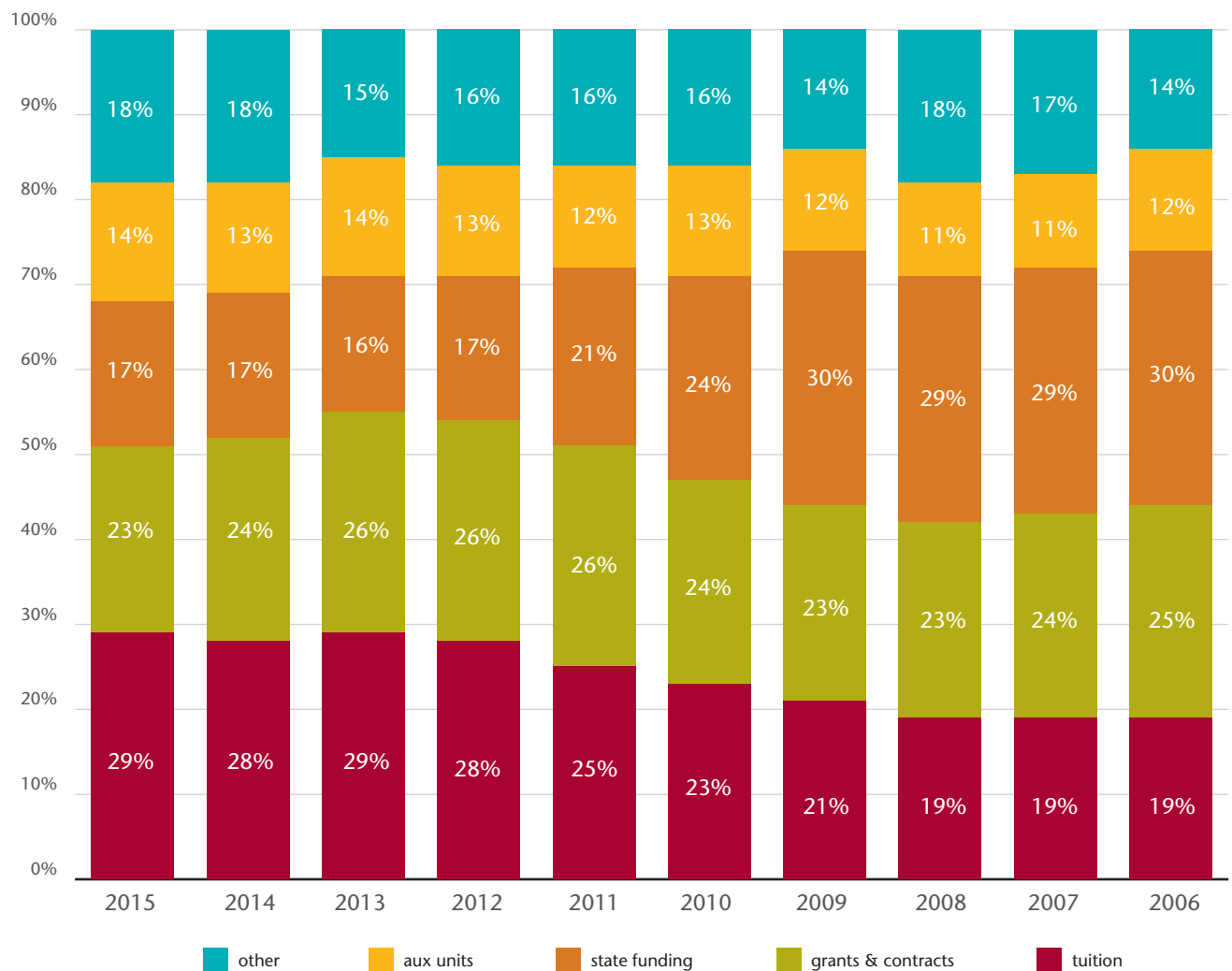
Some figures may not total due to rounding.

Revenue from All Sources

(in millions)



Revenues by Source



Principal Revenue Payers

Last Ten Fiscal Years

IN THOUSANDS

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	AS RESTATED			AS RESTATED						
State and local grants and contracts	\$ 113,481	\$ 123,398	\$ 118,220	\$ 105,333	\$ 100,162	\$ 88,149	\$ 84,792	\$ 77,741	\$ 77,460	\$ 67,058
State appropriations	178,718	176,034	151,005	153,354	189,243	206,284	246,599	245,464	221,288	209,657
Capital appropriations	32,992	8,725	34,357	18,674	40,099	19,542	94,290	59,763	72,324	41,402
Capital grants	6,837	13,370	5,987	4,535	35,133	3,354	7,059	7,203	201	318
WA State Government	\$ 332,028	\$ 321,527	\$ 309,569	\$ 281,896	\$ 364,636	\$ 317,330	\$ 432,741	\$ 390,171	\$ 371,273	\$ 318,435
Percent increase (decrease) from prior year	3.3%	3.9%	9.8%	(22.7%)	14.9%	(26.7%)	10.9%	5.1%	16.6%	(1.9%)
Federal grants and contracts	\$ 159,418	\$ 159,251	\$ 163,242	\$ 159,827	\$ 155,136	\$ 143,051	\$ 116,002	\$ 111,917	\$ 108,412	\$ 105,417
Federal appropriations	10,559	10,733	10,257	10,760	10,213	8,685	8,611	10,859	9,213	9,730
Federal Government	\$ 169,977	\$ 169,985	\$ 173,498	\$ 170,588	\$ 165,349	\$ 151,736	\$ 124,614	\$ 122,776	\$ 117,624	\$ 115,147
Percent increase (decrease) from prior year	0.0%	(2.0%)	1.7%	3.2%	9.0%	21.8%	1.5%	4.4%	2.2%	(0.9%)

Tuition and Fees

Last Ten Fiscal Years

Undergraduate

TOTAL DOLLARS

Academic year	2014-2015	2013-2014	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
Resident	11,418	11,396	11,386	9,886	8,592	7,600	6,720	6,290	5,887	5,506
Non-resident	24,500	24,478	24,468	21,164	19,634	18,676	17,756	16,604	15,527	14,514
Room and board	11,276	10,868	9,994	9,662	9,644	8,886	8,054	7,316	6,590	6,280

PERCENTAGE INCREASE (DECREASE) FROM PRIOR YEAR

Academic year	2014-2015	2013-2014	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
Resident	0.19%	0.00%	15.2%	15.1%	13.1%	13.1%	6.8%	6.8%	6.9%	6.8%
Non-resident	0.09%	0.00%	15.6%	7.8%	5.1%	5.2%	6.9%	6.9%	7.0%	6.9%
Room and board	3.75%	8.70%	3.4%	0.2%	8.5%	10.3%	10.1%	11.0%	4.9%	4.1%

Some figures may not total due to rounding.

Long-Term Debt

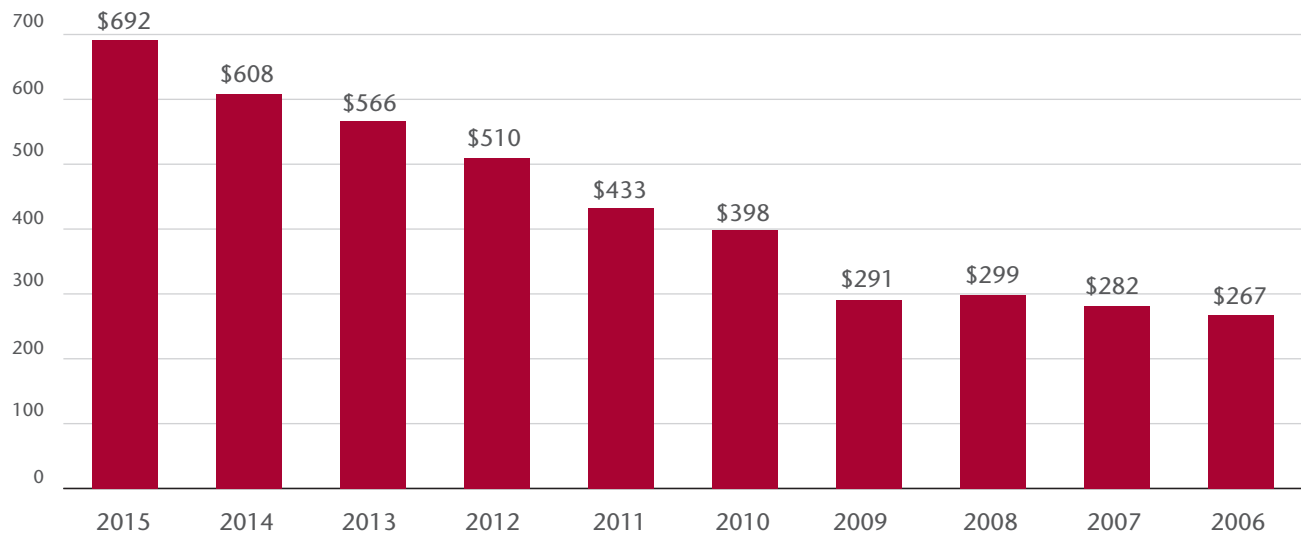
Last Ten Fiscal Years

IN THOUSANDS

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	AS RESTATED		AS RESTATED							
General obligation bond debt	\$ 28,525	\$ 31,625	\$ 34,715	\$ 37,350	\$ 40,430	\$ 43,778	\$ 47,125	\$ 51,468	\$ 56,803	\$ 62,207
Unamortized gain on refunding	0	0	0	0	406	0	0	0	0	0
General obligation bond debt, net	28,525	31,625	34,715	37,350	40,836	43,778	47,125	51,468	56,803	62,207
Revenue bonds	397,515	327,165	336,885	357,160	363,890	339,400	236,270	240,010	217,225	196,055
Unamortized discount/premium/refunding	28,296	3,538	3,564	3,750	(2,240)	(1,947)	(5,222)	(5,549)	(5,635)	(5,499)
Revenue bonds, net	425,811	330,703	340,449	360,910	361,650	337,453	231,048	234,461	211,590	190,556
General revenue bonds	199,310	203,675	151,735	73,835	0	0	0	0	0	0
Unamortized discount/premium	21,572	23,660	18,625	10,178	0	0	0	0	0	0
General revenue bonds, net	220,882	227,335	170,360	84,013	0	0	0	0	0	0
Total bonds payable	\$ 675,218	\$ 589,663	\$ 545,523	\$ 482,273	\$ 402,486	\$ 381,231	\$ 278,173	\$ 285,929	\$ 268,392	\$ 252,763
Capital leases payable	\$16,722	\$ 17,865	\$ 20,790	\$ 28,058	\$ 30,118	\$ 16,673	\$ 12,400	\$ 13,436	\$ 14,026	\$ 13,970
Total long-term debt	\$ 691,939	\$ 607,527	\$ 566,313	\$ 510,331	\$ 432,605	\$ 397,904	\$ 290,573	\$ 299,365	\$ 282,418	\$ 266,733
Total long-term debt	\$ 691,939	\$ 607,527	\$ 566,313	\$ 510,331	\$ 432,605	\$ 397,904	\$ 290,573	\$ 299,365	\$ 282,418	\$ 266,733
Total long-term debt (whole dollars)										
per student FTE	\$ 25,655	\$ 23,314	\$ 21,617	\$ 19,669	\$ 17,329	\$ 16,070	\$ 12,058	\$ 13,025	\$ 12,816	\$ 12,132
per dollar of total grants and contracts	2.54	2.15	2.01	1.92	1.69	1.72	1.45	1.58	1.52	1.55
per dollar of State appropriations	3.87	3.45	3.75	3.33	2.29	1.93	1.18	1.22	1.28	1.27
General revenue debt (whole dollars)										
per student FTE	\$ 8.19	\$ 8.72	\$ 6.50	\$ 3.24	0.00	0.00	0.00	0.00	0.00	0.00
per dollar of total grants and contracts	\$ 0.81	\$ 0.80	\$ 0.61	\$ 0.32	0.00	0.00	0.00	0.00	0.00	0.00
per dollar of State appropriations	\$ 1.24	\$ 1.29	\$ 1.13	\$ 0.55	0.00	0.00	0.00	0.00	0.00	0.00
Data used in the above calculations										
Total student FTE	26,971	26,059	26,198	25,946	24,964	24,760	24,097	22,984	22,037	21,985
State appropriations	\$ 178,718	\$ 176,034	\$ 151,005	\$ 153,354	\$ 189,243	\$ 206,284	\$ 246,599	\$ 245,464	\$ 221,288	\$ 209,657
Federal grants and contracts	\$ 123,912	\$ 125,505	\$ 132,106	\$ 129,360	\$ 126,127	\$ 117,239	\$ 98,599	\$ 111,917	\$ 108,412	\$ 105,417
State grants and contracts	89,536	94,111	86,698	73,095	61,472	56,178	50,118	45,724	46,691	41,621
Local grants and contracts	23,945	29,287	31,522	32,238	38,690	31,971	34,674	32,017	30,769	25,437
Federal Pell grants	35,506	33,746	31,136	30,467	29,009	25,812	17,403	0	0	0
Total grants and contracts	\$ 272,899	\$ 282,650	\$ 281,462	\$ 265,160	\$ 255,298	\$ 231,200	\$ 200,795	\$ 189,658	\$ 185,872	\$ 172,475

Some figures may not total due to rounding.

Long-Term Debt (in millions)



Summary of Ratios

Last Ten Fiscal Years

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	AS RESTATED			AS RESTATED						
Composite Financial Index										
+Primary reserve ratio	0.30x	0.31x	0.42x	0.36x	0.34x	0.23x	0.21x	0.30x	0.34x	0.22x
/Strength factor	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133
=Ratio/strength factor	2.25	2.31	3.19	2.74	2.54	1.74	1.60	2.28	2.55	1.65
*Weighting factor	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
=Ratio subtotal	0.79	0.81	1.12	0.96	0.89	0.61	0.56	0.80	0.89	0.58
=Ratio 10.0 cap subtotal	0.96	0.96	0.96	0.96	0.89	0.61	0.56	0.80	0.89	0.58
+Return on net assets ratio	1%	0.71%	4.38%	3.93%	7.36%	3.13%	0.92%	4.50%	10.47%	3.98%
/Strength factor	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
=Ratio/strength factor	0.53	0.35	2.19	1.97	3.68	1.57	0.46	2.25	5.24	1.99
*Weighting factor	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
=Ratio subtotal	0.11	0.07	0.44	0.39	0.74	0.31	0.09	0.45	1.05	0.40
=Ratio 10.00 cap subtotal	0.25	0.25	0.25	0.25	0.47	0.32	0.09	0.45	1.05	0.40
+Net operating revenues ratio	(5.12%)	(6.33%)	2.23%	3.25%	1.20%	1.88%	-3.66%	0.34%	3.48%	-2.69%
/Strength factor	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%
=Ratio/strength factor	(3.94)	(4.87)	1.72	2.50	0.92	1.45	(2.81)	0.26	2.68	(2.07)
*Weighting factor	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
=Ratio subtotal	(0.39)	(0.49)	0.17	0.25	0.09	0.14	(0.28)	0.03	0.27	(0.21)
=Ratio 10.00 cap subtotal	0.22	0.22	0.22	0.22	0.09	0.14	(0.29)	0.05	0.27	(0.21)
+Viability ratio	0.49x	0.59x	0.74x	0.67x	0.71x	0.51x	0.64x	0.89x	0.94x	0.61x
/Strength factor	0.417	0.417	0.417	0.417	0.417	0.417	0.417	0.417	0.417	0.417
=Ratio/strength factor	1.18	1.41	1.77	1.61	1.71	1.23	1.54	2.12	2.24	1.47
*Weighting factor	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
=Ratio subtotal	0.41	0.61	0.49	0.56	0.60	0.43	0.54	0.74	0.79	0.51
=Ratio 10.00 cap subtotal	0.56	0.56	0.56	0.56	0.60	0.43	0.54	0.74	0.79	0.51
Composite financial index	0.91	0.89	2.35	2.15	2.32	1.51	0.91	2.02	2.99	1.28
Composite financial index with 10.00 cap	1.99	1.99	1.99	1.99	2.04	1.50	0.90	2.04	3.00	1.28

The Composite Financial Index (CFI) provides a methodology for a single overall financial measurement of the institution's health based on the four core ratios. The CFI uses a reasonable weighting plan and allows a weakness or strength in a specific ratio to be offset by another ratio result, which provides a more balanced measure. The CFI provides a more holistic approach to understanding the financial health of the institution. The CFI scores are not intended to be precise measures; they are indicators of ranges of financial health that can be indicators of overall institutional well-being when combined with non-financial indicators. Ratio/Strength are capped at a maximum of 10 before the weighting factors are applied so that a higher CFI does not unduly mask a weakness in a component ratio.

Summary of Ratios

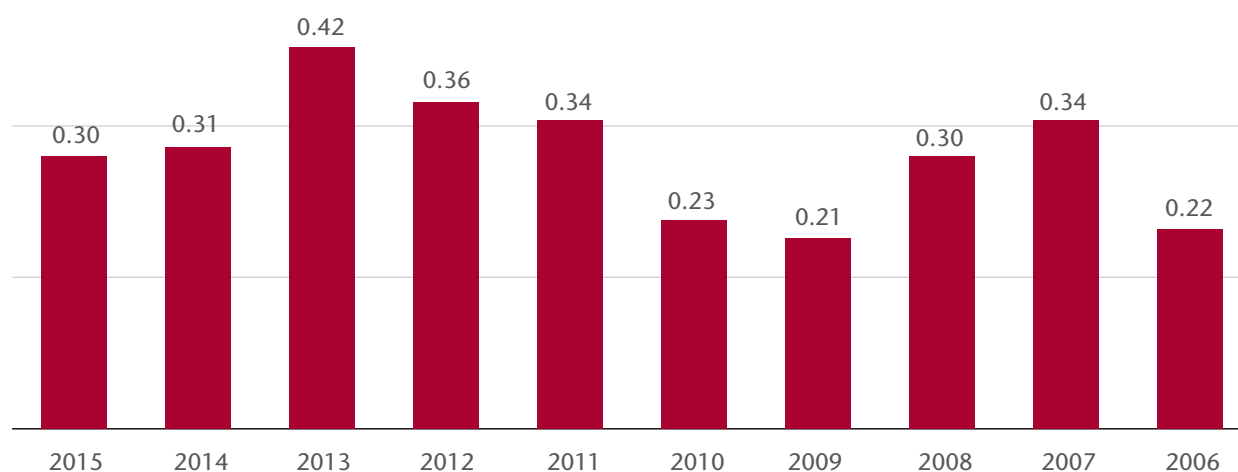
Last Ten Fiscal Years

IN THOUSANDS

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	AS RESTATED		AS RESTATED							
Primary Reserve Ratio										
Expendable loans	\$ 28,145	\$ 27,527	\$ 26,913	\$ 28,211	\$ 27,493	\$ 28,050	\$ 26,936	\$ 25,743	\$ 25,043	\$ 25,009
Restricted expendable	317,502	315,880	264,647	207,496	188,589	91,813	86,039	169,514	169,900	74,579
Unrestricted	(6,244)	13,086	126,610	103,370	93,682	83,437	73,813	69,842	69,299	64,022
Expendable net position	\$ 339,403	\$ 356,493	\$ 418,170	\$ 339,077	\$ 309,765	\$ 203,300	\$ 186,788	\$ 265,100	\$ 264,242	\$ 163,610
Operating expenses	\$1,048,104	\$ 1,080,893	\$ 923,702	\$ 866,230	\$ 858,242	\$ 829,878	\$ 821,658	\$ 813,258	\$ 731,536	\$ 698,901
Interest expense	23,597	22,390	14,012	14,196	14,007	13,860	13,870	15,132	11,711	11,044
Other expenses	0	0	2,894	3,622	281	0	4,721	0	0	457
Support to WSU	53,202	43,681	37,396	36,458	35,396	25,364	28,427	36,848	28,460	30,704
Fund raising	6,500	6,349	6,570	5,943	6,530	7,264	7,474	6,174	6,049	3,985
G&A expenses	3,113	5,113	2,565	3,400	2,624	2,716	3,030	3,615	2,045	1,477
Total expenses	\$1,134,515	\$ 1,158,427	\$ 987,139	\$ 929,849	\$ 917,079	\$ 879,082	\$ 879,180	\$ 875,028	\$ 779,801	\$ 746,567
Ratio	0.30	0.31	0.42	0.36	0.34	0.23	0.21	0.30	0.34	0.22

Measures the financial strength of the institution by indicating how long the institution could function using its expendable reserves to cover operations should additional net assets not be available. A positive ratio and an increasing amount over time denote strength.

Primary Reserve Ratio



Summary of Ratios

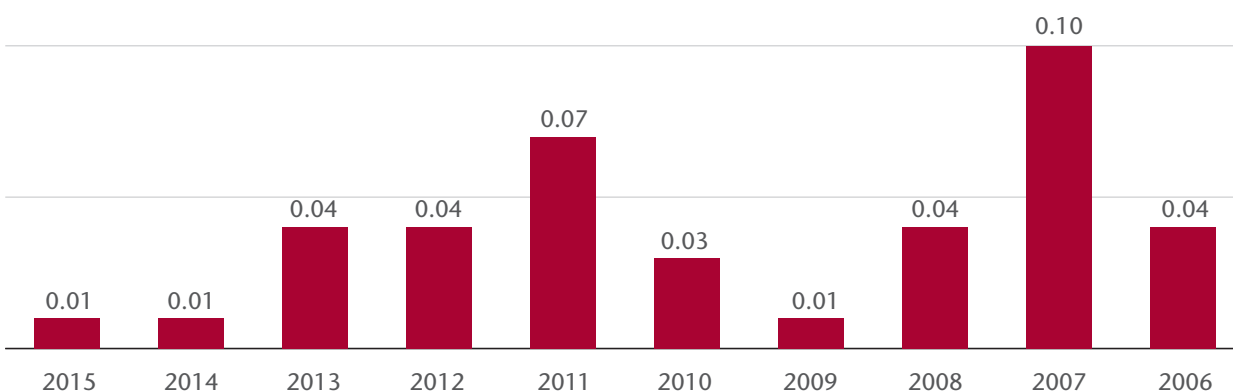
Last Ten Fiscal Years

IN THOUSANDS

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	AS RESTATED		AS RESTATED							
Return On Net Position Ratio										
Change in net position	\$ 22,764	\$ 15,012	\$ 88,858	\$ 76,964	\$ 134,097	\$ 55,339	\$ 16,194	\$ 75,318	\$ 158,852	\$ 58,025
Total net position (beginning of year)	\$ 2,134,290	\$ 2,119,278	\$ 2,030,420	\$ 1,956,516	\$ 1,822,419	\$ 1,767,062	\$ 1,750,868	\$ 1,675,551	\$ 1,516,699	\$ 1,458,674
Ratio	0.01	0.01	0.04	0.04	0.07	0.03	0.01	0.04	0.10	0.04

Measures total economic return. While an increasing trend reflects strength, a decline may be appropriate and even warranted if it represents a strategy on the part of the institution to fulfill its mission.

Return On Net Position Ratio



Summary of Ratios

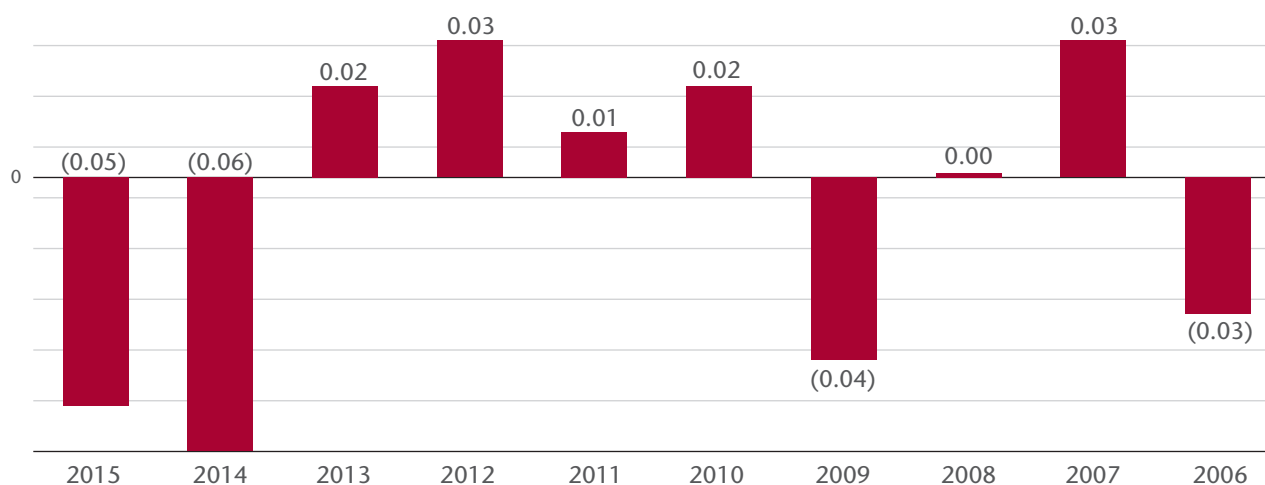
Last Ten Fiscal Years

IN THOUSANDS

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	AS RESTATED		AS RESTATED							
Net Operating Revenues Ratio										
Operating loss, net	\$ (335,583)	\$ (378,066)	\$ (234,160)	\$ (227,423)	\$ (276,480)	\$ (288,006)	\$ (325,343)	\$ (333,875)	\$ (278,142)	\$ (274,668)
Nonoperating revenues, net	284,803	308,169	254,698	253,699	286,610	304,079	294,735	338,735	305,142	255,998
Change in unrestricted net position—component unit	(302)	5,851	592	2,807	302	(135)	1,624	(2,114)	(519)	270
Net operating income	\$ (51,082)	\$ (64,046)	\$ 21,131	\$ 29,082	\$ 10,432	\$ 15,938	\$ (28,984)	\$ 2,746	\$ 26,480	\$ (18,399)
Total operating revenues	712,520	702,807	\$ 689,543	\$ 638,807	\$ 581,762	\$ 541,845	\$ 496,315	\$ 479,383	\$ 453,393	\$ 424,233
Total nonoperating revenues	284,803	308,169	254,698	253,699	286,610	304,079	294,735	338,735	305,142	255,998
Total unrestricted net position—component unit	1,217	1,518	2,807	2,215	1,948	1,646	1,780	156	2,270	2,790
Total operating revenues	\$ 998,540	\$ 1,012,494	\$ 947,048	\$ 894,720	\$ 870,320	\$ 847,570	\$ 792,831	\$ 818,275	\$ 760,805	\$ 683,021
Net operating income (divided by)	(51,082)	(64,046)	21,131	29,082	10,432	15,938	(28,984)	2,746	26,480	(18,399)
Total operating revenues	998,540	1,012,494	947,048	894,720	870,320	847,570	792,831	818,275	760,805	683,021
Ratio	(0.05)	(0.06)	0.02	0.03	0.01	0.02	(0.04)	0.00	0.03	(0.03)

Measures whether the institution is living within available resources. A positive ratio and an increasing amount over time generally reflect strength.

Net Operating Revenues Ratio



Summary of Ratios

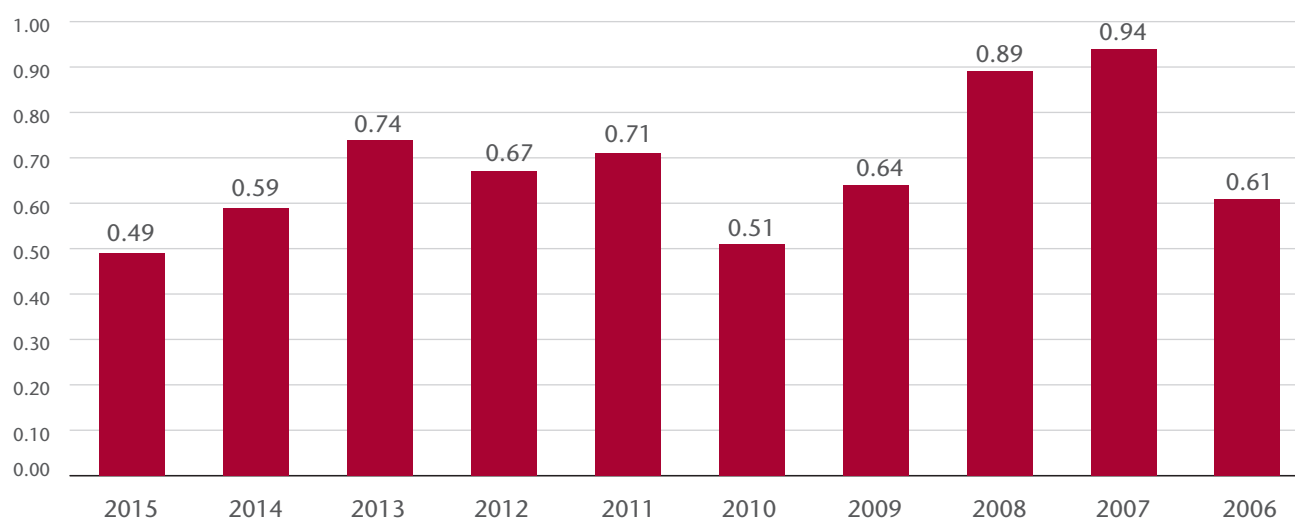
Last Ten Fiscal Years

IN THOUSANDS

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	AS RESTATED		AS RESTATED							
Viability Ratio										
Expendable loans	\$ 28,145	\$ 27,527	\$ 26,913	\$ 28,211	\$ 27,493	\$ 28,050	\$ 26,936	\$ 25,743	\$ 25,043	\$ 25,009
Restricted expendable	317,502	315,879	264,647	207,496	188,589	91,813	86,039	169,514	169,900	74,579
Unrestricted	(6,244)	13,086	126,610	103,370	93,682	83,437	73,813	69,842	69,299	64,022
Expendable net position	\$ 339,403	\$ 356,493	\$ 418,170	\$ 339,077	\$ 309,765	\$ 203,300	\$ 186,788	\$ 265,100	\$ 264,242	\$ 163,610
Total long-term debt	\$ 691,939	\$ 607,527	\$ 566,313	\$ 504,432	\$ 434,845	\$ 397,904	\$ 290,573	\$ 299,365	\$ 282,418	\$ 266,733
Ratio	0.49	0.59	0.74	0.67	0.71	0.51	0.64	0.89	0.94	0.61

Measures the ability of the institution to cover its debt as of the balance sheet date, should the institution need to do so. A positive ratio of greater than 1:1 generally denotes strength.

Viability Ratio



Summary of Ratios

Last Ten Fiscal Years

IN THOUSANDS

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	AS RESTATED		AS RESTATED							
Operating Margin Excluding Gifts										
Income (loss) before other revenues, expenses, gains, or losses	\$ (50,780)	\$ (69,917)	\$ 20,539	\$ 26,275	\$ 10,130	\$ 16,092	\$ (30,608)	\$ 4,860	\$ 26,999	\$ (18,669)
Less: non-capital gifts	(37,397)	(35,841)	(29,997)	(27,679)	(26,513)	(19,834)	(21,037)	(26,743)	(19,241)	(18,358)
Adjusted income (loss) before other revenues, expenses, gains or losses	(88,177)	(105,758)	(9,458)	(1,404)	(16,384)	(3,743)	(51,645)	(21,882)	7,758	(37,027)
Total operating revenues	705,580	702,807	689,543	638,807	581,762	541,883	496,315	479,383	453,393	424,233
State appropriations	178,718	176,034	151,005	153,354	189,243	206,284	246,599	245,464	221,288	209,657
Federal appropriations	10,559	10,733	10,257	10,760	10,213	8,685	8,611	10,859	9,213	9,730
Federal bond interest subsidy	2,702	2,681	2,913	2,913	2,259	-	-	-	-	-
Investment income	45,296	73,309	46,150	49,256	45,919	56,556	19,675	66,786	57,233	29,754
Adjusted operating revenues less gifts	942,855	965,564	899,867	855,089	829,396	813,408	771,200	802,492	741,127	673,375
Adjusted income (loss) before other revenues, expenses, gains or losses	(88,177)	(105,758)	(12,519)	(1,404)	(16,384)	(3,743)	(51,645)	(21,882)	7,758	(37,027)
Adjusted operating revenues less gifts	942,855	965,564	899,867	855,089	829,396	813,408	771,200	802,492	741,127	673,375
Ratio	(0.09)	(0.11)	(0.01)	0.00	(0.02)	0.00	(0.07)	(0.03)	0.01	(0.05)

A more restrictive measure of whether the institution is living within available resources. A positive ratio and an increasing amount over time generally reflect strength.

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	AS RESTATED		AS RESTATED							
Expendable Resources to Debt										
Unrestricted net position	\$ 23,049	\$ 11,568	\$ 123,803	\$ 101,155	\$ 91,734	\$ 81,791	\$ 72,032	\$ 69,686	\$ 67,029	\$ 61,232
Unrestricted net position-component unit	1,217	1,518	2,807	2,215	1,948	1,646	1,780	156	2,270	2,790
Expendable restricted net position	219,879	236,173	227,027	181,044	152,762	84,230	72,704	97,040	87,044	69,361
Expendable restricted net position-component unit	67,113	79,707	37,620	26,452	35,827	7,583	5,804	72,474	82,855	44,563
Expendable net position	\$ 311,258	\$ 328,966	\$ 391,257	\$ 310,866	\$ 282,272	\$ 175,249	\$ 152,321	\$ 239,357	\$ 239,199	\$ 177,945
Expendable net position (divided by)	\$ 311,258	\$ 328,966	\$ 391,257	\$ 310,866	\$ 282,272	\$ 175,249	\$ 152,321	\$ 239,357	\$ 239,199	\$ 177,945
Total Adjusted University Debt	691,939	607,527	566,313	504,432	434,845	397,904	290,573	299,365	282,418	266,733
Ratio	0.45	0.54	0.69	0.62	0.65	0.44	0.52	0.80	0.85	0.67

A broader measure of the ability of the institution to cover its debt as of the balance sheet date.

Summary of Ratios

Last Ten Fiscal Years

IN THOUSANDS

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	AS RESTATED		AS RESTATED							
Total Financial Resources to Direct Debt										
Unrestricted net position	\$ (7,461)	\$ 11,568	\$ 123,803	\$ 101,155	\$ 91,734	\$ 81,791	\$ 72,032	\$ 69,686	\$ 67,029	\$ 61,232
Unrestricted net position-component unit	1,217	1,518	2,807	2,215	1,948	1,646	1,780	156	2,270	2,790
Expendable restricted net position	278,535	263,700	227,027	181,044	152,762	84,230	72,704	97,040	87,044	69,361
Expendable restricted net position-component unit	67,113	79,707	37,620	26,452	35,827	7,583	5,804	72,474	82,855	44,563
Non-expendable restricted net position	481,183	471,364	443,585	434,224	418,321	415,394	384,439	371,530	348,845	333,974
Non-expendable restricted net position-component unit	404,486	358,011	336,066	319,981	283,580	263,582	249,255	239,145	223,377	205,156
Total financial resources	\$1,225,072	\$ 1,185,869	\$ 1,170,909	\$ 1,065,071	\$ 984,173	\$ 854,226	\$ 786,014	\$ 850,031	\$ 811,421	\$ 717,076
Total financial resources (divided by)	1,225,072	1,158,342	1,170,909	1,065,071	984,173	854,226	786,014	850,031	811,421	717,076
Total notes, bonds, capital leases	691,939	607,527	566,313	504,432	434,845	397,904	290,573	299,365	282,418	266,733
Ratio	1.77	1.95	2.07	2.11	2.26	2.15	2.71	2.84	2.87	2.69

A broader measure of the ability of the institution to cover its debt as of balance sheet date.

IN THOUSANDS

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	AS RESTATED		AS RESTATED							
Direct Debt to Adjusted Cash Flow										
Net cash used by operating activities	\$ (211,548)	\$ (191,107)	\$ (155,945)	\$ (111,528)	\$ (170,805)	\$ (194,195)	\$ (235,315)	\$ (254,821)	\$ (228,255)	\$ (215,683)
State appropriations	178,718	176,034	151,005	153,354	189,243	206,284	246,599	245,464	221,288	209,657
Federal appropriations	10,559	10,733	10,257	10,760	10,213	8,685	8,611	10,859	9,213	9,730
Federal Pell Grants	35,506	33,746	31,136	30,467	29,009	25,812	17,403	-	-	-
Gifts and contributions	37,397	35,841	29,997	27,679	26,513	19,834	21,037	26,743	19,241	18,358
Adjusted cash flow from operations	\$ 50,632	\$ 65,248	\$ 66,449	\$ 110,733	\$ 84,173	\$ 66,421	\$ 58,335	\$ 28,244	\$ 21,487	\$ 22,062
Total notes, bonds, capital leases (divided by)	691,939	607,527	566,313	504,432	434,845	397,904	290,773	299,365	282,418	266,733
Adjusted cash flow from operations	50,632	65,248	66,449	110,733	84,173	66,421	58,335	28,244	21,487	22,062
Ratio	13.67	9.31	8.52	4.56	5.17	5.99	4.98	10.60	13.14	12.09

Measures the financial strength of the institution by indicating how long the institution would take to repay the debt using the cash provided by its operations. A decreasing ratio over time denotes strength.

Summary of Ratios

Last Ten Fiscal Years

IN THOUSANDS

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	AS RESTATED		AS RESTATED							
Debt Burden Ratio										
Interest and fees paid on debt and leases	\$ 25,298	\$ 22,390	\$ 14,012	\$ 14,196	\$ 14,007	\$ 13,860	\$ 13,870	\$ 15,132	\$ 11,711	\$ 11,044
Principal paid on debt and leases	16,268	15,051	15,790	14,724	13,737	10,566	9,853	10,797	13,264	10,790
Debt service	\$ 41,567	\$ 37,441	\$ 29,802	\$ 28,919	\$ 27,744	\$ 24,426	\$ 23,723	\$ 25,929	\$ 24,974	\$ 21,833
Operating expenses	\$1,048,104	\$ 1,080,893	\$ 923,702	\$ 866,230	\$ 858,242	\$ 829,878	\$ 821,658	\$ 813,258	\$ 731,536	\$ 698,901
Interest on capital assets-related debt	-	-	14,012	14,196	14,007	13,860	13,870	15,132	11,711	11,044
Less: depreciation expense	(92,666)	(86,946)	(84,701)	(77,614)	(74,475)	(73,516)	(68,493)	(64,558)	(50,595)	(56,279)
Plus: principal paid on debt and leases	16,268	15,051	15,790	14,724	13,737	10,566	9,853	10,797	13,264	10,790
Total expenditures	\$ 971,707	\$ 1,008,997	\$ 868,803	\$ 817,535	\$ 811,511	\$ 780,788	\$ 776,888	\$ 774,629	\$ 705,915	\$ 664,455
Debt service (divided by)	41,567	37,441	29,802	28,919	27,744	24,426	23,723	25,929	24,974	21,833
Total expenditures	971,707	1,008,997	868,803	817,535	811,511	780,788	776,888	774,629	705,915	664,455
Ratio	4.3%	3.7%	3.4%	3.5%	3.4%	3.1%	3.1%	3.3%	3.5%	3.3%

Measures the institution's dependence on borrowed funds as a source of financing its mission and the relative cost of borrowing to overall expenditures.

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	AS RESTATED		AS RESTATED							
Debt Service to Operations										
Interest and fees paid on debt and leases	\$ 25,298	\$ 22,390	\$ 14,012	\$ 14,196	\$ 14,007	\$ 13,860	\$ 13,870	\$ 15,132	\$ 11,711	\$ 11,044
Principal paid on debt and leases	16,268	15,051	15,790	14,724	13,737	10,566	9,853	10,797	13,264	10,790
Debt service	\$ 41,567	\$ 37,441	\$ 29,802	\$ 28,919	\$ 27,744	\$ 24,426	\$ 23,723	\$ 25,929	\$ 24,974	\$ 21,833
Debt service (divided by)	\$ 41,567	\$ 37,441	\$ 29,802	\$ 28,919	\$ 27,744	\$ 24,426	\$ 23,723	\$ 25,929	\$ 24,974	\$ 21,833
Operating expenses	\$1,048,104	\$1,080,893	\$ 923,702	\$ 866,230	\$ 858,242	\$ 829,878	\$ 821,658	\$ 813,258	\$ 731,536	\$ 698,901
Ratio	4.0%	3.5%	3.2%	3.4%	3.8%	3.1%	3.0%	3.0%	3.1%	2.6%

Measures the financial strength of the institution.

Summary of Ratios

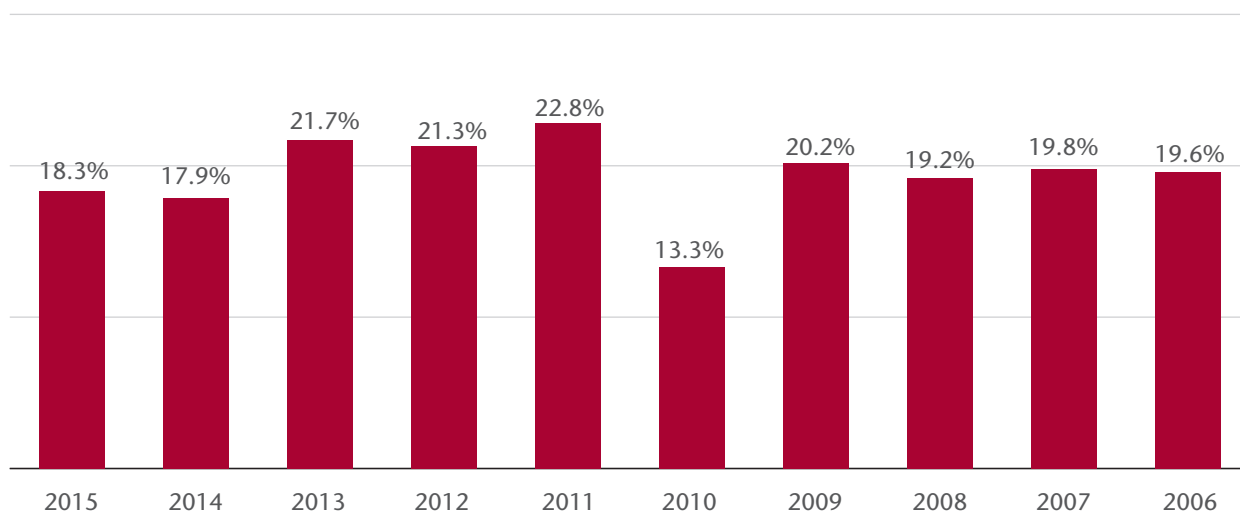
Last Ten Fiscal Years

IN THOUSANDS

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	AS RESTATED		AS RESTATED							
Research Expenses to Total Operating Expenses										
Operating expenses	\$ 1,048,104	\$ 1,080,893	\$ 923,702	\$ 866,230	\$ 858,242	\$ 829,878	\$ 821,658	\$ 813,258	\$ 731,536	\$ 698,901
Research expenses	191,976	193,520	200,773	184,354	195,357	110,202	165,829	156,425	144,594	137,265
Ratio	18.3%	17.9%	21.7%	21.3%	22.8%	13.3%	20.2%	19.2%	19.8%	19.6%

Measures the institution's research expenses to the total operating expenses.

Research Expenses to Total Operating Expenses



Summary of Ratios

Last Ten Fiscal Years

IN THOUSANDS

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net Tuition Per Student										
Student tuition and fees, net	\$ 292,867	\$ 290,508	\$ 277,447	\$ 252,695	\$ 219,672	\$ 194,836	\$ 173,288	\$ 155,785	\$ 143,481	\$ 133,648
Less: scholarships and fellowships	(63,702)	(73,030)	(55,097)	(55,204)	(54,094)	(51,651)	(45,473)	(41,735)	(39,418)	(33,606)
Net tuition and fees	\$ 229,165	\$ 217,478	\$ 222,350	\$ 197,491	\$ 165,578	\$ 143,185	\$ 127,815	\$ 114,050	\$ 104,063	\$ 100,042
Net tuition and fees (divided by)	\$ 229,165	\$ 217,478	\$ 222,350	\$ 197,491	\$ 165,578	\$ 143,185	\$ 127,815	\$ 114,050	\$ 104,063	\$ 100,042
Undergraduate, graduate and professional FTE	26,578	26,059	26,198	25,946	24,964	24,760	24,097	22,984	22,037	21,985
Net tuition per student	\$ 8,622	\$ 8,346	\$ 8,487	\$ 7,612	\$ 6,633	\$ 5,783	\$ 5,304	\$ 4,962	\$ 4,722	\$ 4,550

Measures the institution's net student tuition and fees received per student.

IN THOUSANDS

Fiscal year ended June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
State Appropriations Per Student										
State appropriations (divided by)	\$ 178,718	\$ 176,034	\$ 151,005	\$ 153,354	\$ 189,243	\$ 206,284	\$ 246,599	\$ 245,464	\$ 221,288	\$ 209,657
Undergraduate, graduate and professional FTE	26,578	26,059	26,198	25,946	24,964	24,760	24,097	22,984	22,037	21,985
State appropriation per student	\$ 6,724	\$ 6,755	\$ 5,764	\$ 5,911	\$ 7,581	\$ 8,331	\$ 10,234	\$ 10,680	\$ 10,042	\$ 9,536

Measures the institution's dependency on State appropriations.

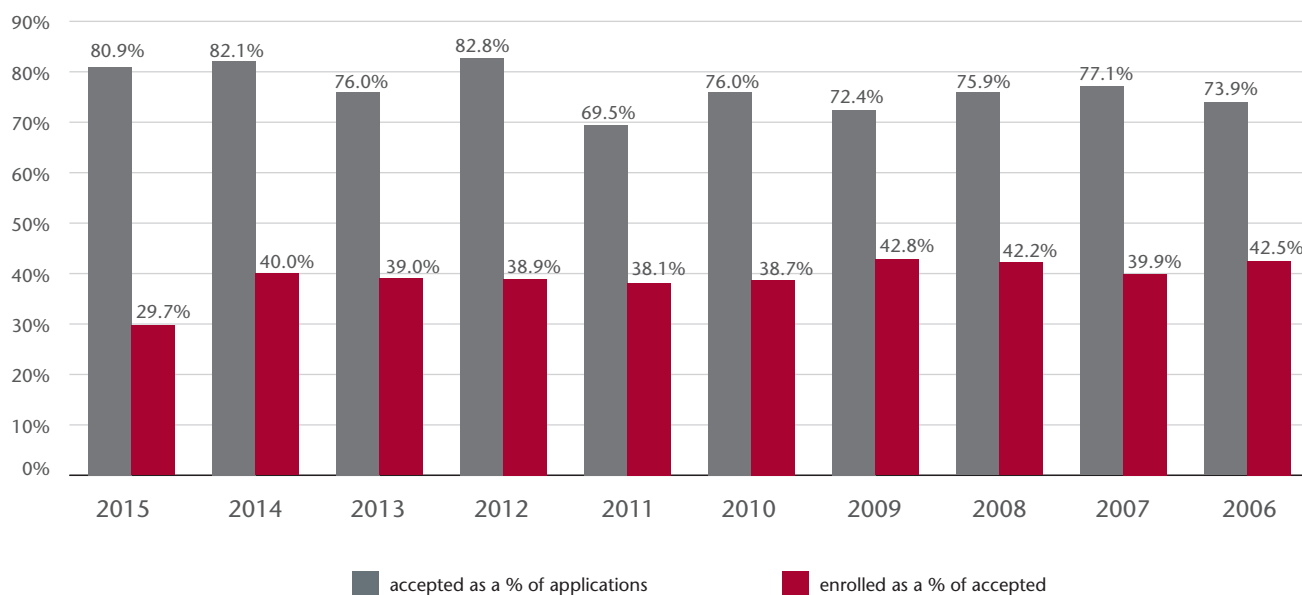
Admissions, Enrollment, and Degrees Earned

Last Ten Fiscal Years (Fall Enrollment)

	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
Admissions—Freshmen										
Applications	18,563	14,887	14,825	13,886	12,427	12,478	11,983	10,853	9,314	9,193
Accepted	15,017	12,219	11,268	11,493	8,634	9,489	8,677	8,240	7,177	6,793
Enrolled	4,458	4,163	4,389	4,473	3,288	3,668	3,710	3,477	2,856	2,885
Accepted as a percentage of applications	80.9%	82.1%	76.0%	82.8%	69.5%	76.0%	72.4%	75.9%	77.1%	73.9%
Enrolled as a percentage of accepted	29.7%	34.1%	39.0%	38.9%	38.1%	38.7%	42.8%	42.2%	39.8%	42.5%

Source: Washington State University Office of Institutional Research

Percent of Accepted and Enrolled



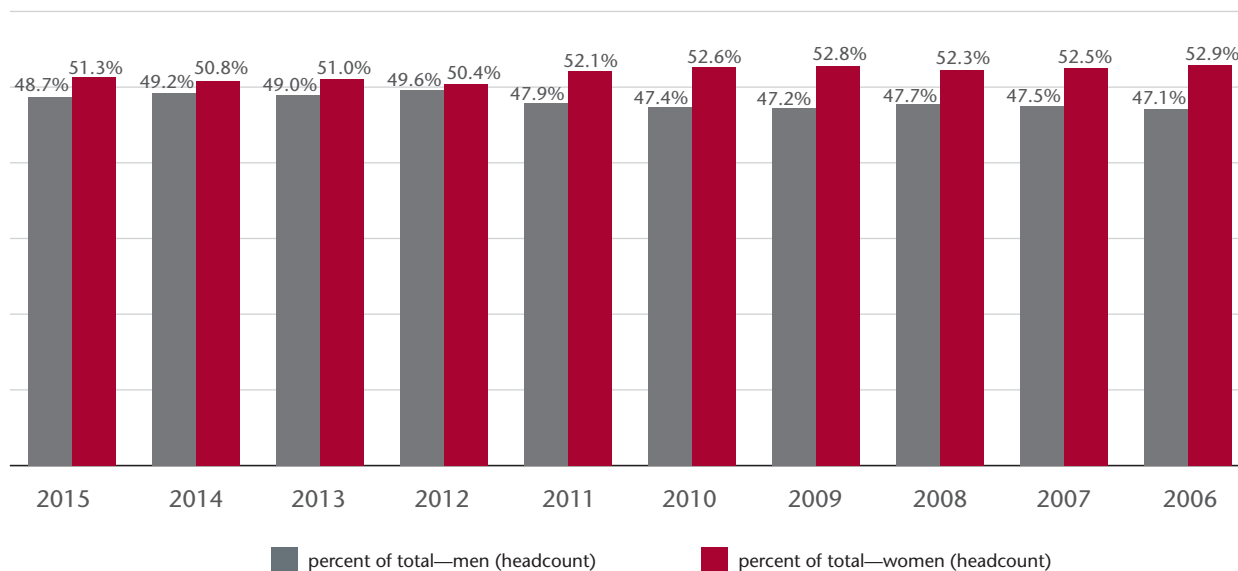
Admissions, Enrollment, and Degrees Earned

Last Ten Fiscal Years (Fall Enrollment)

	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
Enrollment										
Undergraduate, graduate and professional headcount	28,686	27,642	27,679	27,329	26,308	26,101	25,352	24,396	23,655	23,544
Men (headcount)	13,958	13,607	13,564	13,564	12,597	12,360	11,970	11,635	11,228	11,096
Percentage of total	48.7%	49.2%	49.0%	49.6%	47.9%	47.4%	47.2%	47.7%	47.5%	47.1%
Women (headcount)	14,728	14,035	14,115	13,765	13,711	13,741	13,382	12,761	12,427	12,448
Percentage of total	51.3%	50.8%	51.0%	50.4%	52.1%	52.6%	52.8%	52.3%	52.5%	52.9%

Source: Washington State University Office of Institutional Research

Percent of Men and Women—Headcount



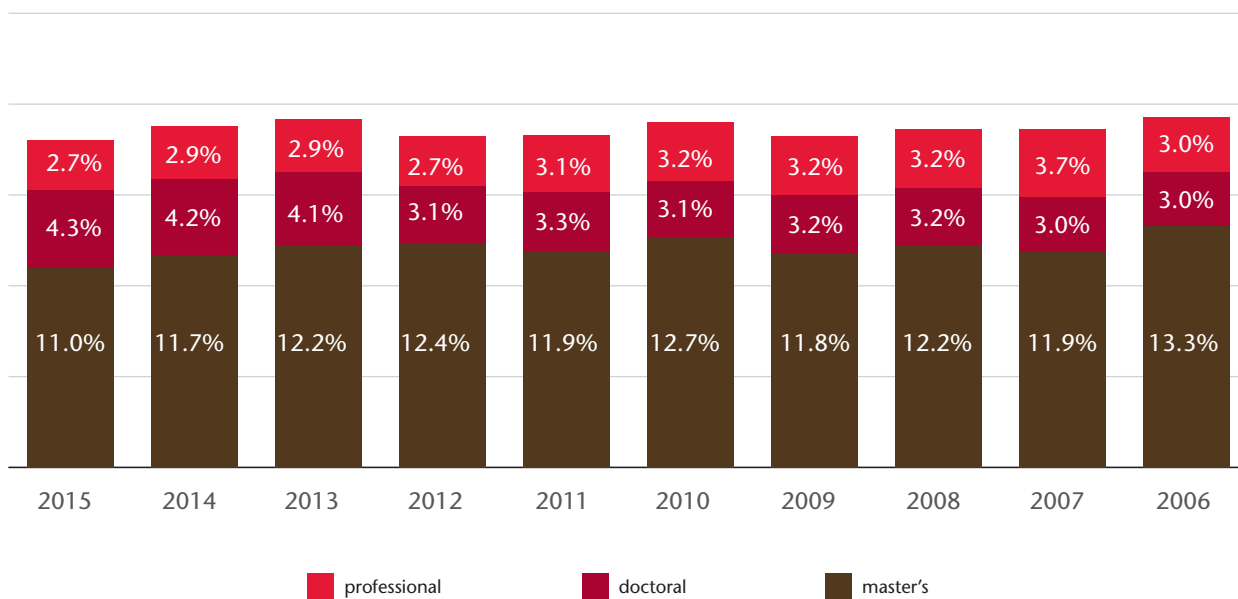
Admissions, Enrollment, and Degrees Earned

Last Ten Fiscal Years (Fall Enrollment)

	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
Degrees Earned										
Baccalaureate	5,513	5,054	5,276	5,297	5,221	4,779	4,907	4,818	4,797	4,508
Master's	741	731	800	802	763	748	711	724	702	741
Doctoral	290	260	268	203	211	185	195	189	175	170
Professional	183	178	189	177	196	188	191	188	219	169
Total earned	6,727	6,223	6,533	6,479	6,391	5,900	6,004	5,919	5,893	5,588

Source: Washington State University Office of Institutional Research

Percent of Upper Degrees to Total Earned



Faculty and Staff

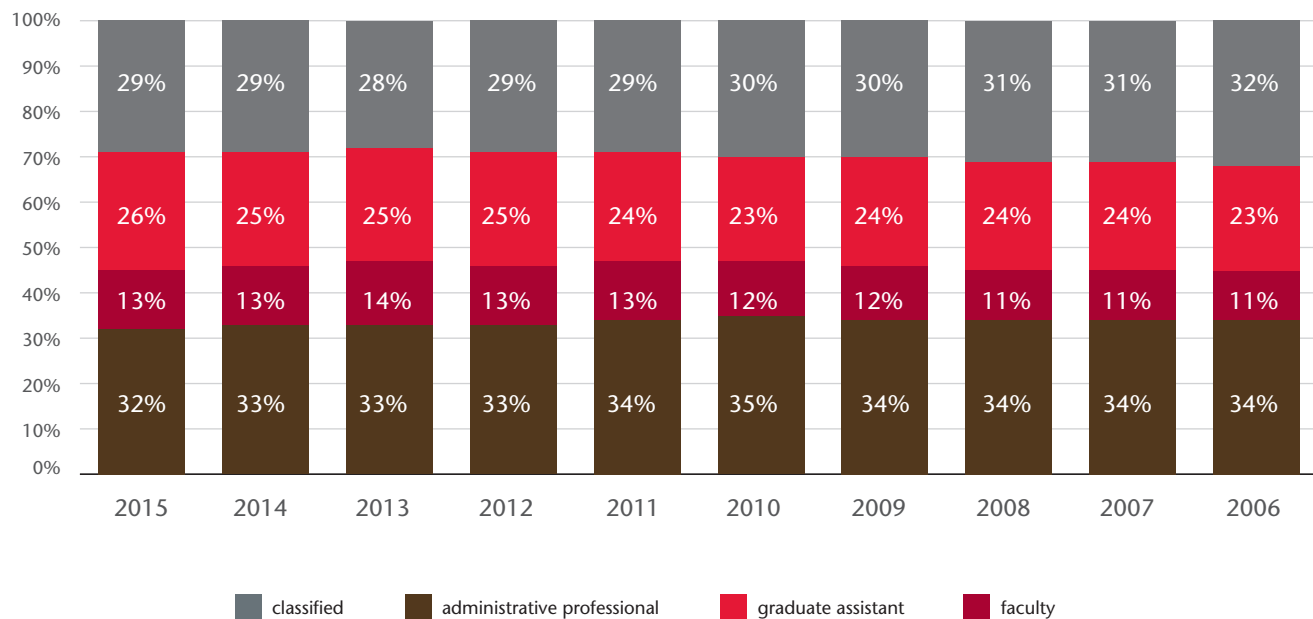
Last Ten Fiscal Years

FULL-TIME EQUIVALENT

Fall employment of fiscal year—FTE	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
Faculty	2,262	2,196	2,127	2,126	2,195	2,229	2,279	2,245	2,144	2,136
Graduate assistant	892	887	881	842	821	792	776	744	710	681
Administrative professional	1,837	1,693	1,641	1,571	1,523	1,500	1,581	1,583	1,489	1,420
Classified staff	1,998	1,897	1,834	1,811	1,905	1,939	2,036	1,964	1,970	1,984
Total faculty and staff	6,989	6,673	6,483	6,350	6,444	6,460	6,672	6,536	6,313	6,221

Source: Washington State University Office of Institutional Research


Faculty and Staff



Demographic Data

Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Washington population	7,116,919	7,029,431	6,971,406	6,897,000	6,767,900	6,724,500	6,672,200	6,608,200	6,525,100	6,420,300
Personal income (in billions)	\$ 360	\$ 342	N/A	\$ 313.2	\$ 299.7	\$ 283.4	\$ 276.7	\$ 289.4	\$ 272.6	\$ 252.1
Per capita personal income	\$ 50,691	\$ 48,780	\$ 47,031	\$ 45,413	\$ 43,878	\$ 42,024	\$ 41,504	\$ 44,106	\$ 42,192	\$ 37,570
Washington unemployment rate	5.30%	6.30%	7.0%	8.2%	9.2%	9.9%	9.4%	5.4%	4.6%	4.9%

A large, ornate brass bell is the central focus, mounted on a wooden frame with a large, dark metal wheel. The bell has a classic, flared shape with horizontal ridges. The wooden frame consists of several vertical and diagonal supports. The background is a lush green landscape with trees and a clear sky, suggesting a park or campus setting. The lighting is bright, casting shadows on the bell and the frame.

We would like to acknowledge
the following staff responsible
for the content of this report:

Terry Ely
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Joy Morton
Robert Wright

The historic Victory Bell, a campus
landmark since 1892, is displayed
near the entrance to the Lewis
Alumni Center at WSU Pullman.
Graduating students are invited
to ring the bell following each
commencement ceremony.

2015 Comprehensive Annual Financial Report
Fiscal year ended June 30, 2015

WSU PULLMAN | WSU TRI-CITIES | WSU VANCOUVER | WSU SPOKANE