December 31, 2014

Dear UW and UW Foundation leaders:

Sometimes two little words convey a world of meaning:

1. THANK
2. YOU

As the end of 2014 draws near, my colleagues and I wish to reach-out with profound gratitude to say “THANK YOU” to each of you for your invaluable partnership in advancing the University of Washington. It is with special appreciation that we present the 2014 Annual Return on Investment Report---the fiscal year summary of private funds contributed, along with data regarding the total costs expended. These cost/benefit analyses are comprehensive, including funds that units have added to their respective advancement budgets.

FY2014 was a record year of generosity to the University of Washington---a staggering $482 Million in new contributions---for which we are deeply grateful. In addition, this year’s report notes that, beyond these new contributions, $74.5 Million was distributed from donor-created endowments, essential support made possible through permanent named funds.

The Nucleus Phase of our shared campaign is right on target; Subsequent years of the campaign will motivate us to “be in swing” like those Boys in the Boat, as never before.

Two more little words were bound together in a galvanizing way this past year and they will give us a powerful common vision and conviction as we move forward:

1. BE
2. BOUNDLESS

Those words are the stuff of magic....but they are based on truth. Together, with your passion, commitment and leadership, the contributions of this amazing university in the lives of our students, our communities, and our globe.....are boundless indeed.

Warmest thanks and good wishes for the Holidays and a magnificent year ahead.

Connie Kravas
Vice President
University Advancement
### University Advancement
#### FY13-14 Annual Report

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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>UW Medicine</td>
<td>7,081,331</td>
<td>39,433,723</td>
<td>122,256,448</td>
<td>161,690,171</td>
<td>22.83</td>
<td>23.47</td>
<td>0.04</td>
<td>0.04</td>
<td>21,707,112</td>
<td>161,690,171</td>
<td>183,397,283</td>
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<tr>
<td>Academic Student Affairs (ASA)</td>
<td>394,747</td>
<td>1,375,001</td>
<td>830,240</td>
<td>2,205,241</td>
<td>5.59</td>
<td>6.28</td>
<td>0.18</td>
<td>0.17</td>
<td>1,742,211</td>
<td>2,205,241</td>
<td>3,947,452</td>
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<tr>
<td>University-wide Services</td>
<td>22,477,060</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>22,477,060</td>
<td>-</td>
</tr>
</tbody>
</table>

### Total Constituency Units

| Total Constituency Units | 33,988,581 | 255,768,878 | 226,683,441 | 482,452,318 | 14.19 | 12.09 | 0.07 | 0.08 | 74,502,090 | 482,452,318 | 556,954,409 |

### University-wide Services

| University-wide Services | 22,477,060 | - | - | - | - | - | - | - | - | - |

### DIP/F2 and Non-UW

| DIP/F2 and Non-UW | - | - | - | - | - | - | - | - | - | - |

**TOTAL** | 56,465,641 | 255,768,878 | 226,683,441 | 482,452,318 | 8.54 | 7.87 | 0.12 | 0.13 | 93,767,257 | 482,452,318 | 576,219,576 |
University Advancement  
FY13-14 Annual Report

Notes

1 Other Constituencies includes: UW Alumni Association, President's Funds, Broadcast Services (KUOW and KEXP), and other University support

2 Total Constituency Units Costs category detail:

<table>
<thead>
<tr>
<th></th>
<th>Unit funded</th>
<th>Centrally funded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Constituency Units' Costs</td>
<td>16,519,995</td>
<td>17,468,586</td>
</tr>
<tr>
<td></td>
<td>49%</td>
<td>51%</td>
</tr>
</tbody>
</table>

3 University-wide Services category includes: Advancement Services, Campaign, Corporate & Foundation Relations, Finance & Administration (includes rent), Individual Giving Programs, Regional Advancement, UA Vice President's Office, University Marketing & Communications (excludes Sponsorships and Trademarks & Licensing), UW Foundation Support, and Volunteer Engagement

4 DIP/F2 and Non-UW: DIP/F2 contains a portion of UW operating funds that are invested in the CEF and distributed to the Office of Planning and Budgeting. Non-UW are endowments managed by UW for non-UW entities (e.g. Evergreen State College Foundation and Seattle Cancer Care Alliance)

5 Total Costs category detail:

<table>
<thead>
<tr>
<th></th>
<th>Unit funded</th>
<th>Centrally funded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Costs</td>
<td>16,519,995</td>
<td>39,945,646</td>
</tr>
<tr>
<td></td>
<td>29%</td>
<td>71%</td>
</tr>
</tbody>
</table>

6 The total 5-year averages are calculated on FY09-10 thru FY13-14
University Advancement
University-wide Services & Total Constituency Units
Cost Analysis by Percentage
FY13-14

TOTAL
$56,465,641

University-wide Services
$22,477,060
40%
(centrally funded)

Total Constituency Units
$33,988,581
60%

Centrally Funded
$17,468,586
51%

Unit Funded
$16,519,995
49%

Total Constituency Units
$33,988,581

TOTAL
$56,465,641
## University Advancement
### Central Revenue and Expenditures

<table>
<thead>
<tr>
<th>Revenue Sources</th>
<th>FY09-10</th>
<th>FY10-11</th>
<th>FY11-12</th>
<th>FY12-13</th>
<th>FY13-14</th>
<th>FY14-15 Projections</th>
</tr>
</thead>
<tbody>
<tr>
<td>80 Basis Points Endowment Fee</td>
<td>14,256,637</td>
<td>15,687,770</td>
<td>16,912,294</td>
<td>17,362,229</td>
<td>18,603,508</td>
<td>20,857,729</td>
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<tr>
<td>Parking</td>
<td>437,586</td>
<td>578,040</td>
<td>535,773</td>
<td>472,267</td>
<td>819,112</td>
<td>889,112</td>
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<tr>
<td>Endowment Suspense</td>
<td>512,017</td>
<td>1,101,035</td>
<td>321,079</td>
<td>270,828</td>
<td>299,715</td>
<td>311,703</td>
</tr>
<tr>
<td>Gift Interest</td>
<td>7,478,391</td>
<td>7,356,973</td>
<td>8,295,092</td>
<td>8,922,051</td>
<td>9,330,033</td>
<td>9,465,481</td>
</tr>
<tr>
<td>Institutional Support (Permanent)</td>
<td>3,729,410</td>
<td>4,386,483</td>
<td>4,858,580</td>
<td>7,089,988</td>
<td>9,956,919</td>
<td>14,068,863</td>
</tr>
<tr>
<td>Institutional Support (Temporary)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,959,740</td>
</tr>
<tr>
<td>Miscellaneous Revenue</td>
<td>-</td>
<td>200,000</td>
<td>-</td>
<td>285,000</td>
<td>486,377</td>
<td>971,375</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>26,414,041</td>
<td>29,310,301</td>
<td>30,922,818</td>
<td>34,402,363</td>
<td>39,495,664</td>
<td>51,524,004</td>
</tr>
</tbody>
</table>

| Total Expenditures                           | (25,353,244)| (27,593,992)| (29,830,659)| (33,691,476)| (39,945,646)| (51,340,703) |

### Notes

**Significant Change**

Effective FY13-14 a new unit, *University Marketing & Communications (UM&C)*, was created within University Advancement resulting in an increase in revenue and expenditures. Effective FY14-15 KUOW, Media Relations, News & Information, and Public Records integrated into UM&C. UM&C includes KUOW, Media Relations, News & Information, Public Records, Sponsorships, Trademarks & Licensing, and University Marketing. Revenues and expenditures do not include Sponsorships and Trademarks & Licensing; They are self-sustaining enterprises within UM&C.

**Revenue Sources**

Calculations for basis points, parking, endowment suspense and gift interest based on projections from UW Treasury.

CEF (80 Basis Points) revenue distribution rate of 0.8% of CEF average balance (20-quarter rolling average)

Parking revenue distribution rate of 2% for two quarters (4% annual) of newly invested endowments

Endowment Suspense revenue distribution rate of 3% of year-end suspense balance

Gift Interest revenue distribution rate of 2% of year-end current use balance

Institutional Support (Temporary) is funding from the Office of the Provost for the Campaign and UM&C.

Miscellaneous revenue comprises event revenue and licensing revenue.

**Other**

Constituency Unit Advancement costs are not reflected in the above figures (FY13-14 totaled $16,519,995).