

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
GREENE COUNTY, OHIO
REGULAR AUDIT

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
Dayton, Ohio

CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2024 and 2023

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Independent Auditor's Report

Audit Committee of the Board of Trustees
Wright State University Foundation, Inc.
Dayton, Ohio

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Wright State University Foundation, Inc., which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Wright State University Foundation, Inc., as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are required to be independent of Wright State University Foundation, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Wright State University Foundation, Inc.'s ability to continue as a going concern within one year after the date that these consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Wright State University Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Wright State University Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The management's discussion and analysis and the supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated 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 October 3, 2024, on our consideration of Wright State University Foundation, Inc.'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 solely 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 the effectiveness of Wright State University Foundation, Inc.'s 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 Wright State University Foundation, Inc.'s internal control over financial reporting and compliance.

Forvis Mazars, LLP

Cincinnati, Ohio
October 3, 2024

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of and for the Fiscal Year Ended June 30, 2024

Overview

This section of the Wright State University Foundation's (the "WSU Foundation" or "Foundation") annual financial report presents management's discussion and analysis of the financial performance of the WSU Foundation during the fiscal years ended June 30, 2024 and 2023. This discussion has been prepared by management along with the consolidated financial statements and related note disclosures and should be read in conjunction with the statements and notes thereto.

The WSU Foundation is a 501(c)(3) nonprofit corporation whose mission includes the receipt, acknowledgement, management and distribution of private gifts for the exclusive benefit of Wright State University ("WSU" or the "University"). The Foundation is included in the University's financial statements as a discretely presented component unit. Transactions with WSU relate primarily to the disbursement of gift revenues to WSU, augmentation of the University's fundraising resources and appropriations made in support of University projects.

The discussion below relates to the WSU Foundation's basic consolidated financial statements, including the statements of financial position, statements of activities and statements of cash flows. The statements of financial position present the Foundation's financial situation at June 30, 2024 and 2023. The statements of activities summarize the financial transactions and consequent changes in net assets for the same fiscal years. The statements of cash flows provide details on the changes in cash levels for the same time period.

Financial Highlights

Statements of Financial Position

The purpose of the Statement of Financial Position (also known as the Balance Sheet) is to present the reader with a snapshot of the Foundation's financial condition at the end of the fiscal year. The statements may be used to assess the Foundation's ability to continue operations, to determine amounts owed to outside entities and to determine the adequacy of the reserves available for further appropriation.

The Statement of Financial Position is divided into three major categories: assets, liabilities and net assets. Assets are resources owned by the Foundation that are either restricted for specific purposes or available for general operational use of the Foundation. Liabilities are amounts owed to the University, external vendors and other entities for payments made on the Foundation's behalf, personnel costs, purchased goods and services, and other contractual obligations.

Net assets represent the excess of assets over liabilities and are subdivided into two categories: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions are those that the Foundation may use for any purpose related to its mission and over which it maintains complete control. Donor restricted net assets are donations that may be spent on purposes specified by the donor of the assets. Such restrictions relate to how or when the gift may be spent. The donor may further specify that the gift be maintained in perpetuity and only the investment earnings on the gift may be spent for the restricted purposes. These gifts are commonly known as endowments.

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of and for the Fiscal Year Ended June 30, 2024

The following table lists the Foundation's assets, liabilities and net assets for the past three fiscal years:

Condensed Statements of Financial Position							
(in thousands of dollars)							
	<u>2024</u>	<u>2023</u>	<u>Change, 2023 to 2024</u>		<u>2022</u>	<u>Change, 2022 to 2023</u>	
			Dollars	Percent		Dollars	Percent
Total Assets	\$ 172,642	\$ 160,143	\$ 12,499	7.8%	\$ 149,282	\$ 10,861	7.3%
Total Liabilities	\$ 3,590	\$ 3,934	\$ (344)	-8.7%	\$ 3,693	\$ 241	6.5%
Net Assets:							
Without donor restrictions	15,243	12,352	2,891	23.4%	11,218	1,134	10.1%
With donor restrictions	153,809	143,857	9,952	6.9%	134,371	9,486	7.1%
Total Net Assets	169,052	156,209	12,843	8.2%	145,589	10,620	7.3%
Total Liabilities and Net Assets	\$ 172,642	\$ 160,143	\$ 12,499	7.8%	\$ 149,282	\$ 10,861	7.3%

In FY24, the Foundation once again experienced solid growth in its financial position. Total assets grew 7.8% year-over-year, led by stellar public market returns on its investment portfolios. Investment values appreciated just under 10% for the year (including capital activity). Total market value of the Foundation's investments was \$161.7 million at the end of the year as compared to \$147.1 million in FY23. The value of most of the Foundation's other assets, especially those that were tied to public financial market performance, also experienced strong growth for the year. In contrast to this upward trend was a decline in pledges receivable, which reached a ten-year low by the end of the fiscal year. This asset lost \$1.8 million in value through the year, a 33% decline. This result can be traced to a steady pay down of existing pledges with few new significant commitments secured during the year.

The Foundation's liabilities declined 8.7% year-over-year as both trade accounts payable and amounts owed to Wright State University decreased significantly over the previous year. The decline in both of these liabilities can be attributed to timing issues. The trade accounts payable decline resulted from two large billings, one in support of the Boonshoft School of Medicine's geriatric program and the other due to the WSU Alumni Association as a reimbursement for some of its operating expenses in the previous fiscal year, that were not repeated at the end of FY24.

Given the dynamics discussed above, it is no surprise that the Foundation's total net asset position increased significantly as well in FY24. Total net asset value rose 8.2% or \$12.8 million for the year. Restricted but spendable net assets increased \$8.4 million for FY24, a growth rate of 9.6%. Permanently restricted net assets saw an increase of \$1.6 million or 2.8% for the year. Unrestricted net assets, that is those net assets without donor restrictions, also rose, increasing by \$2.9 million or 23.4%. Unrestricted net assets ended the year with a value of \$15.2 million, the highest value in the past ten years and up from the previous year's value of \$12.4 million.

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WRIGHT STATE UNIVERSITY FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of and for the Fiscal Year Ended June 30, 2024

Statements of Activities

The Statement of Activities (also known as the Income Statement) reports on the operating activities of the Foundation for the fiscal year. Included in these statements are two major categories. The first, revenues, represents resources obtained for distribution to WSU and for operation of the Foundation. Major revenue sources include gifts/contributions and investment earnings. Expenses, the second category, represent uses of those resources in support of various University programs, fundraising efforts and general operations of the Foundation. The difference between revenues and expenses is added to or subtracted from the Foundation's net assets.

The following table lists the revenues, expenses and changes in net assets for the last three fiscal years:

Condensed Statements of Activities							
(in thousands of dollars)							
	<u>2024</u>	<u>2023</u>	<u>Change, 2023 to 2024</u>		<u>2022</u>	<u>Change, 2022 to 2023</u>	
			Dollars	Percent		Dollars	Percent
Revenues							
Gifts and contributions	\$ 5,169	\$ 9,183	\$ (4,014)	-43.7%	\$ 5,568	\$ 3,615	64.9%
Investment earnings (losses)	16,361	10,714	5,647	52.7%	(13,497)	24,211	179.4%
Other	759	400	359	89.8%	(472)	872	184.7%
Total revenues	<u>22,289</u>	<u>20,297</u>	<u>1,992</u>	<u>9.8%</u>	<u>(8,401)</u>	<u>28,698</u>	<u>341.6%</u>
Expenses							
Program services	7,309	7,593	(284)	-3.7%	6,659	934	14.0%
Fund raising	552	761	(209)	-27.5%	686	75	10.9%
Management and general	<u>1,586</u>	<u>1,323</u>	<u>263</u>	<u>19.9%</u>	<u>1,224</u>	<u>99</u>	<u>8.1%</u>
Total expenses	<u>9,447</u>	<u>9,677</u>	<u>(230)</u>	<u>-2.4%</u>	<u>8,569</u>	<u>1,108</u>	<u>12.9%</u>
Change in net assets	<u>\$ 12,842</u>	<u>\$ 10,620</u>	<u>\$ 2,222</u>	<u>20.9%</u>	<u>\$ (16,970)</u>	<u>\$ 27,590</u>	<u>162.6%</u>

Gifts and contributions revenue declined in FY24, although the amount realized was close to average for a non-campaign year. The decline relates directly to the receipt of a large gift and several significant pledges from a local corporate partner of the University in FY23 that was not repeated in FY24. Thus, this important revenue source decreased \$4.0 million over the previous year and ended the year \$5.2 million. This decline was more than offset by an increase in investment earnings. Although interest and dividend income continued to be a major part of that return, it did decline year-over-year. The decline amounted to \$1.3 million, a 15% decrease. Capital gains (mostly unrealized) made a strong showing in FY24 providing \$9.2 million of the total return, a nearly \$7 million increase over the previous year. In total, FY24 revenues outpaced FY23 by nearly \$2 million, a 9.8% increase.

Unlike revenues, Foundation expenses decreased over the previous year. Total expenses amounted to \$9.4 million, a 2% decrease over FY23. Overall costs related to program expenses decreased 4% for the year. Although less spending by various University programs created this result, student financial aid actually increased as the University sought (successfully) to prop up declining enrollment levels and improve student retention rates. Scholarship awards amounted to \$3.3 million in FY24, a 6% increase over the prior year. Fundraising costs declined in FY24 due to a change in the way the Foundation supports the University in this key area (all Advancement personnel are now paid solely by the University). Management and general expenses increased 20% for the year, with increased expenses related to the addition of personnel in the Foundation's finance office and building maintenance/operational costs. Overall, revenues exceeded expenses by \$12.8 million in FY24, a \$2.2 million positive change over FY23.

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WRIGHT STATE UNIVERSITY FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of and for the Fiscal Year Ended June 30, 2024

Statements of Cash Flows

Three major categories of activity appear on the Statements of Cash Flows: operating, investing and financing. Operating activities include mission-oriented functions such as amounts received from donors and amounts paid to Wright State students, employees and suppliers in accord with donor stipulations. Payments in support of the operations of the Foundation are also included in this category. Investing activities include capital expenditures and the purchase and redemption of investments held by the Foundation in its attempt to effectively manage the private support it holds. Finally, financing activities include inflows and outflows related to debt service. Contributions to the endowment are also categorized here.

The following table lists the categories of cash flows for the last three fiscal years:

Condensed Statements of Cash Flows							
(in thousands of dollars)							
	2024	2023	Change, 2023 to 2024		2022	Change, 2022 to 2023	
			Dollars	Percent		Dollars	Percent
Operating activities	\$ 3,371	\$ 3,843	\$ (472)	-12.3%	\$ 12,168	\$ (8,325)	-68.4%
Investing activities	(5,261)	(11,265)	6,004	53.3%	(9,819)	(1,446)	-14.7%
Financing activities	1,481	4,181	(2,700)	-64.6%	1,233	2,948	239.1%
Net change in cash and equivalents	<u>\$ (409)</u>	<u>\$ (3,241)</u>	<u>\$ 2,832</u>	<u>87.4%</u>	<u>\$ 3,582</u>	<u>\$ (6,823)</u>	<u>-190.5%</u>

The Foundation's cash level dropped slightly during FY24 as cash used in investment activities overcame positive net cash flows from operations and financing activities. Operating activities contributed a net positive \$3.4 million in cash for the period. Although that change represented a 12% decline over the previous year, the contribution of cash from operations was still strongly positive. A decline in interest and dividend cash flows, as discussed earlier, was primarily to blame for the year-to-year decrease in net cash provided by operations, although increased expenditures also contributed to the result. Investment activity peaked in FY23 when the Foundation received a seven-figure cash gift and reinvested a \$3.7 million cash equivalent position in the public markets. No such activities were repeated in FY24. Thus, cash used in investing activities declined \$6 million over the previous year. The decline in cash provided from financing activities in FY24 was the result of the large gift received in FY23, which was endowed by the donor.

Investment Performance

The Foundation maintains two significant investment pools with its investment manager, SEI Investments (Oaks, PA). One pool represents endowed assets and the second, non-endowed assets. As discussed above, market returns in FY24 were robust, producing positive 2-digit returns on both portfolios. For the endowed portfolio, that equated to an investment return of 11.72% (net of fees) for the year versus a positive return of 8.30% in FY23. The FY24 one-year endowment return outperformed the Foundation's target return as defined in its investment policy statement by 82 basis points. The non-endowed portfolio, which is not invested as aggressively, experienced a net gain of 11.39% (versus an FY23 return of 6.87%). The non-endowed return also surpassed its associated weighted benchmark by 99 basis points in FY24. Throughout the year, actual asset allocation amounts were close to targets and within tolerances established by the Foundation's investment policy statement.

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Endowment

During the fiscal year ended June 30, 2024, the value of the Foundation's endowment increased by approximately \$8.1 million or 7.7%, finishing the year with a value of \$113.3 million. The increase was driven by the robust investment earnings described elsewhere in this section. Total earnings related to the endowment amounted to \$12.3 million in FY24, a 45% positive swing over the previous year. New endowment gifts declined 64%, most of that related to the large corporate gift described above. The endowment generated a distribution of \$4.0 million for the year ended June 30, 2024, a negligible increase over the previous fiscal year. For fiscal years 2024 and 2023, the Foundation's spending rates were 4.00% and 4.50%, respectively.

Investment losses experienced over the years drove some of the Foundation's endowment values below their original values, that is, below the amount of the original gift and any subsequent gifts made to the fund. When this condition exists, the funds are known as "underwater endowments." The number and value of underwater endowments declined during FY24. The value of underwater endowments fell from (\$117) thousand to (\$54) thousand. There were adequate reserves in all the endowment funds to distribute the full amount of earnings (4.00%) without reducing any funds below 80% of original donated value, as required by Foundation policy.

Debt Guaranty and Debt

During FY11, the Foundation agreed to guarantee debt related to a project initiated by an organization closely related to Wright State University and its mission. During FY24, the Foundation continued to designate a portion of its unrestricted net assets (\$600 thousand) in fulfillment of covenants contained in the debt guaranty. Management does not believe that this guaranty will be needed in the near future. More details about the guaranty may be found in Note 13 to the consolidated financial statements.

For many years the Foundation maintained a line of credit with a local bank. During the latter part of FY23 the line of credit was terminated and no further lines of credit have been established since that time.

Requests for Information

Offices in support of the WSU Foundation are located in the Foundation Building across from the Dayton campus. Questions about any of the information provided in this report or requests for additional information may be directed to:

Bob Batson
CFO
Wright State University Foundation, Inc.
Foundation Building 314
3640 Colonel Glenn Highway
Dayton, OH 45435-0001
(937) 775-2869
robert.batson@wright.edu

For additional information about the Foundation, please visit our Web site at: wright.edu/giving.

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 1,877,147	\$ 2,286,610
Pledges receivable (net)	3,784,800	5,634,200
Gifts receivable from trusts held by others	1,753,800	1,507,600
Investment in securities	161,669,058	147,128,404
Other investments	91,214	193,599
Interest and dividends receivable	472,902	402,236
Capital assets (net)	1,607,830	1,691,663
Annuity assets	856,162	803,867
Other assets	529,434	494,941
TOTAL ASSETS	<u>\$ 172,642,347</u>	<u>\$ 160,143,120</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable:		
Wright State University	\$ 467,808	\$ 643,260
Trade and other	295,411	666,893
Deposits held in custody for others	2,514,830	2,298,714
Annuities payable	311,800	324,800
TOTAL LIABILITIES	<u>3,589,849</u>	<u>3,933,667</u>
 NET ASSETS:		
Without donor restrictions		
Designated by Board	3,905,714	3,260,970
Undesignated	11,337,164	9,091,179
With donor restrictions		
Purpose/time restricted	95,830,935	87,467,380
Perpetually restricted	57,978,685	56,389,924
TOTAL NET ASSETS	<u>169,052,498</u>	<u>156,209,453</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 172,642,347</u>	<u>\$ 160,143,120</u>

The accompanying notes are an integral part of these consolidated financial statements.

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
For the year ended June 30, 2024 with comparative 2023 totals

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total 2024</u>	<u>Total 2023</u>
REVENUE AND OTHER SUPPORT:				
Gifts and contributions	\$ 48,975	\$ 5,119,945	\$ 5,168,920	\$ 9,182,669
Gift fee charged to certain restricted gifts	76,662	(76,662)	-	-
Investment earnings:				
Interest and dividends	1,925,424	5,258,479	7,183,903	8,492,342
Net realized and unrealized gains/(losses)	1,826,304	7,350,520	9,176,824	2,221,846
Administrative fee charged to certain restricted accounts	1,427,255	(1,427,255)	-	-
Change in value of split interest agreements	-	208,017	208,017	(51,183)
Other income (loss)	191,668	360,027	551,695	451,293
Net assets released from restrictions	6,847,255	(6,847,255)	-	-
Change in donor restrictions	(4,000)	4,000	-	-
Total revenue and other support	<u>12,339,543</u>	<u>9,949,816</u>	<u>22,289,359</u>	<u>20,296,967</u>
EXPENSES AND LOSSES:				
Program services:				
Scholarships	3,335,408	-	3,335,408	3,144,682
University programs	3,094,380	-	3,094,380	3,325,109
Athletic programs	643,141	-	643,141	768,341
Research	146,125	-	146,125	320,171
Miscellaneous grants	67,498	-	67,498	31,234
Other program expenses and losses (gains)	24,732	(2,500)	22,232	3,350
Fund raising	551,704	-	551,704	761,439
Management and general	1,585,826	-	1,585,826	1,322,847
Total expenses	<u>9,448,814</u>	<u>(2,500)</u>	<u>9,446,314</u>	<u>9,677,173</u>
CHANGE IN NET ASSETS	2,890,729	9,952,316	12,843,045	10,619,794
NET ASSETS				
Beginning of year	<u>12,352,149</u>	<u>143,857,304</u>	<u>156,209,453</u>	<u>145,589,659</u>
End of year	<u>\$ 15,242,878</u>	<u>\$ 153,809,620</u>	<u>\$ 169,052,498</u>	<u>\$ 156,209,453</u>

The accompanying notes are an integral part of these consolidated financial statements.

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
For the year ended June 30, 2023

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total 2023</u>
REVENUE AND OTHER SUPPORT:			
Gifts and contributions	\$ 70,570	\$ 9,112,099	\$ 9,182,669
Gift fee charged to certain restricted gifts	150,085	(150,085)	-
Investment earnings:			
Interest and dividends	1,606,784	6,885,558	8,492,342
Net realized and unrealized gains/(losses)	354,006	1,867,840	2,221,846
Administrative fee charged to certain restricted accounts	1,356,775	(1,356,775)	-
Change in value of split interest agreements	-	(51,183)	(51,183)
Other income (loss)	140,098	311,195	451,293
Net assets released from restrictions	<u>7,131,121</u>	<u>(7,131,121)</u>	<u>-</u>
Total revenue and other support	<u>10,809,439</u>	<u>9,487,528</u>	<u>20,296,967</u>
EXPENSES AND LOSSES:			
Program services:			
Scholarships	3,144,682	-	3,144,682
University programs	3,325,109	-	3,325,109
Athletic programs	768,341	-	768,341
Research	320,171	-	320,171
Miscellaneous grants	31,234	-	31,234
Other program expenses and losses (gains)	1,650	1,700	3,350
Fund raising	761,439	-	761,439
Management and general	<u>1,322,847</u>	<u>-</u>	<u>1,322,847</u>
Total expenses	<u>9,675,473</u>	<u>1,700</u>	<u>9,677,173</u>
CHANGE IN NET ASSETS	1,133,966	9,485,828	10,619,794
NET ASSETS			
Beginning of year	<u>11,218,183</u>	<u>134,371,476</u>	<u>145,589,659</u>
End of year	<u>\$ 12,352,149</u>	<u>\$ 143,857,304</u>	<u>\$ 156,209,453</u>

The accompanying notes are an integral part of these consolidated financial statements.

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years ended June 30, 2024 and 2023

	2024	2023
OPERATING ACTIVITIES		
Cash received from contributors	\$ 6,918,380	\$ 8,559,068
Less: Gifts and contributions received for permanently restricted accounts	(1,480,725)	(4,181,336)
Interest and dividends received	7,373,815	8,513,680
Cash received (expended) from other revenue sources	513,664	466,468
Cash paid to students	(3,614,407)	(3,408,589)
Cash paid to employees	(2,025,873)	(2,279,069)
Cash paid to suppliers	(4,268,597)	(3,798,079)
Custodial deposits received	-	10,500
Custodial deposits returned	<u>(45,000)</u>	<u>(40,000)</u>
Net cash provided by operating activities	<u>3,371,257</u>	<u>3,842,643</u>
INVESTING ACTIVITIES:		
Cash paid for investments	(11,979,579)	(19,444,748)
Cash received from investments	<u>6,718,134</u>	<u>8,180,209</u>
Net cash used in investing activities	<u>(5,261,445)</u>	<u>(11,264,539)</u>
FINANCING ACTIVITIES:		
Gifts and contributions received for permanently restricted accounts	<u>1,480,725</u>	<u>4,181,336</u>
Net cash provided by financing activities	<u>1,480,725</u>	<u>4,181,336</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(409,463)	(3,240,560)
CASH AND CASH EQUIVALENTS - Beginning of year	<u>2,286,610</u>	<u>5,527,170</u>
CASH AND CASH EQUIVALENTS - End of year	<u><u>\$ 1,877,147</u></u>	<u><u>\$ 2,286,610</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 - ORGANIZATION AND OPERATION

Wright State University Foundation, Inc. (the "Foundation") was incorporated on December 15, 1966 to receive and hold gifts, grants and bequests of money and property for the benefit of Wright State University (the "University") and its students and faculty. Consistent with such purposes, the mission of the Foundation is to receive, manage and distribute private support to enhance the growth and development of the University. One of its most important roles is to ensure that funds and property contributed are used for purposes specified by the donor. The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Governing direction is provided by a code of regulations most recently revised in April of 2024. Overall policy direction is provided by a board of 25 – 40 community leaders who serve as trustees of the Foundation. Trustees elect a chair and other officers from their number. The Foundation hired its first non-University employees in fiscal year 2019 and its first President & CEO in fiscal year 2020.

The 634-acre Wright State campus is located near Dayton, Ohio and was founded in 1964. Wright State is a four-year institution operating under the auspices of the State of Ohio's public university system. Financial statements for the University may be obtained from the Controller's Office, University Hall, 3640 Colonel Glenn Highway, Dayton, Ohio 45435-0001.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In accordance with generally accepted accounting principles as applied to not-for-profit organizations, the consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting. The Financial Accounting Standards Board ("FASB") is the accepted standards setting body for establishing accounting principles generally accepted in the United States ("GAAP"). The following is a summary of the Foundation's significant accounting and reporting policies presented to assist the reader in interpreting the consolidated financial statements and other data in this report.

Principles of Consolidation: The consolidated financial statements include the accounts of Wright State University Foundation and its wholly-owned subsidiaries WSUF Emergence Center No. 1, LLC (formerly known as Fairborn Office Property LLC) and Raider Food Pantry, Inc. (Raider Food Pantry). The consolidated entities are collectively referred to as "the Foundation". All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements.

Cash and Cash Equivalents: The Foundation considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents, except cash equivalent holdings in its investment portfolios that have resulted from recent security sales that will be used to purchase other long-term securities.

Pledges Receivable: Unconditional pledges are recorded in the period that the pledges are received. Conditional pledges are recorded in the period in which the conditions have been met. Payments on pledges to be collected in future years are recorded at net present value. All pledges are presented net of an allowance for doubtful collections.

Gifts Receivable from Trusts Held by Others: Irrevocable trusts which will benefit the Foundation are recognized as gift revenue and as a receivable in an amount equal to the present value of the estimated future benefits to be received when trust assets are distributed. Adjustments to the receivable to reflect revaluation of the present value of the estimated future payments to the donor-designated beneficiaries and changes in actuarial assumptions during the term of the trust will be recognized as changes in the value of the asset.

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment in Securities: Investments in debt and equity securities are stated at fair value. The fair values of investments are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments, when appropriate. Investments are initially recorded at their acquisition cost if they were purchased and at fair value if they are received through a contribution or exchange transaction. Securities traded on a national exchange are valued at their last reported sales price on the exchange on which they are traded.

Alternative investments, such as hedge funds, private equity, distressed debt and limited partnerships for which there is no ready market, are recorded at net asset value (NAV), as a practical expedient, to determine fair value of the investments. Because of the inherent uncertainty of valuation in the absence of readily ascertainable market values, the estimated values of those investments may differ from the values that would have been used had a ready market existed for such investments or if the investments were realized, and the differences could be material.

Realized gains or losses are included in the consolidated statements of activities. Unrealized gains or losses are based on the differences between cost and fair value of each classification of security and are reported in the consolidated statements of activities. Investments are managed by professional investment managers. Investment return is net of direct and indirect investment expenses.

Annuity Assets/Payable: Under charitable gift annuity agreements, the Foundation has recorded the donated assets at fair value and the liabilities to the donor and/or his/her beneficiaries at the present value of the estimated future payments to be distributed by the Foundation to such individuals. The amount of the gift is the difference between the asset and liability and is recorded as gift revenue.

Capital Assets: Expenditures for property and equipment and items that substantially increase the useful lives of existing assets are capitalized at cost. It is the policy of the Foundation to capitalize additions with an original cost of \$5,000 or more. Assets acquired by gift are valued at fair value as of the date donated. The Foundation provides for depreciation using the straight-line method at rates designed to depreciate the costs of assets over estimated useful lives as follows:

	<u>Years</u>
Land improvements	10-25
Buildings	20-65
Machinery and equipment	5-10

Long-lived assets, such as buildings, machinery and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. At June 30, 2024 and 2023, management has concluded that they are unaware of any impairments to be recorded.

Deposits Held in Custody for Others: These assets represent resources received and held by the Foundation as custodian. The assets are placed in the Foundation's investment portfolio and receive a pro-rata share of net investment earnings.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses: The costs of supporting the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Certain costs paid by the Foundation that relate to operations of the University's Advancement Division are classified as fund raising expenses. Costs specific to the operation of the Foundation as an independent entity are classified as management and general expenses.

Net Assets: The Foundation's net assets are classified into two categories: (1) net assets without donor restriction, which include gifts made with no donor-imposed restrictions and (2) net assets with donor restrictions, which include donor-imposed restrictions that will be satisfied in the future, as well as donor-imposed restrictions that the assets be maintained in perpetuity (endowments).

The net assets without donor restrictions consist of operating funds available for any purpose authorized by the Board of Trustees. Included in these net assets without donor restrictions are funds that have been designated as endowments by the board (quasi-endowments). The board may elect to reverse its decision to designate these net assets.

Net assets with donor restriction consist of funds arising from a gift in which the donor has stipulated, as a condition of the gift, restrictions on how or when the gift may be spent. Also categorized as net assets with donor restrictions are unspent gains on donor designated endowment gifts by virtue of the Foundation's spending policy. This policy, which was approved by the Board of Trustees, aims to protect the Foundation's donor-designated endowments from the effects of inflation by reinvesting a portion of the earnings on these funds as if they were endowment funds.

Quasi-endowment funds may also be established by request of a University college or department in accord with the Foundation's quasi-endowment policy adopted by the Board of Trustees in fiscal year 2011. The objective of this policy is to allow significantly large donor restricted funds to generate earnings that may be used by the requesting unit for the purpose(s) specified by the donor.

Net assets with donor restriction that are perpetual in nature consist of funds arising from a gift or bequest in which the donor has stipulated, as a condition of the gift, that the principal be maintained in perpetuity and only the investment income from investment of the funds be expended. Certain donor endowments also specify that a portion of the earnings from the investment be reinvested as principal, or that all income earned over a period of time be reinvested. Amounts are also transferred for specific uses from time to time, as requested by the donor.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Gifts and Contributions: Contributions are provided to the Foundation either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts with or without restriction</i>	
Gifts that depend on the Foundation overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, i.e. the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue with donor restrictions and then released from restriction.

Investment Earnings: Interest and dividends from endowment investments are credited to restricted funds and spent in compliance with donor stipulations and the Foundation's spending policy. Interest and dividends from non-endowment investments are credited to the unrestricted fund for expenditure at the discretion of the Foundation's Board of Trustees. Realized gains or losses are determined based on the average cost method.

Net Assets Released from Restrictions: When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

(Continued)

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Federal Income Taxes: The Foundation and Raider Food Pantry have been approved under the Internal Revenue Code Section 501(c)(3) as nonprofit organizations exempt from federal taxes on their normal activities. However, the Foundation and Raider Food Pantry are subject to federal income tax on any unrelated business taxable income. The Foundation and Raider Food Pantry file tax returns in the U.S. federal jurisdiction. WSUF Emergence Center No. 1, LLC is a disregarded entity for tax purposes.

GAAP prescribes recognition thresholds and measurement attributes for the consolidated financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. A tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded. Management has concluded that they are unaware of any tax benefits or liabilities to be recognized at June 30, 2024 and 2023, respectively.

The Foundation and Raider Food Pantry do not have any tax benefits recorded at June 30, 2024 and do not expect that position to significantly change in the next year. The Foundation and Raider Food Pantry would recognize interest and/or penalties related to income tax matters in income tax expense, if applicable, and there were no amounts accrued for interest and penalties at June 30, 2024 and 2023.

Transfers Between Fair Value Hierarchy Levels: Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the period ending date.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2024, to determine the need for any adjustments to and/or disclosures within the audited consolidated financial statements for the year ended June 30, 2024. Management has performed their analysis through October 3, 2024, the date the consolidated financial statements were available to be issued.

In August 2024, the Foundation received a \$1,000,000 cash gift to establish an endowment in the Raj Sooin College of Business. The gift established and named a center of innovation and entrepreneurship to sustain and expand entrepreneurial development for students, faculty and businesses.

Estimates: 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 - BUSINESS AND CONCENTRATIONS OF CREDIT RISK

The Foundation’s financial instruments that are exposed to various risks, such as interest rate, market and concentrations of credit risk consist primarily of cash and investments. The Foundation deposits its cash in federally insured banks. At June 30, 2024, the Foundation’s cash accounts exceeded federally insured limits by approximately \$1,706,000.

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WRIGHT STATE UNIVERSITY FOUNDATION, INC.
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Investments are managed by a professional investment management company under an outsourced chief investment officer arrangement. The investment manager is subject to the Foundation's investment policy, approved by the Board of Trustees, which contains objectives, guidelines and restrictions designed to provide for preservation of capital with an emphasis on providing current income and achieving long-term growth of the funds without undue exposure to risk. Certain funds have been pooled for ease of management and to achieve greater diversification in investments. Due to the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible the changes in risks in the near term would result in material changes in the fair value of long-term investments and net assets of the Foundation.

There were no material gift revenue concentrations for the year ended June 30, 2024. For the year ended June 30, 2023, approximately 42 percent of the Foundation's gift revenue was from a single donor.

NOTE 4 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received for an asset or paid to transfer a liability (an exit price) in the Foundation's principal or most advantageous market on the measurement date.

The fair value hierarchy established by U.S. GAAP requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices for identical assets or liabilities in active markets.
- Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Net Asset Value: Alternative to fair value hierarchy using net asset value practical expedient as defined by Accounting Standards Codification 820, *Fair Value Measurement*.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

(Continued)

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 4 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Assets measured at fair value on a recurring basis are summarized below for the years ended June 30, 2024 and 2023.

	Fair Value Measurements at June 30, 2024 Using				Totals
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at Net Asset Value	
ASSETS					
Gifts receivable from trusts held by others	\$ -	\$ -	\$ 1,753,800	\$ -	\$ 1,753,800
Investment in securities:					
Cash and equivalents	-	-	-	-	-
Mutual funds:					
Equity	88,143,831	-	-	-	88,143,831
Fixed income	49,553,934	-	-	-	49,553,934
Alternative assets:					
Hedge funds	-	-	-	19,143,893	19,143,893
Private equity	-	-	-	4,371,997	4,371,997
Distressed debt	-	-	-	455,403	455,403
Total investment in securities	137,697,765	-	-	23,971,293	161,669,058
Other investments - limited partnerships	-	-	-	91,214	91,214
Other assets - equity	249,420	-	-	-	249,420
Annuity assets					
Cash and equivalents	26,862	-	-	-	26,862
Mutual funds-securities	829,300	-	-	-	829,300
Total annuity assets	856,162	-	-	-	856,162
Total	<u>\$ 138,803,347</u>	<u>\$ -</u>	<u>\$ 1,753,800</u>	<u>\$ 24,062,507</u>	<u>\$ 164,619,654</u>
	Fair Value Measurements at June 30, 2023 Using				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at Net Asset Value	Totals
ASSETS					
Gifts receivable from trusts held by others	\$ -	\$ -	\$ 1,507,600	\$ -	\$ 1,507,600
Investment in securities:					
Cash and equivalents	-	-	-	-	-
Mutual funds:					
Equity	80,456,701	-	-	-	80,456,701
Fixed income	44,442,457	-	-	-	44,442,457
Alternative assets:					
Hedge funds	-	-	-	17,247,215	17,247,215
Private equity	-	-	-	4,136,307	4,136,307
Distressed debt	-	-	-	845,724	845,724
Total investment in securities	124,899,158	-	-	22,229,246	147,128,404
Other investments - limited partnerships	-	-	-	193,599	193,599
Other assets - equity	211,389	-	-	-	211,389
Annuity assets					
Cash and equivalents	30,447	-	-	-	30,447
Mutual funds-securities	773,420	-	-	-	773,420
Total annuity assets	803,867	-	-	-	803,867
Total	<u>\$ 125,914,414</u>	<u>\$ -</u>	<u>\$ 1,507,600</u>	<u>\$ 22,422,845</u>	<u>\$ 149,844,859</u>

(Continued)

NOTE 4 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended June 30, 2024. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

Investments in securities, annuity assets, and other assets - Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Gifts receivable from trusts held by others - Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy.

Fair value determinations for Level 3 measurements of securities are the responsibility of the Foundation's finance office. The finance office contracts with a pricing specialist to generate fair value estimates on a monthly or quarterly basis. The finance office challenges the reasonableness of the assumptions used and reviews the methodology to ensure the estimated fair value complies with accounting standards generally accepted in the United States.

(Continued)

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
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June 30, 2024 and 2023

NOTE 4 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The tables below present a reconciliation and consolidated statement of activities classification of gains and losses for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2024 and 2023:

	2024
	Gifts Receivable from Trusts Held by Others
Beginning balance, July 1	\$ 1,507,600
Redemptions	-
Change in value of split interest agreements	246,200
Ending balance, June 30	\$ 1,753,800
	2023
	Gifts Receivable from Trusts Held by Others
Beginning balance, July 1	\$ 1,521,700
Redemptions	-
Change in value of split interest agreements	(14,100)
Ending balance, June 30	\$ 1,507,600

The fair value of gifts receivable from trusts held by others is based on a valuation model that calculates the present value of estimated residual trust value. The valuation model incorporates assumptions that market participants would use in estimating future investment earnings. Management determines the fair value based on best information available (Level 3 inputs).

Investments in securities consist primarily of mutual fund shares managed by a professional investment management company utilizing the “outsourced chief investment officer” model of portfolio administration, as described in Note 3. The fair value of mutual funds is based on quoted prices in active markets (Level 1 inputs).

For private equity, for which there is no active market, information such as historical and current performance of the underlying assets, cash flow projections, liquidity and credit premiums required by a market participant, and financial trend analysis with respect to the individual fund manager, are utilized in determining individual securities. Due to current market conditions, as well as the limited trading activity of these securities, the market value of the securities is highly sensitive to assumption changes and market value volatility.

With respect to hedge funds and distressed debt, for which there is no active market, information such as historical and current performance of the underlying assets, cash flow projections, liquidity and credit premiums required by a market participant, and financial trend analysis with respect to the individual fund manager, are utilized in determining individual security valuations.

(Continued)

NOTE 4 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Part of the Foundation's hedge fund allocation is invested in a "fund of funds" structured as an offshore company. The fund's investment objective is to seek to achieve high returns balanced against an appropriate level of volatility and directional market exposure over a full market cycle. The fund is broadly diversified and invests in various private funds such as hedge funds that pursue hedged or other alternative investment strategies, private equity funds, hybrid funds and any other alternative investment funds, while also opportunistically investing directly in any other securities and financial instruments. The fund generally invests in 15-20 funds and the fund of funds manager requires full transparency of each of the underlying funds' investment positions. The Foundation is no longer subject to the fund's initial two-year lock-up period and may, therefore, request liquidation on a semi-annual basis with 95 days prior notification. At June 30, 2024, the Foundation has no significant unfunded commitments to this hedge fund allocation. The valuation of this investment is based on NAV.

The Foundation's second hedge fund allocation is structured more like a mutual fund, but also sited offshore. The fund's investment objective is to seek to generate attractive risk-adjusted returns by employing a "global macro" thematic investment strategy, which is based on a top-down assessment of global monetary and fiscal policies, economic conditions, political developments, market expectations and other "macro" factors. The focus of the fund's investment strategy is targeted on liquid asset classes with most trading strategies expressed in markets for global government fixed income, currency and equity, typically via derivatives and primarily with medium to longer-term investment horizons. Other asset classes such as commodities and credit may also be employed as a part of the fund's investment strategy. The main focus of the investment strategy will be on developed markets, though opportunities may arise in various emerging markets from time to time. There is no lock-up period for this fund. Liquidation requests may be made quarterly with 95 days prior notification and subject to a 10% holdback of total redemptions on the final payment pending completion of the fund's final audit. At June 30, 2024, the Foundation has no significant unfunded commitments to this hedge fund allocation. The valuation of this investment is based on NAV.

The Foundation's investment in the private equity space is in a fund structured as a domestic partnership in which the Foundation is a limited partner. The fund seeks to invest the capital contributed to it in a highly diversified pool of long-term investments in non-publicly traded companies with relatively short durations and a focus on cash returns. Diversification is accomplished by investing over five sub-class targets: buyouts, venture capital, debt, real estate and real assets/infrastructure. Capital commitments of the limited partners are payable to the partnership in installments over a 3 – 5-year period. At June 30, 2024, the Foundation's total capital commitment of \$6,400,000 was 80.3% (\$5,142,018) funded. Due to the long-term commitment of capital and the unpredictability of capital calls and partnership distributions, the fund is generally considered illiquid. It is also not unusual for private equity funds to experience losses in the early years of their existence. The valuation of this investment is based on NAV.

(Continued)

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
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The Foundation's latest investment in the private equity space is in a fund also structured as a domestic partnership in which the Foundation is a limited partner. The fund seeks to achieve an attractive risk-adjusted return relative to other asset class alternatives through the identification and selection of a set of private assets managers that manage underlying funds across a broad spectrum of venture capital, buyouts, debt, real estate and real asset/infrastructure investments. Capital commitments of the limited partners are payable to the partnership in installments over a 3 – 5-year period. At June 30, 2024, the Foundation's total capital commitment of \$6,400,000 was 33.0% (\$2,114,607) funded. Due to the long-term commitment of capital and the unpredictability of capital calls and partnership distributions, the fund is generally considered illiquid. It is also not unusual for private equity funds to experience losses in the early years of their existence. The valuation of this investment is based on NAV.

The Foundation's investment in distressed debt is in the form of a fund that invests directly and indirectly in below investment grade bonds and loans (and other debt and equity instruments) of U.S. and international energy companies. The fund is structured as a domestic limited partnership. The fund seeks to generate high absolute returns by investing in securities which are purchased or acquired at a significant discount to fair value and/or offer high coupon rates. The fund will maintain a flexible approach to attempt to identify the most attractive risk-adjusted returns primarily within the energy debt space primarily through: 1) below investment grade bonds and loans of U.S. energy companies which trade at a discount to fair value; 2) direct lending at attractive risk-adjusted rates to U.S. energy companies; and/or 3) smaller allocations to U.S. investment grade and emerging markets companies. The Foundation's investment in this asset class was fully funded at June 30, 2024. The fund's lockup period of three years ended in August 2018. However, upon recommendation of the fund manager and in order to enhance the fund's performance, the Foundation agreed to a further three-year lockup period, which ended in April 2022. Liquidations may be requested on a semi-annual basis with a 95-days prior notice, subject to fund director consent and certain gate, holdback and suspension restrictions. The valuation of this investment is based on NAV and subject to a monthly lag.

Valuation of limited partnership shares reported as "other investments" are derived from reports issued by the general partners adjusted for capital contributions and withdrawals throughout the fiscal year. Although the fund custodians provide annual audited financial statements for each of the funds, the value of the underlying securities is difficult to ascertain as there is no active market associated with these ownership interests. There are no unfunded capital commitments with respect to these investments. Due to the long-term commitment of capital and the unpredictability of capital calls and partnership distributions, these investments are generally considered illiquid. The valuation of this investment is based on NAV.

(Continued)

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 5 - PLEDGES RECEIVABLE

Pledges receivable at June 30, 2024 and 2023, by fund type, are as follows:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Totals
Less than one year	\$ 1,930	\$ 1,026,560	\$ 1,028,490
One to five years	-	1,365,412	1,365,412
Six years or greater	-	2,184,698	2,184,698
Gross pledges receivable	1,930	4,576,670	4,578,600
Present value discount	(30)	(736,770)	(736,800)
Allowance for uncollectible pledges	-	(57,000)	(57,000)
Pledges receivable (net)	<u>\$ 1,900</u>	<u>\$ 3,782,900</u>	<u>\$ 3,784,800</u>
	2023		
	Without Donor Restrictions	With Donor Restrictions	Totals
Less than one year	\$ 4,172	\$ 2,652,116	\$ 2,656,288
One to five years	-	1,739,589	1,739,589
Six years or greater	-	2,071,970	2,071,970
Gross pledges receivable	4,172	6,463,675	6,467,847
Present value discount	(72)	(774,075)	(774,147)
Allowance for uncollectible pledges	-	(59,500)	(59,500)
Pledges receivable (net)	<u>\$ 4,100</u>	<u>\$ 5,630,100</u>	<u>\$ 5,634,200</u>

The fair value of pledges receivable was determined using discount rates applicable to the year in which the pledge was established. Rates ranged from 0.29% to 4.33%.

NOTE 6 - GIFTS RECEIVABLE FROM TRUSTS HELD BY OTHERS

The Foundation is a party to charitable gift trusts. Third-party trustees maintain trust assets in irrevocable trusts for the benefit of the Foundation. The fair values of the trusts are estimated based upon the fair value of the assets contributed by the donor, less the present value of the payment expected to be made to other beneficiaries. The present value is calculated using the discount rate the year in which the trust was established. Rates ranged from 1.72% to 4.92%. The balances at June 30, 2024 and 2023 were \$1,753,800 and \$1,507,600, respectively, and are included in net assets with donor restrictions.

(Continued)

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 7 - INVESTMENT IN SECURITIES

The fair value of the Foundation's investments, at June 30, 2024 and 2023, are as follows:

	<u>2024</u>	<u>2023</u>
Mutual funds:		
Equity	\$ 88,143,831	\$ 80,456,701
Fixed income	49,553,934	44,442,457
Alternative assets	<u>23,971,293</u>	<u>22,229,246</u>
Totals	<u>\$ 161,669,058</u>	<u>\$ 147,128,404</u>

Net realized gains/(losses) on sales of investments were (\$14,473) and \$269,795 for the years ended June 30, 2024 and 2023, respectively. Calculation of net realized gains on sales of investments is based on original cost. Net unrealized gains/(losses) amounted to \$9,191,297 and \$1,952,051 for the years ended June 30, 2024 and 2023, respectively.

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying consolidated statements of financial position.

NOTE 8 - OTHER ASSETS

Included in other assets are unrestricted funds set aside for a specific group of University students to invest to provide them experience in managing a "live" portfolio. The project is known as Raider Asset Management (RAM). As the funds are not under the direct control of the Foundation's investment management system, they have been separately classified from investments in securities. The balance at June 30, 2024 and 2023 was \$249,420 and \$211,389, respectively. Gains and losses generated from the project are included in other income. Total net gains for 2024 and 2023 amounted to \$38,031 and \$28,575, respectively.

(Continued)

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 9 - CAPITAL ASSETS

Capital assets activity for the years ended June 30, 2024 and 2023 is summarized as follows:

	2024		
	Beginning Balance	Additions	Ending Balance
Capital assets:			
Land	\$ 173,000	\$ -	\$ 173,000
Buildings and improvements	2,644,131	35,066	2,679,197
Machinery and equipment	28,632	-	28,632
Total capital assets	2,845,763	35,066	2,880,829
Less accumulated depreciation:			
Buildings and improvements	1,125,468	118,899	1,244,367
Machinery and equipment	28,632	-	28,632
Total accumulated depreciation	1,154,100	118,899	1,272,999
Capital assets, net	\$ 1,691,663	\$ (83,833)	\$ 1,607,830
	2023		
	Beginning Balance	Additions	Ending Balance
Capital assets:			
Land	\$ 173,000	\$ -	\$ 173,000
Buildings and improvements	2,644,131	-	2,644,131
Machinery and equipment	28,632	-	28,632
Total capital assets	2,845,763	-	2,845,763
Less accumulated depreciation:			
Buildings and improvements	1,007,446	118,022	1,125,468
Machinery and equipment	28,632	-	28,632
Total accumulated depreciation	1,036,078	118,022	1,154,100
Capital assets, net	\$ 1,809,685	\$ (118,022)	\$ 1,691,663

(Continued)

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 10 – RELATED PARTY TRANSACTIONS

Most of the Foundation’s expenses are processed by the University Controller’s Office. For the years ended June 30, 2024 and 2023, the University processed expenses of \$7,505,082 and \$7,532,834, respectively, on the Foundation’s behalf. The Foundation reimburses the University monthly for those checks written on its behalf. At June 30, 2024 and 2023, the balance owed to the University was \$467,808 and \$643,260, respectively.

NOTE 11 - DEPOSITS HELD IN CUSTODY FOR OTHERS

Assets currently held by the Foundation in custody for others consist primarily of resources deposited by the Western Ohio Education Foundation (WEOF), an educational Foundation that benefits the Lake Campus branch of Wright State University, and the Wright State University Alumni Association. As of June 30, 2024 and 2023, the balances of these deposits were as follows:

	<u>2024</u>	<u>2023</u>
WEOF	\$ 1,363,604	\$ 1,267,127
WSU Alumni Association	1,149,621	1,031,187
Rental deposits	<u>1,605</u>	<u>400</u>
Totals	<u>\$ 2,514,830</u>	<u>\$ 2,298,714</u>

NOTE 12 - LINE OF CREDIT

For part of the year ended June 30, 2023, the Foundation maintained a line-of-credit agreement with a bank that provided up to \$1.5 million of borrowings at the bank’s prime rate or BSBY, plus 1.00%. The line of credit expired March 31, 2023, and was not renewed. The line of credit was collateralized with a portion of the Foundation’s investments. There were no outstanding borrowings when the line of credit expired.

NOTE 13 - DEBT GUARANTY

During fiscal year 2011, the Foundation entered into an agreement with Dayton Regional STEM Schools, Incorporated (“STEM”) guaranteeing payments on a lease (and such other obligations imposed by the lease) related to the purchase and renovation of an existing building that is utilized by STEM in fulfillment of its corporate purposes. STEM is one of several Ohio schools offering students a relevant, real world educational experience that will prepare them for college and opportunities in the work world. Wright State University has acted as STEM’s fiscal agent as well as providing space, supplies and personnel in support of its operations. The agreement pledges unrestricted net assets of the Foundation in an amount not to exceed \$3,000,000 and the designation of unrestricted net assets in the amount of one year of maximum debt service (\$600,000) on bonds associated with the project. Since the guaranty may expire without being drawn upon, the total guaranty does not necessarily represent future cash requirements. As of June 30, 2024, no amounts have been recognized as a liability under the financial guaranty in the Foundation’s consolidated statements of financial position, as the likelihood that STEM would be unable to fulfill its obligation in full or in part under the debt agreement is not considered to be probable.

(Continued)

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 14 - NET ASSETS

Net assets, as of June 30, 2024 and 2023, are available for the following purposes:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Totals
Scholarships	\$ 1,672,751	\$ 59,532,891	\$ 61,205,642
University programs	250,000	81,566,951	81,816,951
Athletic programs	-	530,699	530,699
Research	-	12,179,079	12,179,079
Market stabilization	1,382,963	-	1,382,963
Debt guaranty	600,000	-	600,000
Undesignated	11,337,164	-	11,337,164
Totals	\$ 15,242,878	\$ 153,809,620	\$ 169,052,498

	2023		
	Without Donor Restrictions	With Donor Restrictions	Totals
Scholarships	\$ 1,106,538	\$ 54,465,666	\$ 55,572,204
University programs	250,000	76,717,637	76,967,637
Athletic programs	-	810,042	810,042
Research	-	11,863,959	11,863,959
Market stabilization	1,304,432	-	1,304,432
Debt guaranty	600,000	-	600,000
Undesignated	9,091,179	-	9,091,179
Totals	\$ 12,352,149	\$ 143,857,304	\$ 156,209,453

(Continued)

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 June 30, 2024 and 2023

NOTE 15 - ENDOWMENT COMPOSITION

The Foundation's endowment primarily consists of three separate portfolios, all of which are held by SEI Investments. Its endowment includes donor-restricted endowment funds, funds that accumulate excess net earnings on the donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by applicable standards, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment net asset composition by type of fund as of June 30, 2024 and 2023:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Totals
Donor restricted endowment funds	\$ -	\$ 73,298,516	\$ 73,298,516
Board-designated funds	609,869	39,401,315	40,011,184
Totals	\$ 609,869	\$ 112,699,831	\$ 113,309,700
	2023		
	Without Donor Restrictions	With Donor Restrictions	Totals
Donor restricted endowment funds	\$ -	\$ 67,137,976	\$ 67,137,976
Board-designated funds	606,538	37,433,855	38,040,393
Totals	\$ 606,538	\$ 104,571,831	\$ 105,178,369

(Continued)

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 15 - ENDOWMENT COMPOSITION (Continued)

Changes in endowment net assets for the years ended June 30, 2024 and 2023:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Totals
Net assets, beginning of year	\$ 606,538	\$ 104,571,831	\$ 105,178,369
Investment return			
Investment income (net)	-	4,863,764	4,863,764
Net appreciation (depreciation)	-	7,432,463	7,432,463
Total investment return	-	12,296,227	12,296,227
Contributions	-	1,497,629	1,497,629
Change in value of split interest agreements	-	(38,183)	(38,183)
Other income	-	103,649	103,649
Change in donor restrictions	-	41,770	41,770
Net assets released from restrictions	25,879	-	25,879
Appropriation of assets for expenditure	(22,548)	(5,773,092)	(5,795,640)
Net assets, end of year	<u>\$ 609,869</u>	<u>\$ 112,699,831</u>	<u>\$ 113,309,700</u>
	2023		
	Without Donor Restrictions	With Donor Restrictions	Totals
Net assets, beginning of year	\$ 608,948	\$ 97,118,825	\$ 97,727,773
Investment return			
Investment income (net)	-	6,548,632	6,548,632
Net appreciation (depreciation)	-	1,923,525	1,923,525
Total investment return	-	8,472,157	8,472,157
Contributions	-	4,197,487	4,197,487
Change in value of split interest agreements	-	(37,083)	(37,083)
Other income	-	73,840	73,840
Change in donor restrictions	-	66,405	66,405
Net assets released from restrictions	26,978	-	26,978
Appropriation of assets for expenditure	(29,388)	(5,319,800)	(5,349,188)
Net assets, end of year	<u>\$ 606,538</u>	<u>\$ 104,571,831</u>	<u>\$ 105,178,369</u>

(Continued)

NOTE 15 - ENDOWMENT COMPOSITION (Continued)

Interpretation of UPMIFA: On June 1, 2009, the State of Ohio's version of the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA) became effective for all non-profit, charitable organizations, including the Foundation. The Board of Trustees has interpreted UPMIFA as requiring the preservation of the fair value of the original and subsequent gifts as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. However, per policies adopted during the fiscal year ended June 30, 2010, the Foundation may expend up to 20% of the fair value of the original gift(s) when no other net earnings (current or accumulated) are available for distribution.

The Foundation classifies net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund, while not permanently restricted, is also classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the organization
7. The investment policies of the organization.

Return Objectives and Risk Parameters: The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s), as well as Board-designated funds. Under the Foundation's formally adopted investment policy, the primary investment objective of the endowment portfolio is to provide for preservation of capital with an emphasis on providing current income and achieving long-term growth of the endowment without undue exposure to risk. The performance objective is to grow the market value of assets net of inflation, spending, and expenses, over a full market cycle (generally defined as a three to five-year period) without undue exposure to risk. In quantitative terms, the portfolio is invested to earn a total return equal to inflation (CPI) plus the current spending rate (4.00%) and administrative expenses (currently 1.5%) without exceeding a standard deviation of 1.2 times a weighted benchmark index. The benchmark index will be comprised of each asset class index weighted by its target allocation. It is also expected that the investment results will outperform their weighted benchmark indices over a full market cycle. Return is calculated on a total return basis, which includes income (interest and dividends), realized and unrealized capital gains (losses).

Strategies Employed for Achieving Objectives: The purpose of endowment funds is to facilitate donors' desire to make substantial long-term gifts to the University and to develop a significant source of revenue for the Foundation. In so doing, the funds will provide a secure, long-term source of funds to: (i) stabilize funding for University schools, colleges and departments, especially in times characterized by declining State support of higher education, (ii) enhance the quality and variety of learning opportunities for Wright State students, (iii) fund special grants, (iv) ensure long-term growth of the University, (v) enhance the University's ability to meet changing educational needs and demands in both the short- and long-term and (vi) support the administrative expenses of the Foundation as deemed appropriate.

(Continued)

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 15 - ENDOWMENT COMPOSITION (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy: The distribution rate is based upon a total return approach, which utilizes both income and capital appreciation to be withdrawn for spending. For the fiscal years ended June 30, 2024 and 2023, the spending rate for the Foundation was 4.00% and 4.50%, respectively, of the previous twelve-quarter average of the endowment portfolio's market value. The spending rate is determined annually by the Foundation Board of Trustees, who may elect to make no distribution in any given year.

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Such amounts totaled \$54,466 and \$117,165 as of June 30, 2024 and 2023, respectively. Endowment fund principal, unless otherwise directed by the originating donor(s), may be disbursed in accord with Foundation policy so long as the principal amount shall not fall below 80% of the fair value of the original gift and any subsequent gifts to the fund.

Foundation's Reserve Policy: Prompted by the market downturn of 2001-2003, the Foundation implemented a policy establishing a reserve fund, the primary purpose of which was to provide matching grants to endowment funds that suffer investment losses resulting in fund deficiencies. The policy stipulates that the reserve fund will make grants in an amount equal to or less than 50% of the amount that would normally have been generated by the endowment had earnings been available so long as the benefitting school, college or department provides a dollar-for-dollar match. No such grants were necessary in fiscal years 2024 and 2023.

The reserve policy further stipulates that in those years in which the net assets without donor restrictions of the Foundation increase, 5% of the increase is to be transferred into the reserve fund so long as the transfer does not cause the value of the fund to exceed \$1 million. No transfer is required if the reserve amount is greater than \$1 million. Since the value of the reserve exceeded \$1 million in fiscal years 2024 and 2023, no such transfers were required.

NOTE 16 - LEASE REVENUE

The Foundation leases office space in its building to several non-university tenants. Rent revenues for the years ended June 30, 2024 and 2023, were \$151,959 and \$109,055, respectively. Future minimum revenues for all leases as of June 30, 2024 are as follows:

2025	\$ 152,567
2026	98,548
2027	17,460
2028	17,460
Total lease revenues	<u>\$ 286,035</u>

(Continued)

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 17 - FUNCTIONAL CLASSIFICATION OF EXPENSES

Total expenses, classified by both service areas and expense categories for the years ended June 30, 2024 and 2023, consist of the following:

Expense Category	2024								Totals
	Program Services					Support Services			
	Scholarships	University Programs	Athletic Programs	Research	Miscellaneous Grants	Other Program Expenses/Losses	Fund Raising	Management & General	
Salaries and wages	\$ -	\$ 680,526	\$ 23,600	\$ 61,879	\$ -	\$ 11,024	\$ -	\$ 743,689	\$ 1,520,718
Employee benefits	-	180,085	-	19,559	-	849	-	304,662	505,155
Professional services	-	765,855	14,570	15,430	5,217	-	97,545	115,342	1,013,959
Supplies	-	286,416	90,825	6,893	-	10,000	1,824	12,264	408,222
Travel	(1,250)	436,526	273,429	25,566	15,512	-	93,247	26,072	869,102
Information/communications	(1,675)	178,273	97,693	6,765	46,169	992	358,011	51,475	737,703
Maintenance and repair	-	33,986	34,255	-	-	1,867	-	171,064	241,172
Student financial aid	3,338,333	265,474	4,000	6,000	600	-	-	-	3,614,407
Other	-	64,151	24,415	4,033	-	(2,500)	1,077	42,359	133,535
Capital purchases	-	203,088	80,354	-	-	-	-	-	283,442
Depreciation	-	-	-	-	-	-	-	118,899	118,899
Totals	\$ 3,335,408	\$ 3,094,380	\$ 643,141	\$ 146,125	\$ 67,498	\$ 22,232	\$ 551,704	\$ 1,585,826	\$ 9,446,314

Expense Category	2023								Totals
	Program Services					Support Services			
	Scholarships	University Programs	Athletic Programs	Research	Miscellaneous Grants	Other Program Expenses/Losses	Fund Raising	Management & General	
Salaries and wages	\$ 1,573	\$ 662,585	\$ 92,306	\$ 182,148	\$ -	\$ 1,463	\$ 198,117	\$ 616,710	\$ 1,754,902
Employee benefits	-	136,052	27,693	44,829	-	112	72,296	243,185	524,167
Professional services	-	657,423	14,756	21,505	11,437	-	93,585	91,705	890,411
Supplies	-	258,118	29,789	6,005	382	-	331	4,982	299,607
Travel	(6,250)	308,292	358,633	9,644	11,176	75	58,098	26,719	766,387
Information/communications	(1,250)	193,730	116,967	5,507	6,789	-	338,671	76,950	737,364
Maintenance and repair	-	16,294	43,344	-	-	-	106	105,372	165,116
Student financial aid	3,150,609	216,180	9,917	30,433	1,450	-	-	-	3,408,589
Other	-	22,683	10,039	100	-	1,700	235	39,202	73,959
Capital purchases	-	853,752	64,897	20,000	-	-	-	-	938,649
Depreciation	-	-	-	-	-	-	-	118,022	118,022
Totals	\$ 3,144,682	\$ 3,325,109	\$ 768,341	\$ 320,171	\$ 31,234	\$ 3,350	\$ 761,439	\$ 1,322,847	\$ 9,677,173

(Continued)

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 18 - FUND RAISING EXPENSES

Fundraising expenses, for the years ended June 30, 2024 and 2023, consist of the following:

	2024	2023
Fund raising departments	\$ 269,268	\$ 359,821
Fund raising support departments	50,750	152,402
Alumni relations department	231,686	249,216
	<u> </u>	<u> </u>
Totals	<u>\$ 551,704</u>	<u>\$ 761,439</u>

The Foundation partially supports the University's fundraising efforts by underwriting the costs of several of its fund raising functions within the University's Advancement Division, as well as areas supporting those functions. Included in these functions are annual appeals, major donor gift officer activities, corporate and foundation relations, planned giving, major donor cultivation and donor recognition events.

The Foundation also underwrites the costs of University events that enhance relations with the University community and its donors as well as costs associated with conducting the University's latest fundraising campaign, the last of which ended June 30, 2017.

NOTE 19 - MANAGEMENT AND GENERAL EXPENSES

Management and general expenses, for the years ended June 30, 2024 and 2023, consist of the following:

	2024	2023
Foundation board/committees	\$ 87,542	\$ 121,360
President & CEO Department	476,029	420,530
Finance Department	616,421	443,756
Legal	24,200	29,963
Building operation and maintenance	195,248	113,211
Unallocated		
Depreciation	118,899	118,022
Audit/tax filing fees	35,272	44,839
Insurance	22,421	21,550
Other	9,794	9,616
	<u> </u>	<u> </u>
Totals	<u>\$ 1,585,826</u>	<u>\$ 1,322,847</u>

(Continued)

NOTE 19 – MANAGEMENT AND GENERAL EXPENSES (Continued)

The Foundation underwrites those costs associated with its operation as a separately incorporated entity. The largest share of those costs relates to employees directly employed by the Foundation and its ownership of a building that was purchased in November 2012 to house its administrative offices as well as offices of the University's Advancement Division. During the fiscal year ended June 30, 2019, the Foundation hired two University Advancement employees to fill administrative positions as its direct employees. In fiscal year 2020, the Foundation employed its first President & CEO. Costs of these three positions, as well as five additional employees hired by the Foundation subsequently, are allocated to the Foundation board/committees, President & CEO, and Finance functions. Other significant expense categories include professional contracts for legal, tax and auditing services, insurance related to Foundation operations, meetings of the Foundation Board of Trustees and its related committees, and credit card processing fees.

NOTE 20 – PENSION PLAN

In August 2018, the Foundation established a defined contribution retirement plan for all full-time employees. Contributions are based on a percentage of gross wages. Total pension expenses for the years ended June 30, 2024 and 2023, were \$57,388 and \$48,811, respectively.

(Continued)

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 June 30, 2024 and 2023

NOTE 21 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2024 and 2023, comprise the following:

	2024	2023
Total assets	\$ 172,642,347	\$ 160,143,120
Donor restricted assets		
Donor designated funds	(96,003,715)	(88,538,407)
Donor endowed funds	<u>(58,406,060)</u>	<u>(56,831,337)</u>
Total assets without donor restrictions	<u>18,232,572</u>	<u>14,773,376</u>
Financial assets not available to meet cash needs for general expenditures within one year	<u>(4,417,723)</u>	<u>(4,255,133)</u>
Total financial assets	<u>13,814,849</u>	<u>10,518,243</u>
Internal designations		
Board designated endowments	(609,869)	(606,538)
Board designated general scholarship support	(1,312,882)	(750,000)
Amount set aside for market stabilization	(1,000,000)	(1,000,000)
Amount set aside for debt guaranty	<u>(600,000)</u>	<u>(600,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 10,292,098</u>	<u>\$ 7,561,705</u>

The Foundation receives a small stream of unrestricted contributions which it considers to be available to meet the cash needs for general expenditures of the organization. More significant revenue streams, such as administration fees and investment earnings on non-endowed assets, are also generated in support of its general operating expenditures.

The Foundation receives significant contributions restricted by donors to University programs and financial aid for students. The Foundation considers such contributions to be unavailable to meet the cash needs for general expenditures.

Likewise, the Foundation's endowment consists of donor-restricted funds and funds designated by the Foundation board as endowments. Donor-restricted contributions to endowment funds are restricted in perpetuity and, thus, are considered unavailable for general expenditure. Likewise, income generated by donor-restricted endowments is also restricted for specific purposes and are, therefore, not available for general expenditure.

(Continued)

NOTE 21 – LIQUIDITY AND AVAILABILITY (Continued)

Funds designated by the Foundation board as endowments (quasi-endowments) are not intended to be spent by the Foundation. However, these amounts could be made available as necessary. The Foundation maintains a market stabilization reserve (as further discussed in Note 15) that may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. As of June 30, 2024 and 2023, the market stabilization reserve was \$1,382,963 and \$1,304,432, respectively. However, because the market stabilization reserve policy caps the amount of the reserve at \$1,000,000, values over and above that amount are considered available for general use by the Foundation Board of Trustees.

The Foundation manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Foundation has a liquidity policy to maintain liquid assets in an amount sufficient to cover existing designated fund balances, approved strategic investment commitments and an operating reserve equal to twelve (12) months of operating expenses (average actual operating expenses for the past three fiscal years). To achieve these targets, the Foundation monitors its liquidity reserve quarterly throughout the fiscal year. Such analysis is utilized in the development of the Foundation's annual operating budget, as well as in considering requests made by the University for special appropriations of unrestricted resources. As of June 30, 2024 and 2023, the operating reserve was \$2,203,852 and \$1,996,077, respectively. During the years ended June 30, 2024 and 2023, the level of liquidity and reserves was managed within the policy requirements.

(Continued)

SUPPLEMENTARY INFORMATION

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
SUMMARY OF TOTAL REVENUES (Unaudited)
For the ten years ended June 30, 2015 to 2024

Fiscal Year	Gifts and Contributions			Investment Earnings			Other Income (Losses)	Total Revenues	
	Without Donor Restrictions	With Donor Restrictions	Subtotal	Interest and Dividends	Realized Gains (Losses)	Unrealized Gains (Losses)			Subtotal
2015	\$ 147,684	\$ 11,424,503	\$ 11,572,187	\$ 2,738,783	\$ 5,833,612	\$ (6,173,070)	\$ 2,399,325	\$ 268,332	\$ 14,239,844
2016	151,419	9,257,155	9,408,574	6,409,866	1,284,952	(9,851,700)	(2,156,882)	111,079	7,362,771
2017	154,978	4,114,521	4,269,499	2,523,002	449,610	8,979,369	11,951,981	330,591	16,552,071
2018	146,034	4,745,363	4,891,397	3,905,611	1,765,292	1,592,066	7,262,969	318,301	12,472,667
2019	137,793	4,285,920	4,423,713	5,710,053	86,550	134,375	5,930,978	208,344	10,563,035
2020	131,126	9,918,173	10,049,299	5,261,642	(165,790)	(5,282,719)	(186,867)	8,386	9,870,818
2021	124,925	3,139,923	3,264,848	4,065,790	4,934,077	22,276,363	31,276,230	664,283	35,205,361
2022	149,929	5,418,510	5,568,439	15,037,908	1,025,582	(29,560,050)	(13,496,560)	(472,531)	(8,400,652)
2023	70,570	9,112,099	9,182,669	8,492,342	269,795	1,952,051	10,714,188	400,110	20,296,967
2024	48,975	5,119,945	5,168,920	7,183,903	(14,473)	9,191,297	16,360,727	759,712	22,289,359

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
SUMMARY OF TOTAL EXPENSES BY SERVICE AREA (Unaudited)
For the ten years ended June 30, 2015 to 2024

Fiscal Year	Program Services						Subtotal	Fund Raising	Management and General	Total Expenses
	Scholarships	University Programs	Athletic Programs	Research	Miscellaneous Grants	Other				
2015	\$ 3,053,382	\$ 4,026,473	\$ 677,883	\$ 538,708	\$ 1,082,706	\$ 19,300	\$ 9,398,452	\$ 1,599,698	\$ 399,267	\$ 11,397,417
2016	3,368,276	5,707,199	383,793	479,000	595,295	10,400	10,543,963	1,415,946	405,999	12,365,908
2017	3,037,346	5,906,322	426,541	495,393	243,545	90,368	10,199,515	1,037,528	382,935	11,619,978
2018	3,329,309	5,504,557	179,346	728,228	185,156	(18,900)	9,907,696	1,090,137	382,792	11,380,625
2019	3,290,754	4,291,085	257,309	701,294	93,105	(3,900)	8,629,647	960,775	636,294	10,226,716
2020	2,939,855	3,215,600	346,725	1,003,620	45,541	7,100	7,558,441	799,055	951,818	9,309,314
2021	3,072,025	1,868,056	222,318	428,695	40,711	(4,100)	5,627,705	620,163	1,138,800	7,386,668
2022	2,987,939	2,528,637	598,013	456,917	22,695	64,453	6,658,654	686,079	1,224,289	8,569,022
2023	3,144,682	3,325,109	768,341	320,171	31,234	3,350	7,592,887	761,439	1,322,847	9,677,173
2024	3,335,408	3,094,380	643,141	146,125	67,498	22,232	7,308,784	551,704	1,585,826	9,446,314

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
SUMMARY OF TOTAL EXPENSES BY OBJECT CATEGORY (Unaudited)
For the ten years ended June 30, 2015 to 2024

Fiscal Year	Salaries and Wages	Employee Benefits	Professional Services	Supplies	Travel	Information and Communications	Maintenance and Repair	Student Financial Aid	Other	Capital Purchases/Depreciation	Debt Service	Total Expenses
2015	\$1,936,174	\$ 504,022	\$2,101,344	\$ 350,743	\$ 784,954	\$ 739,224	\$ 273,553	\$3,246,465	\$ 449,886	\$1,001,720	\$ 9,332	\$ 11,397,417
2016	1,909,523	533,245	2,186,118	519,961	709,340	811,880	273,694	3,613,933	140,652	1,658,991	8,571	12,365,908
2017	2,100,559	541,860	2,358,551	537,301	904,218	701,342	256,343	3,233,209	207,629	770,138	8,828	11,619,978
2018	3,071,507	716,724	1,236,639	437,562	981,476	898,698	141,926	3,561,554	59,418	268,395	6,726	11,380,625
2019	2,294,243	648,022	500,948	444,516	833,584	705,625	158,971	3,492,424	130,113	1,018,270	-	10,226,716
2020	2,538,877	719,283	409,058	460,020	514,199	439,758	143,466	3,091,449	98,398	894,806	-	9,309,314
2021	1,967,061	539,060	232,730	476,813	81,258	439,735	117,020	3,212,188	39,846	280,957	-	7,386,668
2022	1,970,115	507,914	656,486	451,227	659,483	627,983	122,710	3,123,260	78,371	371,473	-	8,569,022
2023	1,754,902	524,167	890,411	299,607	766,387	737,364	165,116	3,408,589	73,959	1,056,671	-	9,677,173
2024	1,520,718	505,155	1,013,959	408,223	869,101	737,703	241,172	3,614,407	133,535	402,341	-	9,446,314

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
SUMMARY OF TOTAL ASSETS (Unaudited)
June 30, 2015 to 2024

Fiscal Year	Cash and Equivalents	Net Pledges Receivable	Receivable from Trusts	Investments	Annuity Assets	Capital Assets	Other Assets	Total Assets
2015	\$ 1,578,574	\$11,329,600	\$ 1,394,640	\$ 118,953,828	\$ 706,048	\$ 2,604,131	\$ 836,236	\$ 137,403,057
2016	1,049,283	12,381,300	1,314,700	112,339,191	744,395	2,532,135	1,707,219	132,068,223
2017	3,751,810	9,980,600	1,410,200	117,227,326	815,586	2,410,022	1,641,040	137,236,584
2018	2,403,792	7,616,900	1,529,900	118,974,016	837,991	2,287,911	3,290,261	136,940,771
2019	2,156,547	5,932,900	1,531,200	121,738,277	841,450	2,165,799	3,019,105	137,385,278
2020	2,170,778	7,205,300	1,522,800	121,460,627	816,458	2,045,729	2,423,159	137,644,851
2021	1,945,321	5,986,400	1,890,000	152,177,639	976,913	1,927,707	1,160,702	166,064,682
2022	5,527,170	5,088,800	1,521,700	133,476,052	787,881	1,809,685	1,070,854	149,282,142
2023	2,286,610	5,634,200	1,507,600	147,128,404	803,867	1,691,663	1,090,776	160,143,120
2024	1,877,147	3,784,800	1,753,800	161,669,058	856,162	1,607,830	1,093,550	172,642,347

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
SUMMARY OF TOTAL LIABILITIES AND NET ASSETS (Unaudited)
June 30, 2015 to 2024

Fiscal Year	LIABILITIES					NET ASSETS				
	Payable to WSU and Vendors	Deposits Held for Others	Annuities Payable	Loans Payable	Total Liabilities	Without Donor Restricts	Temporarily Restricted	Permanently Restricted	With Donor Restrictions	Total Net Assets
2015	\$ 1,425,543	\$ 2,026,895	\$ 328,800	\$ 800,000	\$ 4,581,238	\$ 7,623,690	\$ 82,213,309	\$ 42,984,920	\$ 125,198,229	\$ 132,821,919
2016	1,339,736	1,957,705	352,100	600,000	4,249,541	5,204,186	78,655,374	43,959,122	122,614,496	127,818,682
2017	1,654,727	2,056,483	374,600	400,000	4,485,810	7,549,356	80,664,493	44,536,926	125,201,419	132,750,775
2018	702,464	2,013,390	382,100	-	3,097,954	8,676,861	79,289,590	45,876,366	125,165,956	133,842,817
2019	718,440	2,113,602	374,100	-	3,206,142	9,235,224	78,318,778	46,677,613	124,943,912	134,179,136
2020	511,229	2,032,182	360,800	-	2,904,211	8,534,355	76,044,982	50,161,303	126,206,285	134,740,640
2021	719,877	2,434,172	351,300	-	3,505,349	14,046,730	97,634,047	50,878,556	148,512,603	162,559,333
2022	1,178,121	2,175,462	338,900	-	3,692,483	11,218,183	82,264,100	52,107,376	134,371,476	145,589,659
2023	1,310,153	2,298,714	324,800	-	3,933,667	12,352,149	87,467,380	56,389,924	143,857,304	156,209,453
2024	763,219	2,514,830	311,800	-	3,589,849	15,242,878	95,830,935	57,978,685	153,809,620	169,052,498

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
SUMMARY OF NET ASSET RESTRICTIONS AND DESIGNATIONS (Unaudited)
June 30, 2015 to 2024

Fiscal Year	Scholarships	University Programs	Athletic Programs	Research	Market Stabilization	Debt Guaranty	Undesignated	Total Net Assets
2015	44,525,336	68,187,153	128,390	12,941,749	1,118,077	600,000	5,321,114	132,821,819
2016	44,107,920	66,436,910	140,297	12,513,350	645,866	600,000	3,374,339	127,818,682
2017	46,609,113	66,667,777	184,459	12,324,784	1,168,147	600,000	5,196,495	132,750,775
2018	46,981,076	66,031,148	489,987	12,240,401	1,185,422	600,000	6,314,783	133,842,817
2019	47,040,704	65,823,412	760,738	11,900,237	1,254,326	600,000	6,799,719	134,179,136
2020	48,665,773	66,106,768	761,108	11,275,019	1,312,511	600,000	6,019,461	134,740,640
2021	58,945,769	76,830,624	1,033,782	12,305,923	1,353,371	600,000	11,489,864	162,559,333
2022	52,067,444	70,599,060	885,541	11,428,379	1,265,077	600,000	8,744,158	145,589,659
2023	55,572,204	76,967,637	810,042	11,863,959	1,304,432	600,000	9,091,179	156,209,453
2024	61,205,642	81,816,951	530,699	12,179,079	1,382,963	600,000	11,337,164	169,052,498

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
SUMMARY OF UNRESTRICTED GENERAL FUND REVENUES (Unaudited)
For the ten years ended June 30, 2015 to 2024

Fiscal Year	Gifts and Contributions	Gift Fees	Interest and Dividends	Realized Gains (Losses)	Unrealized Gains (Losses)	Administrative Fees	Rental Income	Other Income (Expense)	Totals
2015	\$ 147,685	\$ -	\$ 802,712	\$ 1,806,404	\$ (2,370,247)	\$ 871,936	\$ 185,350	\$ 62,247	\$ 1,506,087
2016	151,419	-	1,617,594	(85,005)	(2,626,802)	845,485	188,603	16,897	108,191
2017	154,978	-	735,760	217,475	2,145,521	782,438	74,096	32,948	4,143,216
2018	146,034	-	1,056,778	470,442	172,558	838,811	74,678	107,747	2,867,048
2019	137,793	-	1,285,673	89,627	(80,873)	860,645	74,678	(71,443)	2,296,100
2020	131,126	-	1,158,806	129,520	(1,175,518)	1,062,979	74,678	(73,200)	1,308,391
2021	124,925	-	1,019,496	(122,605)	5,115,062	1,219,646	76,878	85,945	7,519,347
2022	149,929	174,353	2,532,423	644,891	(5,714,935)	1,526,310	77,078	(69,526)	(679,477)
2023	70,570	150,085	1,606,784	199,823	154,183	1,356,775	109,055	31,043	3,678,318
2024	48,975	76,662	1,925,424	4,079	1,822,225	1,427,255	151,959	39,709	5,496,288

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
SUMMARY OF UNRESTRICTED GENERAL FUND EXPENSES (Unaudited)
For the ten years ended June 30, 2015 to 2024

Fiscal Year	Program Services			Fund Raising				Management and General						Totals
	Scholarships	Miscellaneous Grants	Other Program Expenses and Losses (Gains)	Fund Raising Leadership	Fund Raising Departments	Fund Raising Support Departments	Alumni Relations	Foundation Board/Committees	President & CEO Department	Finance Department	Legal	Building Operation & Maintenance	Unallocated ¹	
2015	\$ 29,430	\$1,082,706	\$ -	\$ -	\$1,410,555	\$ 189,143	\$ -	\$ 19,298	\$ -	\$ -	\$ 9,481	\$ 149,299	\$ 240,489	\$ 3,130,401
2016	32,660	595,295	-	23,275	1,168,468	224,203	-	18,243	-	-	8,568	134,986	254,602	2,460,300
2017	30,600	243,545	115,268	174,321	379,551	282,984	200,672	29,608	-	-	19,806	105,214	228,307	1,809,876
2018	34,059	185,156	(100)	154,730	372,564	361,659	201,184	9,392	-	-	27,958	129,001	216,441	1,692,044
2019	28,944	93,105	-	136,223	361,437	221,242	241,873	26,027	11,226	177,018	10,051	99,377	312,595	1,719,118
2020	28,500	45,541	-	-	322,497	225,847	250,711	78,484	325,962	206,202	13,963	116,227	210,980	1,824,914
2021	22,677	40,711	-	-	306,801	162,220	151,142	73,743	419,279	304,266	30,124	114,203	197,185	1,822,351
2022	23,456	22,695	59,053	-	309,445	149,244	227,390	104,853	376,175	423,853	15,617	121,514	182,277	2,015,572
2023	29,388	31,234	1,650	-	359,821	152,402	249,216	121,360	420,530	443,756	29,963	113,211	194,027	2,146,558
2024	219,666	67,498	24,732	-	269,268	50,750	231,686	87,542	476,029	616,421	24,200	195,248	186,386	2,449,426

¹ Unallocated expenses include depreciation, professional services fees, insurance, taxes and miscellaneous operating expenses.

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
SUMMARY OF VARIOUS INVESTMENT DATA (Unaudited)
For the ten years ended June 30, 2015 to 2024

Fiscal Year	Actual Year-End Asset Allocation Percentages				Endowment Portfolio Liquidity				Total Net Return	Investment Fees	Endowed Pool		Non-endowed Pool	
	Equities	Fixed Income	Alternatives	Cash	Daily	Quarterly	Semi-annually	Illiquid			Return ¹	Index	Return ²	Index
2015	44.6%	31.1%	24.3%	0.0%	75.7%	9.2%	7.4%	7.7%	\$ 2,399,325	\$ 726,254	2.3%	1.4%	1.3%	1.1%
2016	49.2%	33.7%	16.3%	0.8%	83.7%	0.0%	6.9%	9.4%	(2,156,882)	784,436	-2.5%	0.8%	-0.9%	1.8%
2017	51.2%	32.5%	16.3%	0.0%	80.1%	0.0%	8.0%	11.9%	11,951,981	801,708	12.1%	11.3%	9.8%	8.9%
2018	47.4%	34.3%	18.3%	0.0%	78.3%	0.0%	7.8%	13.9%	7,262,969	769,099	6.5%	7.0%	5.7%	5.8%
2019	47.8%	34.6%	17.6%	0.0%	79.8%	0.0%	7.6%	12.6%	5,930,978	767,030	4.2%	5.7%	5.0%	6.1%
2020	57.3%	27.2%	15.5%	0.0%	81.9%	0.0%	7.5%	10.6%	(186,867)	766,738	-0.6%	2.2%	0.6%	2.1%
2021	58.4%	27.3%	14.3%	0.0%	85.1%	0.0%	7.9%	7.0%	31,276,230	710,104	28.9%	26.6%	22.5%	18.1%
2022	54.3%	26.7%	16.2%	2.8%	82.9%	0.0%	9.1%	8.0%	(13,496,560)	766,786	-9.9%	-10.9%	-8.9%	-11.0%
2023	57.2%	27.0%	15.8%	0.0%	82.8%	3.9%	8.5%	4.8%	10,714,188	759,168	8.3%	8.6%	6.9%	7.8%
2024	57.0%	27.6%	15.5%	0.0%	82.7%	3.8%	9.2%	4.3%	16,360,727	852,591	11.7%	10.9%	11.4%	10.4%

¹ Net of fees, excludes private equity returns

² Net of fees

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
SUMMARY OF VARIOUS ENDOWMENT DATA (Unaudited)
For the ten years ended June 30, 2015 to 2024

Fiscal Year	Number of True and Quasi-Endowment Funds	Endowment Value			Endowment Administrative Fee	Nominal Spending Rate ¹	Effective Spending Rate ²	Endowment Distributions
		Donor Restricted	Board Designated	Total Value				
2015	441	52,250,320	39,900,059	92,150,379	1.00%	5.00%	4.78%	4,126,210
2016	465	49,465,601	35,343,263	84,808,864	1.00%	5.00%	5.16%	4,464,361
2017	486	52,624,936	37,161,431	89,786,367	1.00%	5.00%	5.20%	4,299,241
2018	505	54,712,947	37,599,344	92,312,291	1.00%	4.50%	4.13%	3,529,041
2019	517	55,421,270	37,590,406	93,011,676	1.00%	4.50%	4.00%	3,705,020
2020	543	56,233,941	35,411,709	91,645,650	1.25%	4.00%	3.55%	3,439,831
2021	563	69,108,339	43,039,724	112,148,063	1.50%	4.00%	3.73%	3,555,268
2022	569	60,696,702	37,031,071	97,727,773	1.50%	4.50%	3.83%	4,214,717
2023	591	67,137,976	38,040,393	105,178,369	1.50%	4.50%	4.00%	3,988,649
2024	603	73,298,516	40,011,184	113,309,700	1.50%	4.00%	3.70%	3,996,927

¹ As defined by Foundation's investment policy statement

² Defined as annual endowment distribution divided by market value of endowment portfolio on July 1

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
SUMMARY OF FINANCIAL RATIOS (Unaudited)
For the ten years ended June 30, 2015 to 2024

Fiscal Year	Current Ratio	Days Cash on Hand	Return on Average Net Assets	Program Spending Ratio	Fund Raising Spending Ratio	Management And General Spending Ratio	Interest Expense Pct.
2015	3.24	50.55	2.16%	82.29%	14.04%	3.50%	0.01%
2016	3.63	30.97	-3.84%	85.27%	11.45%	3.28%	0.01%
2017	3.81	117.85	3.79%	87.78%	8.93%	3.30%	0.01%
2018	8.91	77.09	0.82%	87.06%	9.58%	3.36%	0.02%
2019	7.53	76.97	0.25%	84.38%	9.39%	6.22%	0.00%
2020	9.52	85.11	0.42%	81.19%	8.58%	10.22%	0.00%
2021	6.50	96.12	18.71%	76.19%	8.40%	15.42%	0.00%
2022	6.63	235.43	-10.88%	77.71%	8.01%	14.29%	0.00%
2023	3.93	86.25	6.86%	78.46%	7.87%	13.67%	0.00%
2024	4.15	72.53	7.90%	77.37%	5.84%	16.79%	0.00%

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
SUMMARY OF INSTITUTIONAL DATA (Unaudited)
For the year ended June 30, 2024

Date of incorporation	December 15, 1966
Tax-exempt status	501(c)(3)
Public charity status	Sec. 170(b)(1)(A)(vi)
Employer identification number	23-7019799
Wright State University	
Date founded	1964
Date achieved independent university status	1967
Tax-exempt status	501(c)(1)
Employer identification number	31-0732831
Student population (Fall 2023):	
Total enrollment (some students attend both campuses)	11,036
Dayton Campus	9,637
Lake Campus	1,120
Both campuses	279
Characteristics:	
Men/women	45%/55%
Full-time/part-time	77%/23%
Undergraduate/Graduate/Doctoral	74%/20%/6%
International students	1,213
Minority students (excludes international students)	25%
Age 25 and older	26%
Mean age, all students	23 years
Academics:	
Number of colleges	6
Number of schools	1
Degree programs:	
Undergraduate	177
Graduate	169
Full time employees:	
Faculty Full Time/Part Time	498/351
Staff Full Time/Part Time	869/28
Graduate Assistants	199
Total	1,945
Facilities:	
Dayton Campus:	
Acreage	634
Academic and academic support buildings	32
Student residential buildings	30
Lake Campus:	
Acreage	103
Academic and academic support buildings	4
Student residential buildings	3
Number of degrees awarded since inception	140,250
Number of alumni	121,920
Research grant awards	\$53,645,511

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Audit Committee and Board of Trustees
Wright State University Foundation, Inc.
Dayton, Ohio

We have audited, in accordance with the 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 (*Government Auditing Standards*), the consolidated financial statements of Wright State University Foundation, Inc., which comprise the Wright State University Foundation, Inc.'s consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 3, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Wright State University Foundation, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Wright State University Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Wright State University Foundation, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Wright State University Foundation, Inc's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

Cincinnati, Ohio
October 3, 2024