

WRIGHT STATE *UNIVERSITY*

Annual Report and Single Audit Reports For Federal Awards For the Year Ended June 30, 2007

Office of the Controller
3640 Colonel Glenn Hwy.
Dayton, OH 45435-0001



Mary Taylor, CPA
Auditor of State

Board of Trustees
Wright State University
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We have reviewed the *Report of Independent Auditors* of the Wright State University, Greene County, prepared by Crowe Chizek and Company LLC, for the audit period July 1, 2006 through June 30, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Wright State University is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

January 9, 2008

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WRIGHT STATE UNIVERSITY

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Wright State University's Management Discussion and Analysis (MD&A) presents an overview of its financial condition and assists the reader in focusing on significant financial issues for the year ended June 30, 2007 with selected comparative information for the years ended June 30, 2006 and 2005. The discussion has been prepared by management and should be read in conjunction with the accompanying financial statements and footnotes. The financial statements, footnotes, and this discussion are the responsibility of management.

Financial and Other University Highlights

- Dr. Kim Goldenberg, Wright State University's 5th president, stepped down on February 1, 2007 after nearly nine years in office. Dr. David Hopkins, who served as the university's provost since 2003, was appointed his successor. There were many accomplishments during Dr. Goldenberg's tenure as president. One noteworthy achievement was the considerable improvement in the financial health of the University and The Wright State University Foundation (Foundation). From June 30, 1998 through June 30, 2006, the combined restricted and unrestricted net assets of the University and Foundation increased nearly four-fold from approximately \$57 million in 1998 to approximately \$220 million in 2006. This was accomplished with a nearly flat level of state support and rising enrollment over that same time period.
- Total state appropriations increased by \$2.0 million in 2007 over 2006 after subtracting the effect of OhioLINK (a statewide library initiative for which the University serves as fiscal agent). This increase is a reflection of an overall increase in the level of support given to higher education in 2007. State appropriations were flat in 2006 as compared to 2005. The University is encouraged by recent changes in the priority given higher education by the State.
- Full-time undergraduate student tuition was increased 6% for fiscal year 2007. Part-time rates increased approximately 4% - 4.5%. The Boonshoft School of Medicine increased their tuition 9.9%. Despite these increases, the University still maintains the fourth lowest in-state undergraduate tuition rate among the State of Ohio's thirteen four-year public institutions, an achievement in which the University continues to take pride.
- Net assets increased \$14.8 million at June 30, 2007 from June 30, 2006, \$11.6 million of which was attributable to an increase in capital assets, net of depreciation and associated debt. Major improvements and expansions continued in 2007 with the Student Union, Russ Engineering Building, and most significantly the university's science facilities.
- For over a decade, the University had been experiencing annual increases in enrollment; however fiscal 2007 saw a decline in enrollment as fall student headcount fell 1.2% from 2006 and full time equivalent (FTE) students decreased 1.6%.
- For the 28th consecutive year, top honors went to Wright State students at the National Model United Nations (NMUN) conference in New York City.

The university's first capital campaign entitled "*Tomorrow Takes Flight: The Campaign for Wright State University*", concluded with approximately \$123 million in contributions and commitments, far exceeding the original campaign goal of \$40 million.

- The University began celebration in 2007 of its 40th anniversary as a public university in the State of Ohio. The University was founded in 1967 and has events planned throughout 2007 to celebrate the growth and successes of the past 40 years. The University is proud of its accomplishments over the years, not the least of which is the fact that it has graduated over 75,000 students with nearly two-thirds of them still living in Ohio, contributing their talents to their state and communities in many ways.

Using the Annual Report

This annual report includes three financial statements: the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Net Assets, and the Statement of Cash Flows. These financial statements are prepared in accordance with GASB Statement No. 35, *Basic Financial Statements-and Management's Discussion and Analysis-For Public Colleges and Universities*. These statements focus on the financial condition of the University, the results of operations, and cash flows of the University as a whole. All comments and discussions included in this discussion and analysis relate only to Wright State University and not to the Wright State University Foundation unless specifically noted.

The three financial statements should help the reader of the annual report determine whether the university's overall financial condition has improved or deteriorated as a result of the current year's financial activities. These financial statements present similar information to that disclosed in private sector (i.e. corporate) financial statements. The financial statements will also assist the reader in evaluating the ability of the University to meet its financial obligations. The Statement of Cash Flows presents information related to both cash inflows and cash outflows and is further categorized by operating, noncapital financing, capital and related financing, and investing activities.

Statements of Net Assets

The Statement of Net Assets, which reports all assets and liabilities of the University, presents the financial position of the University at the end of the fiscal year. Our net assets are simply the difference between total assets and total liabilities. The change in net assets during the fiscal year is an indicator of the change in the overall financial condition of the University during the year. A summary of the university's assets, liabilities, and net assets as of June 30 is as follows:

	2007	2006	2005
	<u>(All dollar amounts in thousands)</u>		
Current assets	\$ 69,407	\$ 86,676	\$ 84,496
Noncurrent assets:			
Capital assets, net	275,825	253,157	228,641
Other	<u>129,117</u>	<u>121,264</u>	<u>119,148</u>
Total assets	<u>474,349</u>	<u>461,097</u>	<u>432,285</u>
Current liabilities	69,776	68,001	64,926
Noncurrent liabilities	<u>44,949</u>	<u>48,238</u>	<u>51,114</u>
Total liabilities	<u>114,725</u>	<u>116,239</u>	<u>116,040</u>
Net assets:			
Invested in capital assets, net of related debt	238,244	226,597	206,594
Restricted	19,412	18,676	22,321
Unrestricted	<u>101,968</u>	<u>99,585</u>	<u>87,330</u>
Total net assets	<u>\$ 359,624</u>	<u>\$ 344,858</u>	<u>\$ 316,245</u>

The university's net assets continued to increase in 2007, driven primarily by a large increase in capital assets, net of depreciation and related debt. The University continued with renovations and expansions of its physical facilities that have been on-going for several years. Increased enrollments and an expanding research base continue to drive a need for additional space with improved functionality. The largest investments in 2007 were in the university's science facilities and the Student Union. Restricted and unrestricted net assets saw a modest increase of \$3.1 million in 2007 primarily as a result of positive revenue variances that exceeded the amounts invested in facilities from these sources.

Total assets have increased \$13.2 million in 2007 over 2006. *Current assets*, comprised primarily of cash and operating investments, student and sponsor receivables, and prepaid expenses, actually decreased by \$17.3 million in 2007 from 2006. This is because the University had \$16.9 million less in cash and operating investments in 2007 than in 2006 and more in long-term investments (classified as noncurrent assets). Prepaid expenses, which are primarily composed of license agreements made on behalf of the OhioLINK program for which the University is the fiscal agent, increased \$2.2 million in 2007 over 2006 as a result of an increase in the amount of OhioLINK license agreements. Accounts receivable decreased by \$1.7 million, primarily due to improved billings and collections with sponsor receivables from research and sponsored program activities in 2007.

Other noncurrent assets increased \$7.8 million from \$121.3 million in 2006 to \$129.1 million in 2007. These assets are comprised of long-term investments, long-term student loans receivable, longer term prepaid expenses, and restricted cash and investments. This \$7.8 million increase is comprised of an increase of \$21.9 million in long-term investments (there was a corresponding decrease in *current* cash and operating investments) offset by a \$14.8 million decrease in restricted investments. The \$14.8 million decrease is due to spending down the majority of the remaining 2004 bond proceeds that were invested to complete certain capital projects during 2007. Capital assets, net of depreciation increased from \$253.2 million in 2006 to \$275.8 million in 2007. This increase of \$22.6 million is due primarily to the continued investments in the university's new and renovated science facilities and improvements to the Student Union.

The 2006 increase in total assets was \$28.8 million over 2005. This was also largely attributable to an increase in capital assets, net of depreciation.

Total assets of the Wright State University Foundation increased from \$105.3 million at June 30, 2006 to \$123.2 million at June 30, 2007, an increase of \$17.9 million. Investments comprise \$105.8 million of the \$123.2 million at June 30, 2007 and gifts and pledges receivable comprise another \$13.2 million. The increase in total assets of \$17.9 million can be attributed primarily to investment returns and the continued success of fundraising efforts.

Current liabilities are comprised primarily of accounts payable and accrued liabilities, deferred revenues from both student fees and advance payments for contracts and grants, and the current portion of long-term liabilities. These liabilities only increased \$1.8 million from \$68.0 million at June 30, 2006 to \$69.8 million at June 30, 2007. This increase is mainly attributable to the accrual of summer payroll that was worked in June, 2007. This payroll was not paid until July, 2007. For the year ended June 30, 2006 it was paid in June of 2006 so an accrual was not necessary. The largest component of current liabilities is deferred revenue, which remained relatively unchanged from \$35.0 million in 2006 to \$35.2 million in 2007.

Current liabilities increased from \$64.9 million at June 30, 2005 to \$68 million at June 30, 2006. This increase of \$3.1 million was almost entirely the result of liabilities associated with the university's two retirement systems that were paid after June 30, 2006 in 2006 but paid in June, 2005 in the prior year.

Noncurrent liabilities were \$48.2 million at June 30, 2006 and decreased to \$44.9 million at June 30, 2007. This decrease of \$3.3 million is solely the result of payments against the university's debt obligations.

Net assets represent what is left of the university's assets after deducting liabilities. A more detailed summary of the university's net assets as of June 30 is as follows:

	2007	2006	2005
	(All dollar amounts in thousands)		
Invested in capital assets, net of related debt	\$ 238,244	\$ 226,597	\$ 206,594
Restricted:			
Nonexpendable			1,364
Expendable	19,412	18,676	20,957
Unrestricted:			
Designated	89,982	93,565	82,999
Undesignated	11,986	6,020	4,331
Total net assets	<u>\$ 359,624</u>	<u>\$ 344,858</u>	<u>\$ 316,245</u>

Invested in capital assets, net of related debt represents the university's capital assets after subtracting accumulated depreciation and the principal amount of outstanding debt attributable to the acquisition, construction or improvement of those assets. As previously discussed, during 2007 the University continued its expansion and renovation of its science facilities and Student Union. The science facilities project will improve both instructional space and research facilities. The renovation of the Student Union is primarily related to improving and expanding space for recreation, fitness, student government, and health services. To a lesser magnitude, improvements also continued with the university's Creative Arts facility and the Boonshoft School of Medicine's White Hall.

Restricted nonexpendable is a category that describes gifts which are subject to external restrictions requiring that the principal be invested in perpetuity with only the cumulative earnings on those gifts being spent. For Wright State, that was composed of the university's permanent endowments. It did not include the endowments held by the Wright State University Foundation, to which all gifts are currently directed. The University had no such net assets in 2007 or 2006 as it transferred its endowment funds to the WSU Foundation to manage during 2006. Therefore, there was a decrease of nonexpendable assets of \$1.4 million during 2006, which represented the entire amount held by the University. *Restricted expendable* represents funds that are externally restricted to specific purposes, such as student loans or sponsored projects. \$18.4 million and \$18.1 million of the restricted expendable fund balances at June 30, 2007 and June 30, 2006, respectively, represent funds restricted for student loans.

Unrestricted net assets are funds that the University has at its disposal to use for whatever purposes it determines appropriate. While these net assets are not subject to external restrictions, the University has designated these funds internally for various academic, research, student aid, and capital purposes. Each year the majority of any increase in fund balance is designated for one of these purposes. Colleges and divisions are able to retain their own budgeted funds that are not spent at the close of the fiscal year. We believe this practice permits the units to manage their resources more effectively, allowing them to hold them for higher priorities in later years. This policy also benefits the University as a whole by encouraging the accumulation of reserves that provide financial stability during periods of fiscal stress and that generate investment income that supplements other revenue sources. In addition, it also supports the goal of increased university reserves that is a component of the university's financial policy. Surpluses generated outside of the specific colleges and divisions (i.e. general university surpluses) are frequently designated for specific university projects that support strategic initiatives.

Statements of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net Assets presents the results of operations for the University. A summary of the university's revenues, expenses and changes in net assets for the year ended June 30 is as follows:

	2007	2006	2005
	<u>(All dollar amounts in thousands)</u>		
Operating Revenues:			
Student tuition and fees - net	\$ 114,851	\$ 107,293	\$ 99,537
Grants and contracts	96,904	92,541	87,854
Sales and services	7,285	7,142	7,429
Auxiliary enterprises	15,605	15,376	14,444
Other	<u>2,558</u>	<u>2,184</u>	<u>1,746</u>
Total	237,203	224,536	211,010
Operating expenses	<u>347,744</u>	<u>317,918</u>	<u>305,434</u>
Operating loss	(110,541)	(93,382)	(94,424)
Nonoperating revenues (expenses):			
State appropriations	94,315	91,796	93,099
Gifts	6,462	5,466	5,224
Investment income	16,547	8,774	4,966
Interest expense	(1,138)	(1,256)	(1,058)
Other income (expense)	(1,544)	(4,825)	2
Capital appropriations	7,560	10,916	4,678
Capital grants and gifts	<u>3,105</u>	<u>11,124</u>	<u>801</u>
Total	125,307	121,995	107,712
Increase in net assets	14,766	28,613	13,288
Net assets - beginning of year	<u>344,858</u>	<u>316,245</u>	<u>302,957</u>
Net assets - end of year	<u>\$ 359,624</u>	<u>\$ 344,858</u>	<u>\$ 316,245</u>

Interpretation of the university's Statements of Revenues, Expenses, and Changes in Net Assets is complicated by the fact that Wright State University serves as the fiscal agent for the statewide library program known as OhioLINK. This program's revenues from state appropriations, federal pass-through grants (Grants and contracts) and from other college and university libraries (Grants and contracts) and expenses are all included in our financial statements. At certain points in this analysis, we present information net of OhioLINK revenues or expenditures. The total revenues and expenses attributable to OhioLINK are as follows:

OhioLINK Revenues and Expenses
For the Year Ended June 30

	<u>2007</u>	<u>2006</u>	<u>Difference</u>	<u>Percent Increase (Decrease)</u>
Revenues:				
Grants and contracts	\$ 23,802,138	\$ 25,061,879	\$ (1,259,741)	(5.0)%
State appropriations	7,536,874	7,011,462	525,412	7.5%
Total revenues	<u>\$ 31,339,012</u>	<u>\$ 32,073,341</u>	<u>\$ (734,329)</u>	<u>(2.3)%</u>
Expenses:				
Total OhioLINK	<u>\$ 31,339,012</u>	<u>\$ 32,073,341</u>	<u>\$ (734,329)</u>	<u>(2.3)%</u>

The university's primary revenue sources are state appropriations and student tuition and fees. These fund the ongoing programs and operations of the University. Accounting standards classify state appropriations as a nonoperating revenue source in the financial statements. However, since the University continues to rely upon state funding as a primary funding source, it manages state funding as an operating revenue item. Over the last decade, the amount of state appropriations allocated to Wright State and higher education in general has been relatively flat, while enrollments have grown significantly. This is indicative of the pressures on the state budget in recent years and of the relatively low priority assigned to higher education during this period. This erosion of state funding per student has required the University to raise tuition at a magnitude greater than desired in order to fund the costs of serving enrollment growth as well as responding to inflationary pressures. In addition, the University has continually made investments in academic programs, facilities and the personnel necessary to meet the strategic initiatives of the University. The University has been successful in complementing state appropriations and student tuition and fees with other revenue sources and has also effectively managed costs in order to limit the burden on students. Still, it has been necessary to annually increase student tuition and fees over the years to balance the budget. The table below demonstrates how the State of Ohio over the past two and a half decades has forced universities to shift the burden for funding the cost of higher education to students and their families.

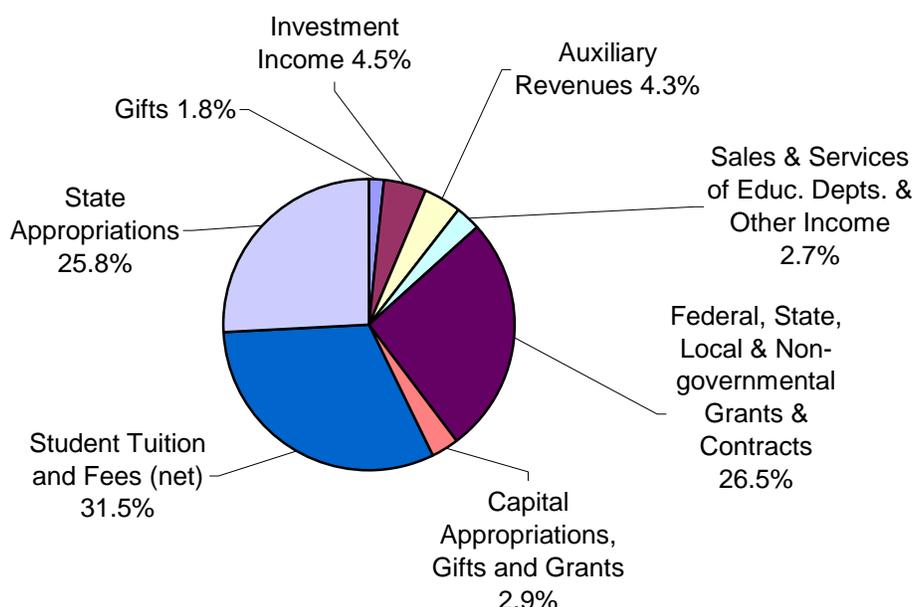
State Appropriations per Dollar of Gross Tuition

<u>Fiscal Year</u>	<u>Gross Tuition</u>	<u>State Appropriations net of OhioLINK</u>	<u>Net State Appropriations per Dollar of Gross Tuition</u>
1980	\$ 13,833,157	\$ 29,604,813	\$ 2.14
1990	40,939,473	63,889,505	1.56
2001	74,956,371	86,874,854	1.16
2002	82,426,162	86,461,640	1.05
2003	94,242,118	85,513,853	0.91
2004	107,972,107	86,565,632	0.80
2005	121,717,222	84,724,080	0.70
2006	131,262,871	84,784,334	0.65
2007	139,584,821	86,778,437	0.62

As can be seen by the table, while state appropriations did increase in 2007, it is still a decreasing share of revenues that are necessary to support the operations of the University. Students and their families are still forced to fund a much greater share of the cost of their education than was necessary in earlier years.

There are signs, though, that the State is beginning to see the value of higher education. State appropriations did increase in 2007. In addition, for the two year biennium ending June 30, 2009, the State has appropriated a substantial increase in support of higher education. The University is hopeful that this is the beginning of a trend that will continue well into the future. Through 2007, even with the escalating levels of tuition, the University continues to maintain a lower than average level of tuition and fees relative to other Ohio four-year public institutions. Wright State is maintaining its rank as the fourth lowest (out of 13) of the four-year public institutions with respect to student tuition rates. It should be noted that of the lower three universities, two receive special state funding that Wright State does not receive.

Below is a graphic illustration of revenues by source for the year ended June 30, 2007.



State appropriations increased from \$91.8 million in 2006 to \$94.3 million in 2007, an increase of \$2.5 million. An increase of \$2.0 million reflects a slight overall increase in state support, while OhioLINK accounts for the other \$.5 million of the increase. State appropriations were \$93.1 million in 2005. The 2006 decrease was entirely the result of a decrease in OhioLINK. The level of state appropriations is no longer a function of enrollments.

Net student tuition and fees were \$114.9 million, \$107.3 million, and \$99.5 million in 2007, 2006, and 2005, respectively which provided an increase of 7% from 2006 to 2007 and just under 8% from 2005 to 2006. Tuition increases for most students were approximately 6% in both 2007 and 2006. The increases were larger for the Boonshoft School of Medicine students. This increase in tuition rates and changes in enrollments and student credit hour mixes account for the increase in tuition and fees.

Grants and contracts were \$96.9 million in 2007, increasing \$4.4 million from the 2006 level of \$92.5 million. The 2005 level was \$87.9 million. The university's focus on research continues to pay rewards as funding continues to increase. In particular, federal awards increased in 2007. The Boonshoft School of Medicine's sponsored revenues increased approximately \$4.0 million due to funding provided to establish a mobile emergency response unit and the establishment and operation of Acute Care and Emergency Help Centers.

Auxiliary revenues were relatively flat in 2007 as compared to 2006. Total revenues were \$15.6 million, \$15.4 million, and \$14.4 million for the years ended June 30, 2007, 2006, and 2005, respectively.

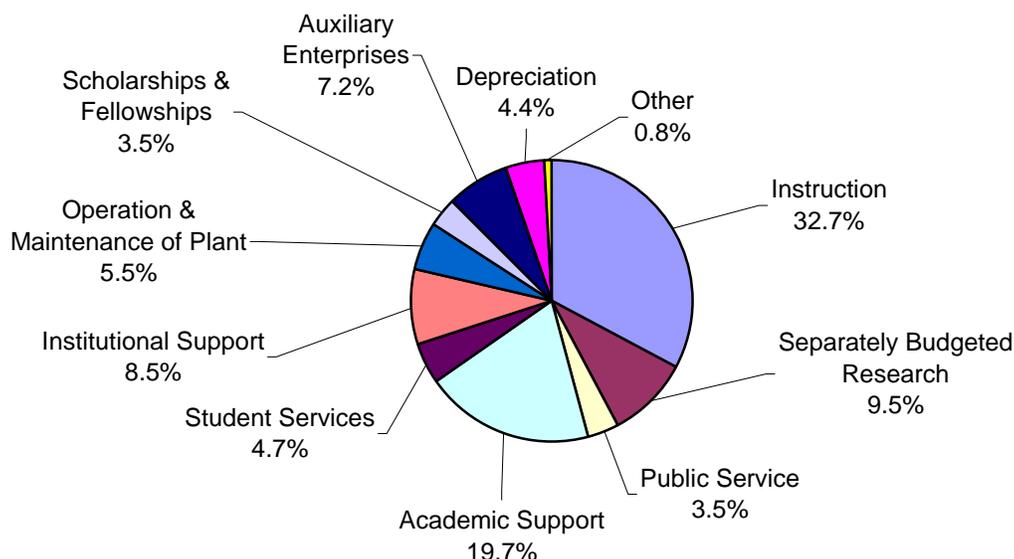
Auxiliary enterprises are comprised of residence services, bookstores, food services, parking and transportation, intercollegiate athletics, the Student Union, and the Nutter Center. The 2006 increase in revenues was the result of an increase in revenues at the Nutter Center, which is a state of the art facility which hosts a wide variety of events and performances such as concerts, civic events, and athletic events.

Sales and services, which are primarily revenues generated from specific departmental sales activities to organizations external to the University, were \$7.3 million, \$7.1 million, and \$7.4 million for the years ended June 30, 2007, 2006 and 2005, respectively.

Investment income was \$16.5 million, \$8.8 million, and \$5.0 million in 2007, 2006, and 2005, respectively. The University was the beneficiary of an excellent investment market in 2007, which resulted in an 87% increase in investment income over 2006. Assisting with the positive investment climate was a growing investment base over the last decade. This is a result of changes in the university's investment policy over the same period of time that has resulted in more aggressive, yet prudent investment allocations. In addition, careful management of expenses has allowed reserves to grow. Increasing investment income is important as the University has come to rely more and more upon it as a funding source to supplement other university revenues.

Capital Appropriations, Gifts and Grants were \$10.7 million in 2007, a decrease of \$11.3 million over the \$22.0 million realized in 2006. This decrease was primarily the result of a large amount of capital gifts in 2006 in the amount of \$9.7 million used for the expansion of engineering research facilities, an athletic pavilion, and software licenses for use by students in the Raj Sooin College of Business. In addition, capital appropriations from the State of Ohio decreased several million dollars in 2007. The capital appropriations that the University did receive in 2007 were used primarily for the university's science facilities, new engineering addition, and basic renovations. Capital appropriations, gifts and grants amounted to \$5.5 million in 2005.

The following is a graphic illustration of expenses by function for the year ended June 30, 2007.



Overall operating expenses were \$347.7 million in 2007 as compared to \$317.9 million and \$305.4 million in 2006 and 2005, respectively. The total increase in operating expenses for 2007 amounted to \$29.8 million. Employee compensation and benefits increased from \$192.5 million to \$211.7 million, an increase of \$19.2 million, or 10%. Employee costs are the largest single expense category for the University and consistent with prior years were the largest single contributor to the 2007 increase in operating expenses.

These costs increased due to an annual compensation increase in 2007 as well as adding some additional positions during the year in support of the university's strategic initiatives and its recent enrollment growth. In addition, employee benefit costs, most notably health insurance, increased in excess of 12%. Supplies costs also increased approximately \$5.1 million in 2007. This is the result of equipping some of the new and renovated facilities with furniture and equipment, supplementing the university's recently installed ERP system with complementary software and hardware to enhance functionality, and outfitting the externally funded Acute Care Centers with supplies and equipment. In addition, depreciation expense increased from \$13.7 million in 2006 to \$15.6 in 2007, an increase of \$1.9 million. This increase is primarily due to depreciation beginning in 2007 on the university's new ERP system. The majority of the \$12.5 million increase in operating expenses from 2005 to 2006 (\$8.8 million) was attributable to increases in employee compensation and benefits. An additional \$1.6 million was due to an increase in utility costs.

The University made some major investments in its infrastructure in 2007. Additional funds were invested in facilities to build, renovate, and equip facilities. These are described elsewhere in the MD&A. In conjunction with the university's recently installed ERP system, additional hardware and software acquisitions were necessary to enhance the efficiency of its operation. Additional human capital was necessary to support the operation of the new system, both in terms of permanent employees as well as additional consulting services. The University also engaged in strategic activities that have short-term costs with the anticipation of long-term gains. An example of this is the transition of the Purchasing Department during 2007 from simply facilitating a bidding process for goods and services to being a more strategic negotiator of contracts that will result in more favorable pricing for the University. The University believes that these kinds of investments will be necessary to operate on a sound fiscal basis in the years ahead.

Statements of Cash Flows

The Statement of Cash Flows also provides information about the university's financial health by reporting the cash receipts and cash payments of the University during the year ended June 30, 2007. A summary of the Statements of Cash Flows is as follows:

	2007	2006	2005
	<u>(All dollar amounts in thousands)</u>		
Cash provided (used) by:			
Operating activities	\$ (91,780)	\$ (79,042)	\$ (87,505)
Noncapital financing activities	99,906	97,901	97,913
Capital and related financing activities	(34,656)	(21,084)	20,751
Investing activities	<u>7,941</u>	<u>(25,986)</u>	<u>(7,861)</u>
Net increase (decrease) in cash and cash equivalents	(18,589)	(28,211)	23,298
Cash and cash equivalents-beginning of year	<u>37,363</u>	<u>65,574</u>	<u>42,276</u>
Cash and cash equivalents-end of year	<u>\$ 18,774</u>	<u>\$ 37,363</u>	<u>\$ 65,574</u>

Cash and cash equivalents decreased \$18.6 million from 2006 to 2007. This was primarily driven by the use of cash for capital purposes. Cash flows from operating activities decreased \$12.7 million primarily as a result of the larger than normal compensation costs that occurred in 2007 as well as the additional supplies costs discussed earlier in the MD&A. Cash from noncapital financing activities increased \$2.0 million from 2006 as a result of the small increase in state appropriations the University realized in 2007. The net outflow of cash for capital and related financing activities of \$34.7 million is the result of the capital projects that were underway during 2007, net of capital funding received from the State of Ohio. Most of these projects were begun in 2006 and have continued through 2007. The net cash provided in investing activities of \$7.9 million is the net result of all investment activities: purchases, sales, and interest earnings. The decrease in cash and cash equivalents in 2006 from 2005 of \$28.2 million is

almost exclusively the result of spending and reinvesting \$25.1 million of unspent bond proceeds that existed at June 30, 2005.

Capital Assets and Debt

Capital Assets

The University had approximately \$275.8 million invested in capital assets, net of accumulated depreciation of \$186.2 million at June 30, 2007. Capital assets were \$253.2 million, net of accumulated depreciation of \$176.5 million at June 30, 2006. Depreciation expense for the years ended June 30, 2007 and 2006 was \$15.6 million and \$13.7 million, respectively. A summary of net capital assets for the year ended June 30 is as follows:

	2007	2006	2005
	(All dollar amounts in thousands)		
Land, land improvements and infrastructure	\$ 23,645	\$ 24,571	\$ 22,906
Buildings	170,727	164,371	162,503
Machinery and equipment	29,451	29,744	22,981
Library books and publications	18,487	18,187	18,673
Construction in progress	33,515	16,284	1,578
Total capital assets - net	<u>\$ 275,825</u>	<u>\$ 253,157</u>	<u>\$ 228,641</u>

Ongoing from fiscal 2006, work continued on the expansion of engineering space being utilized primarily by daytaOhio for research and development and commercialization of information technology, renovation of the Student Union and White Hall, and most significantly the creation and renovation of university science facilities. These projects comprise almost all of the increase in the values of buildings and construction in progress during 2007. Aside from the science facilities, these projects will all be completed in calendar 2007. In addition, the University has been conducting ongoing maintenance and rehabilitation of the broader campus facilities, addressing HVAC and other building infrastructure needs as well as road and parking lot maintenance.

Debt

Again in 2007, the University issued no new debt and simply continued to service its existing debt. The University had issued tax-exempt bonds as recently as 2003 and 2004 and was still spending the proceeds of its 2004 \$31.4 million general receipts bond issuance throughout 2007. The proceeds of the bonds continued to be spent in 2007 on the science facilities and laboratories and renovation of the Student Union. The University received a bond rating for the 2004 bond issue from Moody's Investors Service of A2. That rating remains unchanged.

Outstanding debt was \$38.7 million, \$42.5 million, and \$46.2 million at June 30, 2007, 2006, and 2005, respectively. The 2007 balance of \$38.7 million includes \$38.4 million of outstanding bonds and equipment leases of \$.3 million.

Economic Factors That Will Affect the Future

Looking ahead, the University is confronted with the same challenges as in recent years. We continue to seek to provide a more enriching experience for a growing number of students. We strive to attract greater research funding to allow us to contribute to a heightened understanding of matters of importance to our region, our state, and beyond. Meanwhile, we wish to position the University for a brighter future by making capital investments that increase our capabilities and reduce our backlog of deferred maintenance and by increasing the university's financial reserves. Our goal is to do all of these things while keeping the University as affordable as possible for the many people who might benefit from

enrollment here. The University has been successful over the years in meeting these challenges due to its careful planning, financial conservatism, and some good fortune due to in part to hard work and in part to a robust investment market. The University was quite successful with its recent capital campaign in exceeding its fundraising goal by over \$80 million. In addition, in 2007 investment income was double what was expected.

The University continues to stay involved at the state level, too, in helping to shape Ohio's higher education strategy. The state seems ready to make a major new investment to allow its citizens to benefit more fully from the benefits that higher education can provide in a knowledge economy. Ohio also seems open to new ideas about the roles that campuses might play and the ways in which the state might support those roles. We intend to be active participants in these discussions. We understand that the state also expects heightened efforts to increase our efficiency and effectiveness, so that new state investments produce the greatest possible benefits. We believe our past efforts position us well to meet this challenge.

The University also continues to struggle with the same economic and business issues that it has been confronted with in recent years. Health care costs continue to rise disproportionately to other costs, technology costs and needs continue to escalate, and adequate space and facilities are always being addressed. The University is exploring different alternatives for controlling health care costs, but it is a constant struggle to hold down costs even at the margin. It has also recently become necessary for the University to rent additional space for administrative and academic use. This, too, has an added cost. So it will be important to manage operations in as prudent a manner as possible in order to stay on solid financial ground.

As always, management is confident it, working in collaboration with faculty, staff, and student leaders, can continue to successfully move the University forward. By continuing to maintain a balance between the need to invest in the future of the University and the need for conservative management that makes those investments possible, we expect to play a leading role in our community, our state, and beyond.



Crowe Chizek and Company LLC
Member Horwath International

REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees
of Wright State University
Dayton, Ohio

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Wright State University (the "University"), a component unit of the State of Ohio, as of and for the year ended June 30, 2007, which collectively comprise the University's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the University as of June 30, 2006, and for the year then ended, were audited by other auditors whose report, dated October 2, 2006 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

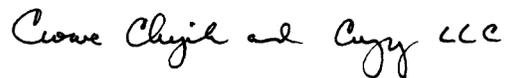
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of Wright State University as of June 30, 2007, and the respective changes in net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

(Continued)

The Management's Discussion and Analysis (MD&A) on pages 2 through 12 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 10, 2007, on our consideration of the University's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the University, taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Crowe Chizek and Company LLC

Columbus, Ohio
October 10, 2007

WRIGHT STATE UNIVERSITY
Statements of Net Assets
June 30, 2007 and 2006

ASSETS	2007		2006	
	University	Foundation	University	Foundation
Current assets:				
Cash and cash equivalents	\$ 18,774,097	\$ 2,858,861	\$ 37,363,372	\$ 294,258
Short-term investments	6,372,557		4,673,067	
Accounts receivable (net of allowance for doubtful accounts of \$1,345,000 in 2007 and \$960,000 in 2006 - Note 3)	23,607,262	477,246	25,326,889	116,533
Gifts and pledges receivable (net of allowance for uncollectible pledges of \$1,900 in 2007 and \$100 in 2006)		5,852,256		2,361,822
Loans receivable (net of allowance for doubtful loans of \$1,778,000 in 2007 and \$1,748,000 in 2006)	2,812,666		2,898,171	
Inventories	821,294		750,880	
Prepaid expenses	14,852,514		12,655,580	
Deferred charges	2,166,458		3,007,715	
Total current assets	69,406,848	9,188,363	86,675,674	2,772,613
Noncurrent assets:				
Restricted investments	778,048		15,534,365	
Gifts and pledges receivable (net of allowance for uncollectible pledges of \$62,100 in 2007 and \$15,900 in 2006)		7,359,673		9,506,482
Loans receivable (net of allowance for doubtful loans of \$171,500 in 2007 and 2006)	18,158,253		16,980,390	
Other assets	583,655	265,217	1,031,844	298,907
Other long-term investments	109,596,615	105,761,174	87,717,891	92,028,208
Capital assets, net (Note 4)	275,825,177	650,000	253,156,965	650,000
Total noncurrent assets	404,941,748	114,036,064	374,421,455	102,483,597
Total assets	\$ 474,348,596	\$ 123,224,427	\$ 461,097,129	\$ 105,256,210
 LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable trade and other	\$ 9,657,193	\$ 174,152	\$ 10,090,309	\$ 36,719
Accounts payable to Wright State University		1,530,344		454,158
Accrued liabilities	15,041,175		13,568,515	
Deferred revenue (Note 1)	35,185,156		34,987,437	
Refunds and other liabilities	603,014	1,417,102	578,727	1,251,716
Current portion of long-term liabilities (Note 5)	9,288,996	1,048,492	8,775,587	1,047,378
Total current liabilities	69,775,534	4,170,090	68,000,575	2,789,971
Noncurrent liabilities:				
Long-term liabilities (Note 5)	44,949,100	496,808	48,238,090	517,222
Total noncurrent liabilities	44,949,100	496,808	48,238,090	517,222
Total liabilities	114,724,634	4,666,898	116,238,665	3,307,193
 Net assets:				
Invested in capital assets, net of related debt	238,243,782	650,000	226,597,293	650,000
Restricted - nonexpendable:				
Instruction and departmental research		10,747,904		10,849,640
Separately budgeted research		1,428,362		338,707
Public service		150,828		161,622
Academic support		413,534		443,077
Student services		9,315		9,981
Operation and maintenance of plant		4,309,700		4,516,223
Scholarships and fellowships		9,519,667		9,887,322
Auxiliaries		193,308		207,349
Restricted - expendable:				
Instruction and departmental research	24,432	52,578,223	34,458	43,505,993
Separately budgeted research	351,476	4,036,037	205,304	2,613,759
Public service	252,793	614,597	43,595	553,202
Academic support	75,862	1,060,295	32,595	1,337,616
Student services		173,960		155,402
Institutional support	74,949	8,443,734	27,351	7,443,084
Operation and maintenance of plant		1,072,215		687,970
Scholarships and fellowships	31,738	18,506,820	4,422	15,789,935
Loans	18,352,300		18,094,645	
Debt service	248,841		233,280	
Auxiliaries		509,036		379,205
Unrestricted	101,967,789	4,139,994	99,585,521	2,418,930
Total net assets	359,623,962	118,557,529	344,858,464	101,949,017
Total liabilities and net assets	\$ 474,348,596	\$ 123,224,427	\$ 461,097,129	\$ 105,256,210

See Accompanying Notes to Financial Statements

WRIGHT STATE UNIVERSITY
Statements of Revenues, Expenses, and Changes in Net Assets
For the Years Ended June 30, 2007 and 2006

	2007		2006	
	University	Foundation	University	Foundation
OPERATING REVENUES				
Student tuition and fees (net of scholarship allowances of \$24,734,000 in 2007 and \$23,970,000 in 2006)	\$ 114,850,821	\$	\$ 107,292,871	\$
Federal grants and contracts	47,186,072		41,795,922	
State grants and contracts	9,745,935		9,905,175	
Local grants and contracts	526,655		570,169	
Nongovernmental grants and contracts	39,445,827		40,270,119	
Sales and services	7,284,690		7,142,562	
Auxiliary enterprises sales (net of scholarship allowances of \$1,884,000 in 2007 and \$1,685,000 in 2006)	15,605,534		15,375,644	
Gifts and contributions		8,756,724		5,290,737
Other operating revenues	2,557,615		2,183,707	
Total operating revenues	237,203,149	8,756,724	224,536,169	5,290,737
OPERATING EXPENSES				
Educational and general:				
Instruction and departmental research	114,612,888		106,035,566	
Separately budgeted research	33,239,444		31,905,803	
Public service	12,200,725		8,322,606	
Academic support	69,131,147		66,785,687	
Student services	16,341,109		14,171,292	
Institutional support	29,781,889	108,008	25,896,285	416,173
Operation and maintenance of plant	19,370,106		15,399,134	
Scholarships and fellowships	12,237,340		12,184,925	
Total educational and general	306,914,648	108,008	280,701,298	416,173
Auxiliary enterprises	25,274,384		23,565,136	
Depreciation	15,555,678		13,651,413	
Total operating expenses	347,744,710	108,008	317,917,847	416,173
Operating (loss)/revenue	(110,541,561)	8,648,716	(93,381,678)	4,874,564
NONOPERATING REVENUES (EXPENSES):				
State appropriations	94,315,311		91,795,796	
Gifts	6,462,277		5,466,331	
Investment income (net of investment expenses of \$162,000 in 2007 and \$195,000 in 2006 for WSU and \$331,870 in 2007 and \$228,011 in 2006 for Foundation)	16,547,446	16,140,414	8,773,951	11,487,860
Interest on capital asset-related debt	(1,138,507)		(1,256,256)	
Payments to Wright State University		(8,180,618)		(7,940,392)
Other nonoperating revenues (expenses)	(1,543,856)		(4,824,764)	
Net nonoperating revenues before capital appropriations and capital grants	114,642,671	7,959,796	99,955,058	3,547,468
Capital appropriations from the State of Ohio	7,559,570		10,916,047	
Capital grants and gifts	3,104,818		11,123,879	
Total nonoperating revenues (net)	125,307,059	7,959,796	121,994,984	3,547,468
Increase in net assets	14,765,498	16,608,512	28,613,306	8,422,032
NET ASSETS				
Net assets - beginning of year	344,858,464	101,949,017	316,245,158	93,526,985
Net assets - end of year	\$ 359,623,962	\$ 118,557,529	\$ 344,858,464	\$ 101,949,017

See Accompanying Notes to Financial Statements

WRIGHT STATE UNIVERSITY
Statements of Cash Flows
For the Years Ended June 30, 2007 and 2006

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2007</u>	<u>2006</u>
Student tuition and fees	\$ 115,871,778	\$ 106,383,559
Federal, state, local, and nongovernmental grants and contracts	99,849,672	90,817,891
Sales and services of educational and other departmental activities	6,906,097	5,786,935
Payments to employees	(162,291,371)	(151,476,988)
Payments for benefits	(47,782,212)	(37,991,223)
Payments to suppliers	(104,841,762)	(96,310,682)
Payments for scholarships and fellowships	(12,685,381)	(11,610,146)
Student loans issued	(4,708,234)	(4,615,057)
Student loans collected	3,615,876	4,678,205
Student loan interest and fees collected	368,122	362,011
Auxiliary enterprise sales	13,917,957	14,933,307
	<hr/>	<hr/>
Net cash (used) by operating activities	(91,779,458)	(79,042,188)
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	94,315,311	91,795,796
Gifts	5,590,232	6,105,577
	<hr/>	<hr/>
Net cash provided by noncapital financing activities	99,905,543	97,901,373
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital appropriations from the State of Ohio	8,325,051	10,993,515
Capital grants received	3,104,818	3,873,550
Purchases of capital assets	(41,273,685)	(31,056,560)
Sales of capital assets	101,604	38,364
Principal paid on capital debt and leases	(3,775,581)	(3,676,143)
Interest paid on capital debt and leases	(1,138,507)	(1,256,256)
	<hr/>	<hr/>
Net cash (used) by capital and related financing activities	(34,656,300)	(21,083,530)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	59,723,750	66,942,820
Interest on investments	4,936,447	4,439,602
Purchase of investments	(56,719,257)	(97,368,839)
	<hr/>	<hr/>
Net cash provided/(used) by investing activities	7,940,940	(25,986,417)
 Net (Decrease) in Cash and Cash Equivalents	(18,589,275)	(28,210,762)
 Cash and Cash Equivalents - Beginning of Year	<hr/>	<hr/>
	37,363,372	65,574,134
 Cash and Cash Equivalents - End of Year	<hr/>	<hr/>
	\$ 18,774,097	\$ 37,363,372
	<hr/> <hr/>	<hr/> <hr/>

See Accompanying Notes to Financial Statements

WRIGHT STATE UNIVERSITY
Statements of Cash Flows
For the Years Ended June 30, 2007 and 2006

Reconciliation of net operating revenues (expenses) to net cash provided (used) by operating activities:

	<u>2007</u>	<u>2006</u>
Operating loss	\$ (110,541,561)	\$ (93,381,678)
Depreciation	15,555,678	13,651,413
Change to allowance for doubtful accounts	385,000	120,000
Change to allowance for doubtful loans	30,000	150,000
Changes in assets and liabilities:		
Accounts receivable	1,225,800	(4,273,056)
Inventory	(70,414)	33,897
Prepaid expenses	(1,597,058)	(5,651,139)
Deferred charges	841,257	1,024,521
Other assets	448,189	4,928,728
Accounts payable	371,342	711,720
Accrued liabilities	1,472,660	2,975,774
Deferred revenue	197,719	91,235
Compensated absences	1,000,000	500,000
Refunds and other liabilities	24,288	163,248
Loans to students and employees	(1,122,358)	(86,851)
Net cash (used) by operating activities	<u>\$ (91,779,458)</u>	<u>\$ (79,042,188)</u>

See Accompanying Notes to Financial Statements

WRIGHT STATE UNIVERSITY

Notes to Financial Statements

Year Ended June 30, 2007

(1) Organization and Summary of Significant Accounting Policies

Organization and Basis of Presentation

Wright State University (the University) is a state-assisted institution of higher education created in 1967. The University has an enrollment of approximately 17,000 undergraduate, graduate, and professional students on its two campuses. The financial statements include the university's six colleges, three schools, and other individual departments. The university's Board of Trustees approves policies and procedures by which the University is governed.

The University is a political subdivision of the State of Ohio and accordingly, its financial statements are discretely presented in the State of Ohio's Comprehensive Annual Financial Report in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, and amended by GASB Statement No. 39. Statement No. 39 provides additional guidance to determine whether certain organizations for which the University is not financially accountable should be reported as a component unit of the University based upon the nature and significance of their relationship to the University. Although the Wright State University Foundation (the Foundation) is a legally separate, tax-exempt entity, it has been determined that it does meet the criteria for discrete presentation within the university's financial statements. The Foundation is the primary fund-raising organization for the University and contributions to the Foundation are primarily restricted to the activities of the University. These contributions are relied upon for the on-going operations of the University. No other affiliated organization, such as the Alumni Association, meets the requirements for inclusion in the university's financial statements. Complete financial statements for the Foundation can be obtained by sending a request to the Wright State University Foundation, 108J Allyn Hall, 3640 Colonel Glenn Highway, Dayton, OH 45435.

The financial statements have been prepared in accordance with generally accepted accounting principles for colleges and universities within the United States of America, as prescribed by GASB.

Summary of Significant Accounting Policies:

Basis of Accounting

The financial statements of the University have been prepared using the economic resources measurement focus and on the full accrual basis of accounting, whereby revenue is recognized in the period earned, or in the case of advances from other governments, when all eligibility requirements are met in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Expenses are recognized when the related liabilities are incurred.

Financial Statements

The University reports as a business-type activity, as defined by GASB Statement No. 35, *Basic Financial Statements-and Management's Discussion and Analysis - for Public Colleges and Universities*. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

Wright State University

Notes to Financial Statements (Continued)

Pursuant to GASB Statement No. 35, the University follows GASB guidance as applicable to its business-type activities, and Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued prior to November 30, 1989 that do not conflict with or contradict GASB pronouncements.

Recent Pronouncements

In May 2007, the GASB issued Statement No. 50, *Pension Disclosures* – an amendment of GASB Statements No. 25 and 27. This statement amends GASB Statements No. 25 and 27 to require disclosures for pensions that more closely align with the financial reporting requirements of other postemployment benefits. The provisions of this statement are effective for financial statements for fiscal periods beginning after June 15, 2007. Because the University participates in only state sponsored postemployment benefit plans, the adoption of these statements requires certain additional disclosures in the footnotes but has no other impact on the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include amounts held in the State Treasury Asset Reserve of Ohio (STAROhio) and repurchase agreements held in sweep accounts with various institutions in demand accounts. In addition, each of the external investment managers maintains a balance in a money market fund. These balances are included as cash equivalents due to their high liquidity and short-term nature. Other investments purchased with three months or less to maturity are also considered cash equivalents.

Investments

Investments are reported at fair value, as established by the major securities markets. Money market investments (U.S. Treasury and Agency obligations) that have a remaining maturity of one year or less at the time of purchase are reported at amortized cost and approximate fair value. If contributed, investments are valued at market value at the date of donation. Investment income is recognized on an accrual basis. Purchases and sales of investments are accounted for on the trade date basis. Investment trade settlements receivable and payable represent investment transactions occurring on or before June 30, which settle after such date. Realized and unrealized gains and losses are reported as investment income or loss.

All securities purchased by external investment managers in the university's "liquidity" and "diversified" investment pools, with the exception of money market purchases and redemptions, are considered investments regardless of maturity date, as these investment pools are designed more for capital appreciation and have average durations of at least two years. Investments with maturities of less than one year are considered short-term or current.

Inventories

Inventories, which consist principally of publications, general merchandise and other goods, are stated at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method.

Wright State University

Notes to Financial Statements
(Continued)

Capital Assets and Collections

Capital assets include land, land improvements, infrastructure, buildings, machinery, equipment, library books, publications and construction in progress. They are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. Building renovations that materially increase the value or extend the useful life of the structure are also capitalized. Normal repairs and maintenance are expensed in the year in which the expenses are incurred. The university's threshold for capitalizing assets is \$3,000 and an estimated useful life of 5 or more years. Using the straight-line method, capital assets are depreciated over their estimated useful lives; generally, 40 years for buildings, 30 years for land improvements and infrastructure, 15 years for library books and publications, and 5 to 10 years for machinery and equipment. The University does not capitalize works of art or historical treasures that are held for exhibition, education, research, and public service. These collections are not encumbered or sold for financial gain. Consequently, such collections are not recognized in the financial statements.

Compensated Absences

Compensated absences is comprised of vacation and sick leave benefits. Vacation benefits are accrued as a liability as the benefits are earned if the employee's right to receive compensation is attributable to service already rendered and it is probable that the employer will compensate the employee for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability will include employees currently eligible to receive termination benefits and those identified as probable of receiving payment in the future.

Deferred Revenue

Deferred revenue consists primarily of the amounts received in advance from grant and contract sponsors that have not yet been earned under the terms of the agreement and amounts received in advance for tuition and fees not yet earned. These deferrals were \$24.8 million and \$9.4 million, respectively, for the year ended June 30, 2007 and \$25.2 million and \$8.8 million, respectively, for the year ended June 30, 2006.

Net Assets

Net assets are classified as follows:

- Invested in capital assets, net of related debt represents the value of capital assets less accumulated depreciation and the debt related to acquisition, or construction of the asset.
- Restricted - Nonexpendable are comprised primarily of gifts which are subject to external restrictions requiring that the principal be invested in perpetuity and that only the cumulative earnings be utilized.
- Restricted - Expendable represents resources that have been received and must be used for specific purposes.
- Unrestricted represents net assets that are not subject to external restrictions. Management or the Board of Trustees designates most of the unrestricted net assets for specific purposes in research, academic, capital acquisition, or other initiatives.

It is the university's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Wright State University

Notes to Financial Statements (Continued)

Revenues and Expenses

Revenues and expenses are classified as operating or nonoperating. Operating revenues are resources primarily from exchange transaction activities. These include payments received for services, such as tuition and fees, and most grants and contracts. Nonoperating revenues are from non-programmatic sources and have the characteristics of nonexchange transactions. They include state appropriations, gifts, and investment income. Nearly all of the university's expenses are a result of exchange transactions, and therefore classified as operating expenses. The major recurring nonoperating expenses are net losses on the disposition of capital assets and interest expense on capital assets-related debt.

OhioLINK

Wright State University serves as the fiscal agent for the statewide library program known as OhioLINK. This program's revenues from state appropriations, federal pass-through grants and from other college and university libraries and expenses are all included in the statement of revenues, expenses, and changes in net assets. The total revenue and expenses attributable to OhioLINK were \$31,339,012 and \$32,073,341 for the years ended June 30, 2007 and 2006, respectively.

Scholarship Allowances

Scholarship allowances represent aid awarded to the student in the form of reduced tuition and are computed and reported in the financial statements under the alternate method as prescribed by the National Association of College and University Business Officers (NACUBO). Financial aid in the form of a cash payment to the student is reported as scholarship and fellowship expense in the financial statements. Third party loans such as Stafford loans and certain aid awarded to the students by third parties are credited to the student's account as if the student made the payment.

Income Taxes

The University is exempt from federal income taxes under Section 115 of the Internal Revenue Code. However, certain revenues are considered unrelated business income and are taxable under Internal Revenue Code Sections 511 through 513.

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

Previous Year's Financial Information

Certain reclassifications have been made to the 2006 comparative information to conform to the 2007 presentation.

Wright State University
Notes to Financial Statements
(Continued)

(2) Cash, Cash Equivalents and Investments

Cash and Cash Equivalents

Under state law, the university's deposits must be secured by federal deposit insurance and collateralized for amounts in excess of FDIC coverage. Collateral may be pledged or pooled. Pooled collateral may be held on the financial institution's premises or held by its trust department or agent on its behalf. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal one hundred five percent of the total amount of public deposits to be secured by the pooled securities. These securities may be held in the name of the University or the pledging bank by a holding or custodial bank that is mutually acceptable to both parties. The University does not have a deposit policy for custodial credit risk.

As of June 30, 2007 and 2006, the university's bank balances are \$30,535,780 and \$28,210,191, respectively. Of these balances, \$27,008,167 and \$25,213,761, respectively, are uninsured with collateral held by pledging banks not in the university's name.

At June 30, the carrying amount of deposits (book balances) is as follows:

		2007		2006
Petty cash	\$	65,204	\$	67,529
Demand deposits		15,920,584		19,265,619
Certificate of deposit		5,219,949		
Money market funds		2,721,964		2,391,772
Total	\$	23,927,701	\$	21,724,920

The difference in the carrying amount and bank balances is caused by items in-transit (primarily outstanding checks) and by cash on hand.

Investments

The university's investment policy permits investments in publicly traded securities only. In addition, an amount equal to at least twenty five percent of the university's investment portfolio must at all times be invested in securities of the United States government or one of its agencies or instrumentalities, the treasurer of the State of Ohio's pooled investment program, obligations of the State of Ohio, or any political subdivision of the State of Ohio, certificates of deposit of any national bank located in the State of Ohio, written repurchase agreements with any eligible Ohio financial institution that is a member of the federal reserve system or federal home loan bank, money market funds or bankers acceptances maturing in two hundred seventy days or less which are eligible for purchase by the federal reserve system.

Wright State University
Notes to Financial Statements
(Continued)

The fair value of investments at June 30 is as follows:

	Fair Value	
	2007	2006
U.S. Treasury securities	\$ 3,408,077	\$ 10,879,786
U.S. Agency securities	6,399,087	14,981,398
Common and preferred stock	546,117	472,638
Corporate bonds and notes	3,194,475	5,780,573
Repurchase agreements	778,043	15,531,896
State Treasury Asset Reserve of Ohio	66,350	15,640,921
Equity mutual funds	69,886,517	55,033,646
Bond mutual funds	27,311,750	5,239,717
Other	3,200	3,200
Total	\$ 111,593,616	\$ 123,563,775

Interest Rate Risk The university's investment policy minimizes the risk of the loss of value due to changing interest rates, through the use of target durations for each of the university's investment pools. The Cash Pool is maintained to meet the daily obligations of the University and consists of highly liquid instruments with little to no risk of loss of principal. The maximum weighted average maturity for the Cash Pool is less than one year. The Liquidity Pool provides a source of funds in the event the Cash Pool is insufficient to meet the university's cash needs and maintains a weighted average life of less than five years. The Diversified Investment Pool provides the University an opportunity to earn a higher rate of return through investments with longer durations. Equity managers are limited to a beta (volatility) of no more than 1.2 – 1.4 times the relevant benchmark. Duration for fixed income managed accounts must be within twenty percent of that of the Lehman Brothers Aggregate Bond Index.

Wright State University
Notes to Financial Statements
(Continued)

The maturity of university investments at June 30 is as follows:

Investment Type	2007 Investment Maturities (in years)				
	Fair Value	Less Than 1	1-5	6-10	More Than 10
U.S. Treasury securities	\$ 3,408,077	\$ 183,339	\$ 3,224,738	\$	
U.S. Agency securities	6,399,087	684,773	4,211,411		1,502,903
Corporate bonds and notes	3,194,475	284,496	2,587,243		322,736
Repurchase agreements	778,043	778,043			
Bond mutual funds	27,311,750		6,534,622	20,777,128	
Total	\$ 41,091,432	\$ 1,930,651	\$ 16,558,014	\$ 20,777,128	\$ 1,825,639

Investment Type	2006 Investment Maturities (in years)				
	Fair Value	Less Than 1	1-5	6-10	More Than 10
U.S. Treasury securities	\$ 10,879,786	\$ 999,422	\$ 7,066,083	\$ 2,102,904	\$ 711,377
U.S. Agency securities	14,981,398	2,982,180	3,591,180	3,341,059	5,066,979
Corporate bonds and notes	5,780,573	626,835	3,171,552	794,532	1,187,654
Repurchase agreements	15,531,896	13,446,704	2,085,192		
Bond mutual funds	5,239,717		5,239,717		
Total	\$ 52,413,370	\$ 18,055,141	\$ 21,153,724	\$ 6,238,495	\$ 6,966,010

The University invests in mortgage pass-through securities issued by FNMA, GNMA and FHLMC which are included above in the amounts listed as U.S. Agency securities. Prepayment options embedded in these securities cause them to be highly sensitive to interest rate changes. Generally when interest rates fall, more mortgages are prepaid. This eliminates the interest income that would have been received under the original amortization schedule. As of June 30, 2007 and 2006, the total value of mortgage pass-through securities is \$1,627,895 and \$8,917,269, respectively.

Credit Risk Credit Risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligation. The university's investment policy limits exposure to credit risk by limiting purchases of fixed income securities to no lower than AA for the Cash Pool accounts and no lower than BBB for the Liquidity Pool accounts. At least fifty percent of the Cash Pool must be invested in U.S. Treasuries or Agencies. In addition, maximum exposure to high yield bonds cannot exceed fifteen percent of a Diversified Investment Pool Fixed Income account. All Commercial Paper must have a minimum rating of A1/B1.

Wright State University
Notes to Financial Statements
(Continued)

The university's credit risk at June 30 is as follows:

2007

Credit Rating	Total	U.S. Treasury Securities	U.S. Agency Securities	Corporate Bonds and Notes	Repurchase Agreement	State Treasury Asset Reserve (STAROhio)	Bond Mutual Funds
AAA/Aaa	\$ 15,175,900	\$ 3,408,077	\$ 6,399,087	\$ 830,549	\$ 778,043	\$ 66,350	\$ 3,693,794
A	24,328,989			711,033			23,617,956
BBB/Baa	263,990			263,990			
BB/Ba	1,388,903			1,388,903			
Total	<u>\$ 41,157,782</u>	<u>\$ 3,408,077</u>	<u>\$ 6,399,087</u>	<u>\$ 3,194,475</u>	<u>\$ 778,043</u>	<u>\$ 66,350</u>	<u>\$ 27,311,750</u>

2006

Credit Rating	Total	U.S. Treasury Securities	U.S. Agency Securities	Corporate Bonds and Notes	Repurchase Agreement	State Treasury Asset Reserve (STAROhio)	Bond Mutual Funds
AAA/Aaa	\$ 58,794,054	\$ 10,879,786	\$ 14,981,398	\$ 1,760,053	\$ 15,531,896	\$ 15,640,921	
AA/Aaa	5,929,448			689,731			5,239,717
A	2,401,854			2,401,854			
BBB/Baa	741,193			741,193			
BB/Ba	187,742			187,742			
Total	<u>\$ 68,054,291</u>	<u>\$ 10,879,786</u>	<u>\$ 14,981,398</u>	<u>\$ 5,780,573</u>	<u>\$ 15,531,896</u>	<u>\$ 15,640,921</u>	<u>\$ 5,239,717</u>

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investments or collateral securities in the possession of an outside party. At June 30, 2007 and 2006, \$13,001,640 and \$16,968,381, respectively, is held by the investment's counterparty, not in the name of the University, but internally designated as held for the University.

The university's investment policy minimizes custodial credit risk by limiting the amount invested in any bank certificate of deposit unless the investments are fully collateralized by U.S. Treasury or Agency securities. In addition, bank certificates of deposit and bankers acceptances must be issued by members of the Federal Deposit Insurance Corporation.

Concentration of Credit Risk Concentration of credit risk is the risk associated with a lack of diversification. It is the risk of loss attributed to the magnitude of the university's investment in a single issuer. Investment managers are required by the investment policy to limit exposure for any one single issue to no more than five percent of the portfolio, at cost. This limit does not apply to investments in U.S. securities. Equity and fixed income managers are required to limit exposure to any one economic sector to forty percent of the portfolio. Cash Pool managers must limit Commercial Paper in any one issuer to no more than five percent of the manager's portfolio.

Wright State University

Notes to Financial Statements
(Continued)

As of June 30, 2007, the university's portfolio does not hold any issuer which exceeds five percent of the university's total investments. As of June 30, 2006, the University holds \$6,515,914 in various Federal National Mortgage Association (FNMA) issues which represent 5.27 percent of the university's total investments.

Foreign Currency Risk Foreign currency risk relates to the possible adverse effects that changes in exchange rates can have on the fair value of investments. According to the university's investment policy, international managers are expected to maintain an appropriate diversification with respect to currency and country exposure. All other managers are not permitted to invest in non-dollar denominated securities.

At June 30, 2007 the university's exposure to foreign currency is limited to its investment in international mutual funds of \$17,976,062. At June 30, 2006, the University holds investments in international mutual funds of \$13,349,089, as well as the following foreign bonds:

<u>Investment</u>	<u>Currency</u>	<u>Fair Value</u>	<u>Rating</u>
Germany Corporate Bond	Euro	\$ 166,029	AAA
Japan Government Bond	Japanese Yen	382,288	A
Switzerland Government Bond	Swedish Krona	<u>58,556</u>	AAA
Total		<u>\$ 606,873</u>	

The university's investment policy dictates no more than fifteen percent of the diversified investment pool fixed income account shall be invested in non-dollar denominated bonds. The above mentioned bonds represent less than five percent of the diversified investment pool as of June 30, 2006.

Series 2004 Bond Proceeds In December 2004, the University issued \$31,335,000 General Receipt Bonds to fund various capital projects. As of June 30, 2007 and 2006, \$778,043 and \$15,531,896, respectively, of the proceeds remains unspent. The unspent proceeds are held in a Bond Market Association Master Repurchase Agreement with Citigroup Global Markets, Inc. The Bank of New York acts as the custodian for this agreement. As provided in the bond indenture, bond proceeds are invested in domestic or foreign banks with a rating of at least A- by S&P and A3 by Moody's and must be collateralized with direct obligations of the United States or other instrumentalities fully guaranteed by the United States. The value of the collateral must be 104 percent; or if the securities used as collateral are FNMA or FHLMC, the value of the collateral must equal 105 percent of the assets. These funds, in addition to small balances held in The Bank of New York Trust Company (formerly JPMorganChase) trust accounts for the payment of Series 2003 and 2004 Bond interest payments, equal \$778,048 and \$15,534,365 for June 30, 2007 and 2006, respectively. These balances are classified as restricted investments. The small trust account balances are included in the money market funds total of \$2,721,964 and \$2,391,772 for June 30, 2007 and 2006, respectively.

Wright State University
Notes to Financial Statements
(Continued)

Investment Income The composition of investment income is as follows:

	Year Ended June 30	
	2007	2006
Net interest and dividend income	\$ 3,761,169	\$ 3,719,329
Realized gains on sales	1,179,836	725,384
Unrealized gains in fair value	11,606,441	4,329,238
Total	\$ 16,547,446	\$ 8,773,951

(3) Accounts Receivable

The composition of accounts receivable at June 30 is as follows:

	2007	2006
Sponsor receivables	\$ 11,338,092	\$ 14,367,395
Student and student-related accounts	10,131,467	8,258,283
Wright State University Foundation	1,326,559	454,515
Investment trade receivables		156,049
Interest receivable	182,171	241,513
State appropriations	1,256,796	1,956,978
Other, primarily departmental sales and services	717,177	852,156
Total	24,952,262	26,286,889
Less: Allowance for doubtful accounts	1,345,000	960,000
Net accounts receivable	\$ 23,607,262	\$ 25,326,889

Wright State University
Notes to Financial Statements
(Continued)

(4) Capital Assets

Capital assets activity for the years ended June 30, 2007 and 2006 is summarized as follows:

	Balance 07/01/2006	Additions	Retirements	Balance 06/30/2007
Land	\$ 3,049,830	\$	\$	\$ 3,049,830
Land improvements and infrastructure	29,999,395	401,662		30,401,057
Buildings	264,101,688	12,710,794	(58,047)	276,754,435
Machinery and equipment	67,582,236	6,666,291	(3,583,355)	70,665,172
Library books and publications	48,640,350	2,859,384	(3,879,308)	47,620,426
Construction in progress	<u>16,283,886</u>	<u>17,231,219</u>		<u>33,515,105</u>
Total	429,657,385	39,869,350	(7,520,710)	462,006,025
Less accumulated depreciation:				
Land improvements and infrastructure	8,478,411	1,326,984		9,805,395
Buildings	99,730,960	6,311,708	(15,369)	106,027,299
Machinery and equipment	37,838,406	5,653,876	(2,277,984)	41,214,298
Library books and publications	30,452,643	2,263,110	(3,581,897)	29,133,856
Total accumulated depreciation	<u>176,500,420</u>	<u>15,555,678</u>	<u>(5,875,250)</u>	<u>186,180,848</u>
Capital assets, net	<u>\$ 253,156,965</u>	<u>\$ 24,313,672</u>	<u>\$ (1,645,460)</u>	<u>\$ 275,825,177</u>

Wright State University

Notes to Financial Statements
(Continued)

	Balance 07/01/2005	Additions	Retirements	Balance 06/30/2006
Land	\$ 3,049,830	\$	\$	\$ 3,049,830
Land improvements and infrastructure	27,425,353	2,574,042		29,999,395
Buildings	255,868,443	8,233,245		264,101,688
Machinery and equipment	59,630,643	11,579,279	(3,627,686)	67,582,236
Library books and publications	50,586,902	1,824,323	(3,770,875)	48,640,350
Construction in progress	1,578,304	14,705,582		16,283,886
Total	398,139,475	38,916,471	(7,398,561)	429,657,385
Less accumulated depreciation:				
Land improvements and infrastructure	7,569,860	908,551		8,478,411
Buildings	93,365,306	6,365,654		99,730,960
Machinery and equipment	36,649,825	4,329,306	(3,140,725)	37,838,406
Library books and publications	31,913,655	2,047,902	(3,508,914)	30,452,643
Total accumulated depreciation	169,498,646	13,651,413	(6,649,639)	176,500,420
Capital assets, net	\$ 228,640,829	\$ 25,265,058	\$ (748,922)	\$ 253,156,965

Wright State University

Notes to Financial Statements
(Continued)

(5) Long-Term Liabilities

Long-term liabilities consist of bonds payable, equipment lease purchase obligations, and compensated absences. Activity for long-term liabilities for the years ended June 30, 2007 and 2006 is summarized as follows:

	Beginning Balance <u>07/1/2006</u>	Additions	Principal Repayments Reductions	Ending Balance <u>06/30/2007</u>	Current Portion
Bonds and equipment lease purchase obligations:					
General obligation bonds	\$ 41,966,279		\$ 3,564,050	\$ 38,402,229	\$ 3,667,636
Equipment leases	<u>547,398</u>		<u>211,531</u>	<u>335,867</u>	<u>221,360</u>
Total bonds and equipment leases	42,513,677		3,775,581	38,738,096	3,888,996
Other liabilities:					
Compensated absences	<u>14,500,000</u>	<u>2,953,150</u>	<u>1,953,150</u>	<u>15,500,000</u>	<u>5,400,000</u>
Total other liabilities	<u>14,500,000</u>	<u>2,953,150</u>	<u>1,953,150</u>	<u>15,500,000</u>	<u>5,400,000</u>
Total long-term liabilities	<u>\$ 57,013,677</u>	<u>\$ 2,953,150</u>	<u>\$ 5,728,731</u>	<u>\$ 54,238,096</u>	<u>\$ 9,288,996</u>

	Beginning Balance <u>07/1/2005</u>	Additions	Principal Repayment Reductions	Ending Balance <u>06/30/2006</u>	Current Portion
Bonds and equipment lease purchase obligations:					
General obligation bonds	\$ 45,405,933		\$ 3,439,654	\$ 41,966,279	\$ 3,564,055
Equipment leases	<u>783,887</u>		<u>236,489</u>	<u>547,398</u>	<u>211,532</u>
Total bonds and equipment leases	46,189,820		3,676,143	42,513,677	3,775,587
Other liabilities:					
Compensated absences	<u>14,000,000</u>	<u>4,648,443</u>	<u>4,148,443</u>	<u>14,500,000</u>	<u>5,000,000</u>
Total other liabilities	<u>\$ 14,000,000</u>	<u>\$ 4,648,443</u>	<u>\$ 4,148,443</u>	<u>\$ 14,500,000</u>	<u>\$ 5,000,000</u>
Total long-term liabilities	<u>\$ 60,189,820</u>	<u>\$ 4,648,443</u>	<u>\$ 7,824,586</u>	<u>\$ 57,013,677</u>	<u>\$ 8,775,587</u>

Wright State University
Notes to Financial Statements
(Continued)

Bonds payable on June 30, 2007 consist of Series 2003 and 2004 General Receipts Serial and Term bonds. The maturity dates, interest rates, and the outstanding principal balances of capital activities at June 30, 2007 are as follows:

Description	Maturity Dates	Interest Rates	Outstanding Principal	Unamortized Premium	Total
Bonds payable:					
Series 2003	2007-2023	3.00% - 5.00%	\$ 9,640,000	\$ 349,182	\$ 9,989,182
Series 2004	2007-2029	2.50% - 5.00%	<u>27,555,000</u>	<u>858,047</u>	<u>28,413,047</u>
Total bonds payable			37,195,000	1,207,229	38,402,229
Equipment lease					
purchase obligations	2007-2009	4.55%	<u>335,867</u>		<u>335,867</u>
		Total	<u>\$ 37,530,867</u>	<u>\$ 1,207,229</u>	<u>\$ 38,738,096</u>

The scheduled maturities of capital activities for the next five years and for the subsequent periods of five years are as follows:

Year Ended June 30	Principal	Interest	Total
2008	\$ 3,766,359	\$ 1,553,142	\$ 5,319,501
2009	3,714,508	1,437,612	5,152,120
2010	3,710,000	1,309,638	5,019,638
2011	3,855,000	1,174,813	5,029,813
2012	2,480,000	1,010,037	3,490,037
2013-2017	8,600,000	3,860,524	12,460,524
2018-2022	5,805,000	2,084,625	7,889,625
2023-2027	3,960,000	907,800	4,867,800
2028-2029	<u>1,640,000</u>	<u>111,600</u>	<u>1,751,600</u>
Total	<u>\$ 37,530,867</u>	<u>\$ 13,449,791</u>	<u>\$ 50,980,658</u>

All general receipts of the University, except for state appropriations, are pledged for payment of the 2003 and 2004 bonds.

Interest expense incurred on indebtedness for the years ended June 30, 2007 and 2006 was \$1,138,507 and \$1,256,256 respectively. In 2007, interest expense on construction related debt of \$777,188, net of \$346,643 interest earned on invested funds, was capitalized to the related capital projects. In 2006, interest expense on construction related debt of \$1,188,888, net of \$783,590 interest earned on invested funds, was capitalized to the related capital projects.

Wright State University
Notes to Financial Statements
(Continued)

(6) Operating Leases

The University leases certain properties and equipment under operating lease agreements. Facilities and equipment under these agreements are not recorded on the statements of net assets. Rent expenses for the years ended June 30, 2007 and 2006 were \$1,372,529 and \$865,155, respectively.

Future minimum payments for all material operating leases as of June 30, 2007, are as follows:

2008	\$ 1,095,763
2009	728,714
2010	361,639
2011	305,417
2012	312,351
2013-2014	<u>282,321</u>
Total minimum lease payments	<u>\$ 3,086,205</u>

(7) Retirement Plans

University faculty participate in either the State Teachers Retirement System of Ohio (STRS) or an alternative retirement plan (ARP). Substantially all other employees participate in either the Ohio Public Employees Retirement System (OPERS) or the ARP. Both STRS and OPERS are statewide cost-sharing multiple employer plans. Both plans provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits for both STRS and OPERS is provided by state statute per the Ohio Revised Code.

Both STRS and OPERS issue stand-alone financial reports. Interested parties may obtain a copy by making a written request to STRS at 275 East Broad Street, Columbus, Ohio 43215-3771 or by calling (614) 227-4090 or making a written request to OPERS at 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085.

STRS plan participants are required to contribute 10 percent and the University 14.0 percent of the employees' covered compensation. Through December 31, 2006, OPERS plan participants were required to contribute 9 percent and the University 13.56 percent of the employees' covered compensation. As of January 1, 2007, OPERS plan participants contribute 9.5 percent and the University 13.77 percent of the employees' covered compensation. The Ohio Revised Code provides statutory authority for both employee and employer contributions. The university's contributions to STRS were \$8,865,540, \$8,281,427, and \$7,439,443, and to OPERS were \$7,435,839, \$6,992,318, and \$6,609,430, for the years ended June 30, 2007, 2006, and 2005, respectively, equal to the required contributions for each year.

Certain full-time university faculty and unclassified staff have the option to choose the ARP in place of STRS or OPERS. The ARP is a defined contribution plan which provides employees with the opportunity to establish individual retirement accounts with a defined group of investment options, with each participant having control of the assets and investment options associated with those assets. The administrators of the plan are the providers of the plan investment options.

Wright State University

Notes to Financial Statements
(Continued)

Authority to establish and amend benefits and contribution requirements for the ARP is provided by state statute per the Ohio Revised Code.

Under the provisions of ARP, the required contribution rate for plan participants is 10 percent of employees' covered compensation for employees who would otherwise participate in STRS. Through December 31, 2006, the required contribution rate for plan participants was 9 percent of employees' covered compensation for employees who would otherwise participate in OPERS. As of January 1, 2007, the University contributes 9.5 percent of employees' covered compensation for employees who would otherwise participate in OPERS. The University contributed 13.56 percent of a participating unclassified staff member's compensation to the participant's account through December 31, 2006. As of January 1, 2007, the University contributes 13.77 percent of a participating unclassified staff member's compensation to a participant's account. The university's contributions to a participating faculty member's account and to STRS is 10.5 percent and 3.5 percent of a participant's compensation, respectively. Plan participants' contributions were \$3,328,604, \$2,942,750, and \$2,710,308, and the university's contributions to the plan providers amounted to \$4,068,882, \$3,619,167, and \$3,356,861, respectively, for the years ended June 30, 2007, 2006, and 2005. In addition, the amounts contributed to STRS by the University on behalf of ARP participants were \$763,789, \$708,511, and \$656,623, respectively, for the years ended June 30, 2007, 2006, and 2005.

(8) Other Postemployment Benefits (OPEB)

STRS provides OPEB to all retirees enrolled in the defined benefit or combined pension plans and their dependents, while OPERS provides postretirement health care coverage to age and service retirees (and dependents) with 10 or more years of qualifying Ohio service credit enrolled in the defined benefit or combined plans. Health care coverage for disability recipients and primary survivor recipients is also available under OPERS. A portion of each employer's contributions is set aside for the funding of postretirement health care. For STRS, this rate was 1 percent of the total 14.00 percent (see note 7), while the OPERS rate was 4.5 percent of the total effective 13.56 percent (see note 7).

The Ohio Revised Code provides the statutory authority for public employers to fund postretirement health care through their contributions to STRS and OPERS. Postretirement health care under STRS is financed on a pay-as-you-go basis. Assets available in the health care reserve fund for STRS amounted to \$3.5 billion at June 30, 2006. The number of benefit recipients eligible for OPEB was 119,184 for STRS at June 30, 2006. The amount contributed by the University to STRS to fund these benefits was \$633,253 for the year ended June 30, 2007.

Postretirement health care under OPERS is advance-funded on an actuarially determined basis. The actuarial value of OPERS net assets available for OPEB at December 31, 2005 is \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$31.3 billion and \$20.2 billion, respectively. The number of OPERS active contributing participants was 369,214 for the year ended December 31, 2006. For the year ended June 30, 2006 the University contributed \$2,448,685 to OPERS for OPEB funding.

Wright State University

Notes to Financial Statements
(Continued)

(9) Related Organization

The University is the sole beneficiary of the Wright State University Foundation, Inc., a separate, not-for-profit entity governed by a separate Board of Trustees, organized for the purpose of promoting educational and research activities. Assets of the Foundation totaled approximately \$123,000,000 at June 30, 2007. Such assets relate principally to donor restricted funds and are discretely presented in the accompanying financial statements. Amounts transferred to the University from the Foundation are recorded as nonoperating "gifts" and "capital grants and gifts" in the accompanying financial statements.

(10) State Support

The University is a state-assisted institution of higher education which receives a student enrollment-based subsidy from the State of Ohio. This subsidy is determined annually, based upon a formula devised by the Ohio Board of Regents, Ohio's higher education advising and coordinating board.

In addition to student enrollment-based subsidies, the State of Ohio provides funding for construction of major plant facilities. The funding is obtained from the issuance of general obligation bonds by the Ohio Public Facilities Commission (OPFC), which in turn results in construction and subsequent transfer of the facility to the University by the Ohio Board of Regents. Costs incurred during construction are included in construction in progress and recognized as capital appropriations. Upon completion of a facility, the Ohio Board of Regents turns control over to the University.

University facilities are not pledged as collateral for the revenue bonds. Instead, the bonds are supported by a pledge of monies in the Higher Education Bond Service Fund established in the custody of the Treasurer of State. If sufficient monies are not available from this fund, a pledge exists to assess a special student fee uniformly applicable to students in state-assisted institutions of higher education throughout the State.

As a result of the above described financial assistance provided by the State to the University, outstanding debt issued by OPFC is not included in the university's financial statements.

(11) Commitments and Contingencies

At June 30, 2007, the University is committed under contractual obligations for:

Capital expenditures	\$ 14,125,641
Non-capital goods and services	<u>14,328,695</u>
Total contractual commitments	<u>\$ 28,454,336</u>

These commitments are being funded from the following sources:

State appropriations requested and approved	\$ 4,149,374
University funds	<u>24,304,962</u>
Total sources	<u>\$ 28,454,336</u>

Wright State University

Notes to Financial Statements
(Continued)

The University is presently involved as a defendant or codefendant in various matters of litigation. The university's administration believes that the ultimate disposition of these matters would not have a material adverse effect upon the financial condition of the University.

The University receives significant assistance from numerous federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. Management believes that any potential disallowance of claims would not have a material effect on the financial statements.

Wright State University
Notes to Financial Statements
(Continued)

Selected Notes of the Wright State University Foundation (a component unit)

(12) Summary of Significant Accounting Policies

In accord with generally accepted accounting principles as applied to not-for-profit organizations, the 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 and reporting principles for not-for-profit entities. The following is a summary of the Foundation's significant accounting and reporting policies presented to assist the reader in interpreting the financial statements and other data in this report.

Cash and Equivalents

The Foundation considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

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. Funds from pledges to be collected in future years are recorded at net present value. All pledges are presented net of an allowance for doubtful collections.

Investments in Securities

Investments are stated in fair or appraised value and realized and unrealized gains and losses are reflected in the statement of activities. Market value is determined by market quotations. Donated investments are recorded at fair value at the time received.

Investment Earnings

Interest and dividends from endowment investments are credited to temporarily 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.

Wright State University
Notes to Financial Statements
(Continued)

(13) Pledges Receivable

Pledges receivable at June 30, 2007 and 2006, by fund type, are as follows:

	2007			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Less than one year	\$ 18,917	\$ 2,654,187	\$ 1,053,193	\$ 3,726,297
One to five years	4,800	4,769,550	63,000	4,837,350
Gross pledges receivable	<u>23,717</u>	<u>7,423,737</u>	<u>1,116,193</u>	<u>8,563,647</u>
Present value discount	(317)	(354,637)	(6,193)	(361,147)
Allowance for uncollectible pledges	<u>(300)</u>	<u>(60,000)</u>	<u>(3,700)</u>	<u>(64,000)</u>
Pledges receivable (net)	<u>\$ 23,100</u>	<u>\$ 7,009,100</u>	<u>\$ 1,106,300</u>	<u>\$ 8,138,500</u>

	2006			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Less than one year	\$ 33,213	\$ 2,461,360	\$ 1,061,620	\$ 3,556,193
One to five years	887	5,194,984	2,067,630	7,263,501
Gross pledges receivable	<u>34,100</u>	<u>7,656,344</u>	<u>3,129,250</u>	<u>10,819,694</u>
Present value discount		(409,044)	(113,550)	(522,594)
Allowance for uncollectible pledges	<u>(100)</u>	<u>(15,400)</u>	<u>(500)</u>	<u>(16,000)</u>
Pledges receivable (net)	<u>\$ 34,000</u>	<u>\$ 7,231,900</u>	<u>\$ 3,015,200</u>	<u>\$ 10,281,100</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 2.46 percent to 6.18 percent.

(14) Investments in Securities

The cost and fair value of the foundation's investments, at June 30, 2007 and 2006, are as follows:

	2007		2006	
	Cost	Fair Value	Cost	Fair Value
Mutual funds:				
Equity	\$ 60,521,218	\$ 71,778,180	\$ 57,419,234	\$ 61,848,306
Fixed income	<u>33,380,247</u>	<u>32,515,478</u>	<u>30,086,314</u>	<u>28,778,465</u>
Total	<u>\$ 93,901,465</u>	<u>\$ 104,293,658</u>	<u>\$ 87,505,548</u>	<u>\$ 90,626,771</u>

Wright State University

Notes to Financial Statements
(Continued)

Net realized gains on sales of investments were \$5,638,104 and \$2,681,645 for the years ended June 30, 2007 and 2006, respectively. Calculation of net realized gains on sales of investments is based on original cost.

WRIGHT STATE UNIVERSITY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2007**

<u>Federal Grant/Pass Through Grant/Program Title</u>	<u>Federal CFDA Number or Primary Grant Number</u>	<u>Expenditures</u>
STUDENT FINANCIAL ASSISTANCE CLUSTER:		
U.S. Department of Education Direct Programs:		
Federal Supplemental Educational Opportunity Grant	84.007	\$ 358,410
National Science Scholars Program	84.242	
Federal Family Education Loans (Note B)	84.032	
Federal Work Study	84.033	940,830
Federal Perkins Loan (Note C)	84.038	
Federal Pell Grant	84.063	8,969,757
Academic Competitiveness Grant	84.375	376,736
National SMART Grant Program	84.376	<u>258,693</u>
Total U.S. Department of Education Direct Programs		<u>10,904,426</u>
U.S. Department of Health and Human Services Direct Programs:		
Loans to Disadvantaged Students (Note C)	93.342	
Health Professions Student Loans (Note C)	93.342	
Primary Care Loans (Note C)	93.342	
Nursing Student Loans (Note C)	93.342	
Scholarships for Disadvantaged Students (Medicine)	93.925	
Financial Assistance for Disadvantaged Students (Medicine)	93.139	
Scholarships for Disadvantaged Students Program (SOPP)	93.925	
Total U.S. Department of Health and Human Services Direct Programs		<u> </u>
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER		<u>10,904,426</u>

See notes to the Schedule of Expenditures of Federal Awards.

(Continued)

WRIGHT STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2007

<u>Federal Grant/Pass Through Grant/Program Title</u>	<u>Federal CFDA Number or Primary Grant Number</u>	<u>Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER		
U.S. Department of Education, Prime -		
Rehabilitation Research and Training Centers (RRTC) on Substance Abuse, Disability, and Employment	84.133	\$ 721,062
U.S. Department of Education, Subcontract -		
PALS Prevention Project 2006 - Preparing for Prevention Education in the Future	84.027	82,230
Adapting Prevention Education for Youth with Disabilities	84.186	53,640
Total U.S. Department of Education, Subcontract		135,870
Total U.S. Department of Education		856,932
U.S. Department of Health and Human Services, Prime -		
3 alpha Enhancer Regulation by AhR and NF-kappaB/Rel Proteins	93.113	74,336
Adiposity, Disease Risk Factors, and Lifetime Health	93.865	596,234
Aging and Pilot Time-Sharing Performance	93.866	26,404
Analysis of Interactions Between Rev and Microtubules	93.859	45,936
Analysis of the Human c-myc Gene Replication Origin	93.859	305,179
Cell Volume Regulation in Neurons and Glia	93.853	221,934
Childhood Metabolic Syndrome	93.865	16,000
Childhood Precursors for Adulthood Metabolic Syndrome	93.847	325,628
Crack and Health Service Use: A Natural History Approach	93.279	316,745
Crack Cocaine and Health Services Use in Rural Ohio	93.279	415,195
Deciphering How MDMX Impacts the p53 Pathway	93.396	262,614
Development of Synaptic Inputs on Spinal Interneurons	93.853	302,999
Early Life Antecedents of Adult Chronic Disease	93.847	3,650
Effects of Chronic Hypercapnia on Chemosensitive Neurons	93.838	35,122
Elucidate the Role of p63 in Prostate Cancer Progression	93.396	106,022
Environmental Light and Retinal Membrane Development	93.867	7,221
Fels Database Mining	93.262	4,322
Fels Study Hearing Updates	93.262	6,138
Functional Assemblies of Motor Units	93.853	374,913
Gene Arch Human Craniofacial Complex	93.121	244,585
Genetic Analysis of Osteoporosis Risk Factors	93.846	354,250
Genetic and Environmental Influences on Childhood Growth	93.865	295,830
Genetic Architecture of the Baboon Craniofacial Complex	93.121	246,327
Genetic Epidemiology of BDA3 in an Endogamous Population	93.865	50,854
Genetic Epidemiology of CVD Risk Factors	93.837	1,039,832
Genetic Regulation of Adiposity and Associated CVD Risks	93.848	437,751
Hypoxia Regulates Trophoblast Giant Cell Differentiation	93.865	21,172
Identifying Placebo Responders in Drug Treated Subjects	93.242	180,778
Intracellular pH Responses of Central Chemoreceptors	93.838	85,777
Longitudinal Cardiac Outcomes and Body Composition	93.837	439,647
Loss of Muscle Excitability in Acute Quadriplegic Myopathy	93.853	398,822
MDMA/Club Drug Use and STD/HIV Sex Risk Behavior in Ohio	93.279	377,058
MDMX Regulation of the p53 Tumor Suppression Protein	93.396	(1,410)
Mechanisms of Mammalian Neuronal Integration	93.853	332,396
Molecular Basis of GM-CSF-Induced Neutrophil Chemotaxis	93.837	348,399
MVPS: Health Concerns Role Function Health Service Use	93.361	(592)
NHLBI Cardiovascular Disease Enhanced Dissemination and Utilization Centers	93.837	446
Olympus FV1000 Confocal Microscope for Neurobiology and Cellular Biology Research	93.389	677
Proteomics of M-L Antigens Modulating Cation Transport	93.849	(1,912)
Recognition and Repair of Cisplatin-DNA Damage	93.395	(4,181)
Reducing Barriers to Drug Abuse Treatment Services	93.279	677,339
Regulation of Neurotransmitter Release by rab GTPases	93.242	71,317
Regulation of Secretory Ion Channels in Colonic Crypts	93.848	243,650
Regulation of Spinal Interneuron Input-Output Functions	93.854	24,263
Role of Angiotensin Receptors in Central Osmosensitivity (Minority Supplement)	93.837	319,704
Scabies: Biology Culture Host Specificity and Antigens	93.855	329,953
Stress-Induced Sickness During Social Separation: Implications for Depression	93.242	35,860
Telomere Length as a Marker of Cardiovascular Aging	93.866	50,731
The Genetics of Infant Growth and Later Obesity	93.865	93,810
Urban Heat Island and Human Mortality During Heat Waves: The Role of Remote Sensing	93.061	91,651
Vasopressin Cytotoxicity in Inherited Diabetes Insipidus	93.847	230,691

See notes to the Schedule of Expenditures of Federal Awards.

(Continued)

WRIGHT STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2007

<u>Federal Grant/Pass Through Grant/Program Title</u>	<u>Federal CFDA Number or Primary Grant Number</u>	<u>Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER (Continued)		
U.S. Department of Health and Human Services, Prime (Continued) -		
Visceral Adiposity: Genetic and Environmental Influences	93.848	\$ 267,435
Wright State University Emergency Power and Quarantine Caging	93.389	769
Total U.S. Department of Health and Human Service, Prime		10,730,271
U.S. Department of Health and Human Services, Subcontract -		
Age-Related Services and Outcomes after DUI Interventions	93.061	232,560
Ah Receptor and Endothelin-Dependent Hypertension	93.837	57,400
Benzodiazepine-Induced Glutamate Receptor Plasticity	93.279	16,606
Bone Mineral Density in Childhood Study	93.061	6,855
Cost Effectiveness of Interventions to Reduce Barriers to Drug Abuse Treatment	93.279	53,543
DNA Replication Fork: Pausing, Recombination and Disease	93.849	70,829
Early Detection of Hemorrhagic Fever Virus Exposure	93.856	1,173
Effect of Interferon-Gamma Peptide Mimetics on HSV-1 Replication and Cell Biology	93.389	(19)
Integrated Technology Resource for Biomedical Glycomics	93.389	36,725
Mechanisms of Muscle Sensory Recovery	93.853	4,152
Metabolomic Assessment of Estrogenic Endocrine Disruptor	93.113	208,792
Motion Detector Networks for Smooth Pursuit	93.061	44,744
Muscle's Role in Regulating Nerve Terminal Properties	93.853	(725)
Neural Plasticity During Acclimatization to Hypoxia	93.838	18,550
Patient Safety and the Primary Care Testing Process	93.226	5,024
Probe Assisted PET/CT Guided Surgery for Colon Cancer	93.286	14,939
Rural Stimulant Use and Mental Health: Services and Outcomes	93.279	196,083
Spinal Mechanisms Regulating Muscle and Limb Mechanics	93.853	26,470
State Epidemiological Outcome Workgroup (SEOW)	93.959	109,645
Tamoxifen Pharmacogenetics	93.859	(2,401)
The Epidemiology of Body Mass Index Rebound	93.837	8,653
Validation of Preschool and High School Diet Recall	93.393	16,342
Total U.S. Department of Health and Human Service, Subcontract		1,125,940
Total U.S. Department of Health and Human Services		11,856,211
U.S. Department of Defense, Prime -		
An Evaluation of the Therapeutic Effectiveness of Hyperbaric Oxygen Treatments on Children with Cerebral Palsy	12.420	403,027
BreakFree CLP	12.800	1,880
Cellular Mechanisms of Central Nervous System and Pulmonary Oxygen Toxicity	12.300	1,305
Characterization of Hyperspectral Images for Automated Target Detection and Recognition	12.800	74,661
Collaborative Research on Multisensory Interaction	12.800	96,813
Computational Aerothermodynamics	12.800	47,109
Coordination and Control of Cooperative Swarms of Unmanned Aerial Combat Vehicles via a Virtual Testbed Environment	12.800	82,579
Culture and Cognition Lab (CCL)	12.800	22
Defects in Wide-Gap Semiconductors for Electronic Applications	12.800	49,462
Design of a Persistent Agile Airborne Target Tracking System	12.800	63,416
Donors' Acceptors' and Traps in AlGaIn and AlGaIn/GaN Epitaxial Layers	12.800	1
Experimental Evaluation of Collaborating Teams (EECT)	12.800	15,795
From Video to Information: Cross-Modal Analysis of Planning Meetings	12.800	269,620
Human-Machine Interfaces for Coordination Decision Support in Tactical Settings (WICTOR)	12.800	7,801
Hyperbaric Atomic Force Microscopy Study Oxygen Toxicity	12.300	(5,838)
Intergovernmental Personnel Agreement - Bayraktaroglu	12.800	75,863
Intergovernmental Personnel Agreement - Harris	12.800	152,174
Low Level Chemical Toxicity: Relevance to Chemical Agent Defense (Modules 2 - 4)	12.800	(39,585)
Magneto-Aerodynamic Actuator Simulation	12.800	137,030
Materials for High Speed Devices	12.800	13,634
Molecular Mechanisms and Modeling of Skin Irritation from JP-8	12.800	(6,381)
Persistent Tracking	12.800	24,797
Pharmacokinetic Manipulation and Modeling of the Trigger for JP-8-Induced Skin Irritation	12.800	216,675
Precision Design Modeling and Instrumentation in Turbomachinery	12.800	(10)
Pseudonoise Sequences with Good Correlation Properties	12.901	20,346
Reliability-Based Multi-Disciplinary Design Optimization of Tactical Scale Underwater Vehicles	12.300	47,856

See notes to the Schedule of Expenditures of Federal Awards.

(Continued)

WRIGHT STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2007

<u>Federal Grant/Pass Through Grant/Program Title</u>	<u>Federal CFDA Number or Primary Grant Number</u>	<u>Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER (Continued)		
U.S. Department of Defense, Prime (Continued) -		
Research and Technical Support for the Culture and Cognition Laboratory (CCL)	12.800	\$ 123,863
RFID Preventive Maintenance	12.800	21,180
Sediment Ecosystem Assessment Protocol (SEAP): An Accurate and Integrated Weight-of-Evidence Based System	12.431	4,015
Sequences and Signal Designs: A Mathematical Investigation	12.800	4,196
Signed Graphs and Dyadic Matroids	12.901	12,515
System Analysis and RF-Floodlight Exploitation of Short-Range GOTCHA Repeaters	12.800	59,409
Tec^Edge Academic Pipeline Program	12.800	18,635
		<hr/>
Total U.S. Department of Defense, Prime		1,993,865
U.S. Department of Defense, Subcontract -		
All-Weather Feature-Based Combat Identification	12.800	23,024
An Efficient and Effective Distributed Video Tracking Algorithm for Networked UAVs	12.800	65,377
An In-vitro Study of Skin Penetration Rates for NTAs	12.114	23,137
Analysis and Characterization of Hyperspectral Images in Urban Combat	12.800	(96)
Beyond Ethnocentrism: Mapping Cognitive Differences for Mission Enhancement	12.800	91,565
Bioremediation of Chlorinated Ethenes in the Constructed Wetlands at Wright-Patterson Air Force Base	12.800	154,112
Cell Signaling and Silk Research	12.800	26,132
Center of Excellence in Cellular Dynamics and Engineering	12.800	166,403
Characterization of Electronic Device Materials	12.800	811,961
Characterization of Oxides for Photonics and Electronics (COPE)	12.300	30,352
Control Law Adaptation and Autonomous Navigation for Mobile Robots	12.800	17,817
Custom Synthesis of Intermediates for AFX Chromophores	12.800	80,697
Design and Analysis of Advanced Materials in a Thermal/Acoustic Environment	12.800	55,879
Developing an Agent-Based Modeling Approach for Improved Decision Support and Adaptive Planning in Support of Air Force	12.800	24,617
Development of Controllable Gene Expression Systems	12.800	121,532
Development of in House Digital System for Radar Applications	12.800	8,018
Digital Array Analog-to-Digital Converter	12.800	168,431
Diverse Data Fusion Information Theory and Evaluation Techniques	12.800	2,275
Efficient Reliability Estimations for Large-Scale Aircraft Structural System (ATROHS Wing Configuration)	12.800	33,758
Electrochemical Deposition of Ni Textured Layer with Nano-size Grains on Metallic Rods	12.800	(20)
Electronic/Optical and Electro-Optical Materials Research/Mixed-Signal Component Design	12.800	19,114
Embedding Cognitive Systems into Systems Engineering Practice	12.800	6,922
Energy Based Design of Adaptive Structures	12.800	(2,142)
Engine Health Monitoring via Dynamic Engine Model Failure Diagnostics	12.800	47,470
Enhancing IPB with Representations of Meta-information (EPROM)	12.800	18,772
Evaluation of Cushion Comfort for Air Force Crew Stations	12.800	17,838
Evaluation of Micro-Compression Socks in Deep Vein Thrombosis Prevention for Air Force Crew Stations	12.800	10,762
Expanding Decision Support for Mobile Army Commanders	12.800	49,660
Fabrication/Characterization and Testing of Graded Solid Oxide Fuel Cell Capacitor Layers	12.800	41,383
Finite Element Modeling of Human Body and Pilot Seat Interactions - Phase II	12.800	1,739
FPGA-Based High Instantaneous Two-Signal Dynamic Range Digital Wide-Band Microwave Receiver	12.800	23,540
Gas Turbine Engine Sensor Technologies	12.800	(83)
Generic EW/RF Digital Design Toolbox Development	12.800	1,660
High Speed Read Out Integrated Circuit for Optical Arrays	12.800	121,737
Human Aspects of Sense-Respond Logistics	12.800	90,113
Human-Machine Interfaces for Coordination Decision Support in Tactical Settings	12.800	22,279
I2MAP: Intelligent Icons for Meta-Information Adaptive Presentation	12.800	36,676
Identification of Biomarkers using Machine Learning Algorithms	12.800	81,933
Image-Based Tracking for Unmanned Aerial Vehicles (TrackMaster)	12.800	12,500
Incorporation of Advanced Sensor Technology to Enable Complex Laser Micromachining of Silicon Carbide Devices	12.800	127,287
Investigating Phononic Crystals using Rayleigh and Brillouin Imaging	12.800	62,976
ISAT Government SEIT Structures Reference Designs and Analytical Models	12.800	10,476
Meta-Information Visualization for Preparation and Prediction	12.800	19,372
Mission Adaptable Chemical Spectrometer	12.800	7,442
Modeling Sortie Generation Maintenance and Inventory Interactions for Unit Level Logistics Planners	12.800	(435)
Molecular Modeling of Polymeric Nanocomposite Materials	12.800	20,765
MOST: Model-based Optimal System for Training	12.630	59,214
Multirate Interacting Multiple Model Fusion	12.800	13,904
Multi-Sensor/Multi-Modal Sensor Development and Algorithm Research for Urban Vigilance	12.800	89,153
Nanoporous SiC and GaN	12.300	15,918

See notes to the Schedule of Expenditures of Federal Awards.

(Continued)

WRIGHT STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2007

<u>Federal Grant/Pass Through Grant/Program Title</u>	<u>Federal CFDA Number or Primary Grant Number</u>	<u>Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER (Continued)		
U.S. Department of Defense, Subcontract (Continued) -		
New Electronic Warfare Specialists Through Advanced Research by Students (NEWSTARS)	12.800	\$ 199,920
NMR Based Metabolomics in Toxicology Research	12.800	76,893
Nonlinear Enhancement of Visual Target Detection	12.800	21,157
Novel Neuroprotectants for Sarin Induced Neurotoxicity Post Exposure Rescue	12.800	261,718
Particle Filters for Target Tracking and Identification	12.800	9,456
Performance Improvement of a Receiver on a Chip	12.800	(1)
Plasma Modeling Program	12.800	169,841
Polymer Nanocomposites as Future Materials for Defense and Energy Applications	12.800	217,731
Power Extraction from a Gas Turbine Engine in Flight	12.800	9,949
Reconfigurable Architectures for Mobile Joint Tactical Radio Systems (JTRS) for UAVs	12.800	105,136
Representing Plan Execution in a Dynamic Battlefield Environment	12.431	1
RFID One Day COMPTIA Session	12.800	17,650
RFID Preventive Maintenance	12.800	17,650
Risk Based Design of Air Vehicle Structures	12.800	42,040
RoCSTARS: Receiver-on-a-Chip Signal Techniques and Reconfigurable Simulations	12.800	1,139
Semi-Active Vibration Control of Fan Blades	12.800	41,178
Single Ionic Conducting Polymer Electrolyte	12.800	30,247
Software for the Design and Certification of Unitized Airframe Components	12.800	325
Software-Designed Radio for Robust and Low-Cost Detection of Electronic Emitters	12.800	14,853
Support for Wright Innovation and Collaboration (WICC) Workshops	12.800	63,109
Synthetic Aperture Ladar for Tactical Imaging (SALT) System Engineering Support	12.800	(1,333)
System Analysis and RF-Floodlight Exploitation of Short-Range GOTCHA Repeaters	12.800	21,386
Team-Based Assessment of Socio-Technical Logistics (TASL)	12.800	19,045
Terahertz Spectroscopy of Water for Combustion Diagnostics Applications	12.800	61,000
Terahertz Standoff Sensing of Vital Signs	12.431	143,381
Testing of Cathodic Arc Plasma Sources (CAPS) for Magnetohydrodynamic (MHD) Control of Hypersonic Flight Surfaces	12.800	5,316
The Investigation on Non-Coherent Cooperative MIMO System	12.800	10,000
Thermal Management of Next-Generation Power Electronics for the More-Electric Aircraft Initiative	12.800	25,761
THz Technology and Molecular Interactions	12.431	13,462
Use of Room-Temperature Ionic Liquids as Electrolytes in Fuel Cells	12.800	17,007
Vibration Control of Turbo-Machinery Blade Vibration	12.800	33
Video Tracking and Sensor Registration	12.800	22,192
Virtual Simulation Infrastructure Development/EAAGLES Training	12.800	221,060
Waveform Diversity Implementation Study	12.800	59,056
Wright Innovation and Collaboration (WICC) Virtual Hub	12.800	91,600
ZnO Based Light Emitters for UV/Blue Applications	12.630	38,680
Total U.S. Department of Defense, Subcontract		4,980,554
Total U.S. Department of Defense		6,974,419
U.S. Department of Energy, Prime -		
Applying Distributions of Hydraulic Conductivity for Anisotropic Systems and Application to Tc Transport at U.S. DOE Hanford	81.049	7,303
Continuous Severe Plastic Deformation Processing of Aluminum Alloys	81.086	21,984
Multiscale Reactive Trans in Processes Related to CO2 Sequestration: Nanoscale Dynamics Upscaling and Non-Steady State	81.049	103,268
Performance Enhancement of Second Generation Coated Conductors by Investigation of Flux Pinning and AC Loss Issues	81.049	111,502
Towards Scalable Cost Effective Survivability in Ultra High-Speed Networks	81.049	56,095
Total U.S. Department of Energy, Prime		300,152
U.S. Department of Energy, Subcontract -		
P-type ZnO	81.049	10,015
State Technologies Advancement Collaborative (STAC)	81.117	83,158
Total U.S. Department of Energy, Subcontract		93,173
Total U.S. Department of Energy		393,325
U.S. Department of Interior, Subcontract -		
Remote Sensing Technology Application to Estimation of ET in the Western USA	15.504	80,465
Strategic Alliance for the Development of Advanced Remote Sensing Technologies for Effective Water Resources Management	15.504	38,232
Total U.S. Department of Interior		118,697

See notes to the Schedule of Expenditures of Federal Awards.

(Continued)

WRIGHT STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2007

<u>Federal Grant/Pass Through Grant/Program Title</u>	<u>Federal CFDA Number or Primary Grant Number</u>	<u>Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER (Continued)		
U.S. Department of Labor, Prime -		
Geophysical Void Detection	17.267	\$ 68,762
U.S. Department of Transportation, Prime -		
Development of Specifications for an Interactive Aircraft Accident Data Collection and Analysis System	20.108	(137)
Innovative Winter Maintenance Material Inventory Management and Processes	20.205	42,747
Total U.S. Department of Transportation		42,610
U.S. Environmental Protection Agency, Prime -		
Allelopathy as an Invasive Mechanism for the Invasive Plant <i>Alliaria Petiolata</i> (Garlic Mustard): Implications for Restoration	66.513	13,787
Expression of Microbial Genes Involved in the Reductive Dehalogenation of PCE and its Degradation Products	66.513	13,739
Defining and Predicting PCB Fluxes and their Ecological Effects in Stream and River Systems for Risk Characterizations	66.509	99,260
Possible Asthma and Allergy Associated Eosinophilia Caused by Mole Hemolysins	66.511	(7,719)
Total U.S. Environmental Protection Agency, Prime		119,067
U.S. Environmental Protection Agency, Subcontract -		
Technical Support for the Management of Contaminated Sediments and Associated Ecological Risk Assessments	66.511	30,000
Total U.S. Environmental Protection Agency		149,067
National Aeronautics and Space Administration, Prime -		
Assessment of Temporal Changes in Stream Water Qual Due to Land Use Changes in the Ohio River Watershed During 1980-2000	43.001	1,653
Computer Modeling of the Discharge Chamber of an Ion Engine	43.001	76,374
Coupled Models of Planetary Thermospheres/Ionospheres	43.001	131,119
Dynamic Test of Pressure Sensors	43.001	13,341
Evaluating Integrated Control Approaches for Multi-Agent Behavior in Physical Environments	43.002	8,676
Monte Carlo Calculations of Hot and Escaping Atoms from Mars Using Realistic Velocity Distributions	43.001	4,650
RUI: The Paradox of Cellular Ca Homeostasis During Vectorial Trans: Spatial and Temporal Reg of Ca Import/Export Proteins	47.074	117,136
Studies of the Mars Global Surveyor Radio Science Electron Density Profiles	43.001	49,914
Total National Aeronautics and Space Administration, Prime -		402,863
National Aeronautics and Space Administration, Subcontract -		
Application of Remote Sensing to the Management of the Control of the Gypsy Moth	43.001	(45)
Participation in the T MED Spacecraft DS Team of Janet U. Kozyra (University of Michigan)	43.001	32,235
Publication of Remote Sensing Education Workshop Results and Applications to the Ohio Environment	43.001	2,811
Total National Aeronautics and Space Administration, Subcontract -		35,001
Total National Aeronautics and Space Administration		437,864
National Science Foundation, Prime -		
A Revolution in NMR Applications Using Optimal Control Theory	47.049	93,882
Acquisition of Genomics Instrumentation for Evolutionary Ecological and Environmental Biology	47.074	11,744
Adaptive Analysis of Sparse Factorial Designs and Related Problems	47.049	1,926
Biomedical Industrial and Human Factors Engineering Design Projects for Persons with Disabilities	47.041	18,394
Calcium Homeostasis Modeled on the Freshwater Crayfish Molting Cycle: From Physiology to Molecular Regulation	47.074	(1,324)
CAREER: Evolvable Hardware Neuromorphic Computational Devices for Sensing and Control	47.070	74,594
CAREER: Topics in Electronic and Optical Properties of Semiconductor Nanostructures	47.049	(22)

See notes to the Schedule of Expenditures of Federal Awards.

(Continued)

WRIGHT STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2007

<u>Federal Grant/Pass Through Grant/Program Title</u>	<u>Federal CFDA Number or Primary Grant Number</u>	<u>Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER (Continued)		
National Science Foundation, Prime (Continued) -		
Collaborative Proposal: ITR-SemDIS: Discovering Complex Relationships in the Semantic Web	47.041	\$ 43,807
Collaborative Research on Reactive Transport Modeling: Spatial Cross-Correlation Between Hydraulic and Reactive Aquifer Attrib	47.050	4,347
Collaborative Research: Adaptive Radiation of a Gall Midge-Fungus Mutualism in a Multitrophic Context	47.074	4,306
Collaborative Research: Coasts in Motion: Quantifying the Patterns of Coastal Change Using LIDAR	47.050	22,998
CRI: Instrumentation of a Hierarchical Wireless Sensor Network Test-Bed for Research and Education	47.070	33,168
Development of "Smart" Scanning Probe Microscopy Instrumentation for Studies of Mineral-Water Interfaces	47.050	38,143
Endocrine Activity and the Ontogeny of Social Interactions and Bonding	47.074	52,501
GOALI: Laser Additive Manufacturing of Aerospace Components	47.041	43,548
Modeling Hierarchical Aquifer Architecture from Centimeter to Kilometer Scales	47.050	67,947
New Algebraic Techniques for Constructing Sequences and Arrays with Good Correlation Properties	47.070	196
Predicting Hydraulic Properties from Pressure-Saturation Curves	47.050	43,044
RDE-DEI: Research in Disability Education-Demonstration Enrichment and Information Dissemination	47.076	18,227
Reflector Problem Equations of Monge-Ampere Type and Fully Nonlinear Equations	47.049	26,527
REU Supplement - Biomedical Industrial and Human Factors Engineering Design Projects for Persons with Disabilities	47.041	8,036
REU Supplement: Collaborative Research: Putting the Lake Back Together: Integrating Littoral Productivity Into Lake Food Webs	47.074	74,117
RUI: Aquaporins and Osmoregulation in a Freeze-Tolerant Amphibian	47.074	100,468
Total National Science Foundation, Prime		780,575
National Science Foundation, Subcontract -		
A Learning Progression for Scientific Modeling	47.076	3,890
Decision Support for Logistics Response to Chemical Biological or Radiological Attacks	47.041	114,228
Electroanalytical Inquiry-Based Modular Sensor Development	47.049	17,542
GOALI: Growth Dependent Identification and Control of Bulk and Interface Defects in ZnO	47.049	54,418
ITR: i-LEARN: IT's Enabled Intelligent and Ubiquitous Access to Educational Opportunities for Blind Students	47.070	52,938
SGER: Music Telepresence	47.070	29,875
Track 1 GK-12: Inquiry-based Approaches to Earth System Science	47.076	11,748
Total National Science Foundation, Subcontract		284,639
Total National Science Foundation		1,065,214
U.S. Department of Agriculture, Subcontract -		
Chemical Ecology of Host-Mediated Systemic Interactions Between Pathogens and Insects in Austrian Pine Over a Fertility Gradient	10.206	30,008
Phytochemical Basis of Inter- and Intra-Specific Variation in Resistance of Ash to Emerald Ash Borer	10.025	5,618
Total U.S. Department of Agriculture		35,626
Other Federal Agencies, Prime -		
Characterization of Cyanobacteria Secondary Metabolites	15.608	27,386
Other Federal Agencies, Subcontract -		
RFID - Enabled Dispatch Verification System and WCI Support	59.006	151,711
Total Other Federal Agencies		179,097
TOTAL RESEARCH AND DEVELOPMENT CLUSTER		22,177,824
U.S. Department of Education Direct Programs -		
A Collaborative University Approach to Training in Adapted Physical Education with Emphasis on Low-Incidence Disabilities	84.325	78,304
An Integrative Curriculum to Promote Understanding of Diversity Reduce Substance Abuse Use Among Youth with Learning Chall	84.184	(2,513)
Capacity Building Faculty Support Grant FY05/06	84.048	(5,514)
Capacity Building Faculty Support Grant FY06/07	84.048	83,182
catalystOhio Technology Community (cTC)	84.305	14,613
Child Care Subsidy and Promoting Positive Relationships Program	84.335	80,150
Child Welfare Workforce Professional Education Program	84.305	(93,381)
Create a Classroom that Moves!	84.215	27,526

See notes to the Schedule of Expenditures of Federal Awards.

(Continued)

WRIGHT STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2007

<u>Federal Grant/Pass Through Grant/Program Title</u>	<u>Federal CFDA Number or Primary Grant Number</u>	<u>Expenditures</u>
U.S. Department of Education Direct Programs (Continued) -		
Dissemination of a Mixed Model for Promoting Substance Use Disorder Screening in Vocational Rehabilitation	84.305	\$ 12,748
Encountering the Old and New Worlds: Enhancing Student and Faculty Involvement in European and Western Hemispheric Studies	84.016	(62)
Evaluation of the Springfield Students and Families Engaged (SSAFE) Program	84.184	169,030
Expanding the Pool of Qualified Teachers for Ohio's Schools	84.002	162,754
Life Science, Physical Science and Mathematics Professional Development Project for Grades 6-11 Teachers	84.367	171,115
Literacy Education Partnership Field Faculty Network	84.002	(197)
Mathematics and Physical Science Professional Development Project for Grades 7-11 Teachers	84.281	18,364
Montgomery County - Teaching American History	84.215	35,146
Nursing Institute of West Central Ohio	84.116	71,429
Ohio Education Network for Science and Mathematics Education (OHEN)	84.002	23,853
Ohio Mathematics Academy Program (OMAP)	84.330	164,916
Ohio Science Institute Program (OSCI)	84.330	229,589
Partners in Integrated Earth Systems Science (PIES)	84.367	61,151
Prevention Through Alternative Learning Styles (PALS) Training	84.186	18,582
Prevention Through Alternative Learning; Violence and Substance Abuse Prevention	84.002	(5,861)
Project Manager for Expanding the Pool of Qualified Teachers (EPQT)	84.336	12,889
Project RENEUUS: Regional Educational Network between the European Union and the United States	84.116	(52)
Science and Math Academics for Teachers through EXCEL	84.366	27,999
Teaching American History Grant	84.215	(2,042)
The Reading First - Ohio Center	84.357	36,228
The Wright Charter College of Education	84.215	84,652
Training Licensed Educators to Become Intervention Specialists for Ohio	84.027	208,695
US Brazil BioTech Training Consortium (USABRIO)	84.116	(1,204)
U.S. Brazil Consortia for Biomedical Sciences Exchange	84.116	8,618
Total U.S. Department of Education Direct Programs		1,690,707
U.S. Department of Health and Human Services, Prime -		
Academic Administrative Unit Pediatrics	93.884	127,146
Acute Care Nurse Practitioner Cardiac Specialty Program	93.247	141,577
BEACON: Accelerated BSN for Baccalaureate Graduates	93.359	256,046
Brothers to Brothers/Sisters to Sisters	93.243	406,652
CCOE Dual Diagnosis MIMR	93.958	68,927
CCOE-MH-ODMH	93.630	18,931
CE: Collaborative Peer Supervision Groups (SPRANS)	93.110	30,797
Child Welfare Workforce Professional Education Program	93.658	158,044
Establishment of Neighborhood Emergency Help Centers	93.889	383,909
Integration of Excellence in Nursing Education Research and Service/Practice	93.888	243,733
Leadership for an Effective Regional RN Workforce	93.888	65,202
Neighborhood Emergency Help Centers	93.889	117,080
Online Family Nurse Practitioner 1st and 2nd Master's	93.247	(460)
Predoctoral Training in Primary Care	93.884	20,668
Professional Nurse Traineeship	93.358	64,126
Short-Term Training for Minority Students (STREAMS)/WSU	93.837	80,885
Sisters of Solidarity (SOS)	93.941	180,112
The Community Health Initiative	93.243	283,419
The Many Room Project	93.243	23,033
Training of Licensed Health Care Professionals in Basic and Advanced Disaster Life Support	93.889	103,285
WSU Cage Wash Renovation and Improvement	93.389	91,939
Total U.S. Department of Health and Human Services, Prime -		2,865,051
U.S. Department of Health and Human Services, Subcontract -		
Acute Care Centers	93.889	1,583,073
CCOE: Dual Diagnosis MI/MRDD	93.630	67,332
Consulting Services	93.061	41,016
DCOP Fiscal Agency Renewal (06/04 - 05/09)	93.399	848,340
Graduate Research Assistant Stipend - Sonner	93.837	16,500
Kinship Navigator Consortium	93.130	123,345
Mobile Acute Care Incident and Education (MACIE) Unit	93.889	1,404,702
PECE-PACT: Parents Early Childhood Education/Positive Action Choices Training	93.959	65,092
Training of Licensed Health Care Professionals in Basic and Advanced Disaster Life Support	93.889	164,915
Total U.S. Department of Health and Human Services, Subcontract -		4,314,315
Total U.S. Department of Health and Human Services		7,179,366

See notes to the Schedule of Expenditures of Federal Awards.

(Continued)

WRIGHT STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2007

<u>Federal Grant/Pass Through Grant/Program Title</u>	<u>Federal CFDA Number or Primary Grant Number</u>	<u>Expenditures</u>
U.S. Department of Defense, Prime -		
Cold War/Aerospace Technology History Project	12.800	\$ 17,813
Uniform Commutation Allowance	12.800	44,574
Total U.S. Department of Defense, Prime		62,387
U.S. Department of Defense, Subcontract -		
Graduate Research Assistant Support - Kolawole	12.800	9,800
Science Mathematics and Research for Transformation (SMART) Defense Scholarship Program - M. Corbett	12.800	6,833
Total U.S. Department of Defense, Subcontract		16,633
Total U.S. Department of Defense		79,020
U.S. Department of Labor, Subcontract -		
Labor Market Study	17.267	18,920
U.S. Department of Housing and Urban Development, Prime -		
Building Futures	14.511	20,312
Dayton Community Development Work-Study Program	14.512	3,404
Total U.S. Department of Housing and Urban Development		23,716
National Aeronautics and Space Administration, Prime -		
Aerospace Medicine Residency Program	43.001	382,379
Aerospace Medicine Training for the Era of Moon Mars and Beyond	43.001	225,295
Ohio Space Grant Consortium Scholars Program	43.001	473
Total National Aeronautics and Space Administration, Prime		608,147
National Aeronautics and Space Administration, Subcontract -		
Ohio Space Grant Consortium Campus Allocation	43.001	1,878
Ohio Space Grant Consortium Scholars Program	43.001	8,000
Student BalloonSat Program	43.001	5,567
Temperature/Telemetry Satellite Project	43.001	(150)
Total National Aeronautics and Space Administration, Subcontract		15,295
Total National Aeronautics and Space Administration		623,442
National Endowment for the Humanities Prime -		
Gateway to Gold Mountain: The Angel Island Immigration Experience Exhibit	45.129	2,500
History and Memory: World War I in British Culture	45.163	21,332
Total National Endowment for the Humanities		23,832
National Endowment for the Humanities: Institute of Museum and Library Services, Prime -		
Improving Library Services for Students with Learning Disabilities	45.310	4,290
Statewide Core Electronic Information Collection (SCEIC)	45.310	1,328,236
Total National Endowment for the Humanities: Institute of Museum and Library Services		1,332,526
National Science Foundation, Prime -		
A National Model for Engineering Mathematics Education	47.076	52,766
Collaborative Proposal: CCLI-EMD-A WWW Based Autonomous Robotics Practicum for Engineering Undergrad and STEM Educ	47.076	4,907
Creating Laboratory Access for Science Students (CLASS): National Dissemination	47.076	1,236
IGERT: An Interdisciplinary Initiative on Technology Based Learning with Disability	47.076	401,512
REU/ASSURE Site in Physics at WSU and WPAFB	47.049	60,297
STEP: Gateway into First-year STEM Curricula: A Community College/University Collaboration Promoting Retention and Articulation	47.076	103,649

See notes to the Schedule of Expenditures of Federal Awards.

(Continued)

WRIGHT STATE UNIVERSITY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2007**

<u>Federal Grant/Pass Through Grant/Program Title</u>	<u>Federal CFDA Number or Primary Grant Number</u>	<u>Expenditures</u>
National Science Foundation, Prime (Continued) -		
UMEB: Wright State University Partners with Wilberforce University to Yield RESULTS	47.074	\$ 454
Total National Science Foundation, Prime		<u>624,821</u>
National Science Foundation, Subcontract -		
LSAMP Bridge Program	47.076	<u>51,975</u>
Total National Science Foundation		<u>676,796</u>
Small Business Administration, Prime -		
Small Business Development Center - FY06 - EMTEC	59.037	<u>4,024</u>
Small Business Administration, Subcontract -		
Small Business Development Center FY06-SBA	59.037	45,342
Small Business Development Center FY07-SBA	59.037	<u>42,982</u>
Total Small Business Administration, Subcontract		<u>88,324</u>
Total Small Business Administration		<u>92,348</u>
U.S. Department of Transportation, Prime -		
Public and Social Service Transportation Curriculum and Internship Program	20.215	5,741
Rider/Non-Rider Baseline and Trip Characteristics Study	20.505	<u>1,210</u>
Total U.S. Department of Transportation, Prime		<u>6,951</u>
U.S. Department of Transportation, Subcontract -		
Public and Social Service Transportation Curriculum and Internship Program	20.215	<u>(8,517)</u>
Total U.S. Department of Transportation		<u>(1,566)</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ <u>44,821,357</u>

WRIGHT STATE UNIVERSITY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2007

A. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") has been prepared using the accrual basis of accounting in accordance with the format as set forth in Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, issued by the United States Office of Management and Budget. The Schedule reflects the expenditures of Wright State University under programs financed by the U.S. government for the year ended June 30, 2007.

For purposes of the Schedule, expenditures of federal awards include the following:

- Direct federal awards
- Pass-through funds received from non-Federal organizations made under federally sponsored programs conducted by those organizations.

Awards are classified into major program and non-major program categories in accordance with the provisions of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Catalog of Federal Domestic Assistance (CFDA) Numbers or Primary Grant Numbers are presented for those programs for which such numbers are available.

B. FEDERAL FAMILY EDUCATION LOANS

Federal Family Education Loans (Federal CFDA Number 84.032) processed for students by the University during the year ended June 30, 2007, are summarized as follows:

Federal Subsidized Stafford Loans	\$ 34,777,927
Federal Unsubsidized Stafford Loans	36,261,042
Federal Parental Loans for Undergraduate Students (PLUS)	<u>10,429,951</u>
	<u>\$ 81,468,920</u>

The University is responsible only for the performance of certain administrative duties with respect to the Federal Family Education Loan programs and, accordingly, these loans are not included in the university's financial statements.

C. FEDERAL LOAN PROGRAMS

The University administers the following federal loan programs:

	CFDA Number	Outstanding Balance at June 30, 2007
Federal Perkins Loan Program	84.038	\$ 13,480,858
Loans to Disadvantaged Students	93.342	409,849
Health Professions Student Loan Program	93.342	24,140
Nursing Student Loan Program	93.364	1,035,564
Primary Care Loan Program	93.342	2,583,750

Total loan expenditures and disbursements of the U.S. Department of Education and the Department of Health and Human Services student financial assistance loan programs for the fiscal year are identified below:

	CFDA Number	Disbursements
Federal Perkins Loan Program	84.038	\$ 2,385,250
Loans to Disadvantaged Students	93.342	42,000
Nursing Student Loan Program	93.364	165,650
Primary Care Loan Program	93.342	540,970

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Crowe Chizek and Company LLC
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REPORT OF INDEPENDENT AUDITORS 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*

To the Board of Trustees
of Wright State University
Dayton, Ohio

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Wright State University as of and for the year ended June 30, 2007, and have issued our report thereon dated the same date as this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Wright State University's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Wright State University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Wright State University's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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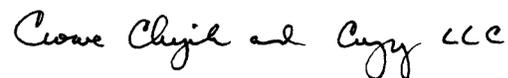
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wright State University's financial statements are free of 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 determination of financial statement amounts. 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*.

We noted certain matters that we reported to management of Wright State University in a separate letter dated October 10, 2007.

This report is intended solely for the information and use of management, the Board of Trustees, federal awarding agencies and pass-through entities and others within the entity, and the State of Ohio Office of the Auditor and is not intended to be and should not be used by anyone other than these specified parties.



Crowe Chizek and Company LLC

Columbus, Ohio
October 10, 2007

(Continued)



Crowe Chizek and Company LLC
Member Horwath International

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Trustees
of Wright State University
Dayton, Ohio

Compliance

We have audited the compliance of Wright State University with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. Wright State University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Wright State University's management. Our responsibility is to express an opinion on Wright State University's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Wright State University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Wright State University's compliance with those requirements.

(Continued)

In our opinion, Wright State University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 07-01.

Internal Control Over Compliance

The management of Wright State University is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Wright State University's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Wright State University's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as an item 07-01 to be a control deficiency. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

However, we noted certain matters that we reported to management of Wright State University in a separate letter dated October 10, 2007.

(Continued)

Wright State University's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Wright State University's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Crowe Chizek and Company LLC

Crowe Chizek and Company LLC

Columbus, Ohio
October 10, 2007

(Continued)

WRIGHT STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified not considered to be material weaknesses? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified not considered to be material weaknesses? _____ Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133? X Yes _____ No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	Student Financial Assistance Cluster
	Research and Development Cluster
93.889	National Bioterrorism Hospital Preparedness Program

Dollar threshold used to distinguish between Type A and Type B programs: \$1,344,641

Auditee qualified as low-risk auditee? X Yes _____ No

(Continued)

WRIGHT STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007

Section II - Financial Statement Findings

There were no findings for the year ended June 30, 2007.

Section III - Federal Award Findings

FINDING 07-01

Federal program information:	Research and Development Cluster: U.S. Environmental Protection Agency, Defining and Predicting PCB Fluxes and their Ecological Effects in Stream and River Systems for Risk Characterizations, CFDA No. 66.509; U.S. Department of Defense, An Evaluation of the Therapeutic Effectiveness of Hyperbaric Oxygen Treatments on Children with Cerebral Palsy, CFDA No. 12.420.
Criteria:	The grant award documents indicate that “Financial reports SF 272 are required” on a quarterly and semi-annual basis, respectively.
Condition:	The University did not file the required SF 272 reports during the year.
Context:	In two of the forty grants selected for testing the required SF 272 reports were not filed. Key grant terms including required reports and related due dates are summarized in FileMakerPro, the Research and Sponsored Programs Office’s system of record for these attributes. Certain award documents do not list all related compliance requirements, and instead, incorporate by reference, such as to related CFDA. In addition, the system does not have the functions to generate automatic reminders at time near report due dates. Therefore, report tracking relies heavily on a manual process.
Recommendation:	We recommend that the University review its procedures in this area including personnel training to emphasize the need to include compliance requirements from all related sources, such as related CFDA, and consideration of implementing a computer control to generate automatic reminders to prevent similar oversights.
Management’s response:	The University concurs with the Finding.
Corrective actions taken or to be taken:	The University has filed the required reports noted and will be more cognizant of the due dates going forward. The University recently implemented a new ERP system. This new system does not, however, provide for a method of storing these reporting due dates, or the ability to remind staff of them. Therefore, the University utilizes a different stand-alone system to store this information. It requires manual intervention to ensure compliance. The University has identified this as one of the improvements it is working towards with respect to system enhancements. Until the enhancement is implemented, the University will increase its efforts to monitor reporting due dates to ensure better compliance.

(Continued)

WRIGHT STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007

Section IV –Prior Year Findings and Questioned Costs

None.

**WRIGHT STATE UNIVERSITY
INTERCOLLEGIATE ATHLETICS DEPARTMENT**

**Report of Independent Accountants on
Applying Agreed-Upon Procedures
June 30, 2007**

WRIGHT STATE UNIVERSITY
INETERCOLLEGIATE ATHLETICS DEPARTMENT

AGREED UPON PROCEDURES
REQUIRED BY THE NCAA
June 30, 2007

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STATEMENT OF CHANGES IN FUNDS - RESTRICTED FUNDS (UNAUDITED).....	7



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INDEPENDENT ACCOUNTANTS' REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES

Dr. James Hopkins, President
Wright State University
Dayton, Ohio

We have performed the procedures enumerated below, which were agreed to by management of Wright State University (the "University"), solely to assist the University in evaluating whether the accompanying Statement of Revenues and Expenses of the University is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 6.2.3 for the year ended June 30, 2007. Management of the University is responsible for the Statement of Revenues and Expenses ("Statement") and the Statement's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Agreed-Upon Procedures Related to the Statement of Revenues and Expenses

The procedures that we performed and our findings are as follows:

Procedures Related to the Accounting Records

1. We obtained the Statement of Revenues and Expenses (the "Statement") of the Intercollegiate Athletics Department (the "Athletics Department") for the year ended June 30, 2007, as prepared by management as well as shown on page 6. Additionally, we obtained the supporting worksheets and agreed each of the revenue and expense amounts on the Statement to management's worksheets, noting no exceptions.
2. We agreed all amounts on management's worksheets to the University's general ledger, noting no exceptions.

3. We agreed revenues and expenses appearing on the Statement to budgeted amounts and prior year amounts and obtained explanations for all variances greater than 10 percent.
4. We did not identify any contributions of cash, services or goods which were received directly by the University's Athletics Department and that constituted 10 percent or greater of all contributions received by the University's Athletics Department.
5. We selected a sample of 10 operating revenue receipts and agreed the revenue receipt to check copies and/or other supporting documentation maintained by the University, noting no exceptions.
6. We selected one home men's basketball game and one home women's basketball game and recalculated revenue totals related to tickets sold and agreed the ticket revenue to the general ledger, noting no exceptions. We recalculated totals of complimentary tickets and unsold tickets appearing on the ticket office sales reports, noting no exceptions.
7. We agreed the guarantee revenues (away games) and expenditures (home games) to the signed contracts and other supporting documentation, noting no exceptions.
8. We agreed the Federal Work Study support recorded by the Athletics Department with federal appropriations and/or other supporting documentation, noting no exceptions.
9. We agreed the University's direct support recorded by the Athletics Department to the University's authorizations, noting no exceptions.
10. We obtained and inspected the agreements related to the University's participation in revenues from tournaments during the year ended June 30, 2007 to gain an understanding of the relevant terms and conditions. We agreed the related tournament revenues to the check copies as well as to the general ledger and Statement, noting no exceptions.
11. We obtained and inspected the agreements related to the University's participation in revenues from advertisements and sponsorships. We selected 10 revenue receipts and agreed them to the check copies as well as the total to the Statement, noting no exceptions.
12. We inspected the sports-camp contracts between the University and the person conducting institutional sports-camps or clinics to obtain an understanding of the University's methodology for recording revenues and expenses.
13. We selected 10 sports-camp participant cash receipts and agreed the revenue to check copies, noting no exceptions.

14. We selected 10 sports-camp expenses and agreed the expense to the supporting documentation (for example, invoices) and agreed that the expense was for camp related activity, noting no exceptions.
 15. We selected a sample of 10 student athletes who received institutional financial aid during the year ended June 30, 2007 and agreed the award amount per the student's account detail to the related award letter, noting no exceptions.
 16. We obtained a listing of coaches employed by the University. We selected coaches for men's and women's basketball, baseball and a selection of two other coaches and obtained the related contracts. We agreed the financial terms and conditions to the related coaches' salaries, benefits and bonuses to the amounts recorded by the University in the Statement noting no exceptions.
 17. We obtained the W-2's and 1099's for the coaches selected above and agreed amounts appearing in the W-2's and 1099's to the related expenses in the Statement. Because the W-2's are for the year ended December 31, 2006, and the salaries and benefit expense per the Statement are for the fiscal year ended June 30, 2007, the total compensation per the W-2's did not agree with the salaries and benefits expense per the Statement.
 18. We obtained a listing of administrative employees of the Athletics Department and other third parties that are not included in the University's general ledger. We selected 10 administrative employees of the Athletics Department and obtained the W-2's and 1099's for the employees selected and agreed the amounts appearing in the W-2's and 1099's to the related expenses in the Statement. Because the W-2's are for the year ended December 31, 2006, and the salaries and benefit expense per the Statement are for the fiscal year ended June 30, 2007, the total compensation per the W-2's did not agree with the salaries and benefits expense per the Statement.
 19. We agreed the salaries, benefits and bonuses paid by the University for the administrative employees selected above to the related expense recorded by the University in the Statement noting no exceptions. There were no other third party administrative employees.
 20. We noted there were no employees receiving severance payments by the University during the reporting period.
 21. We obtained copies of the University's recruiting and travel policies. We read the policies and agreed them to the NCAA policies, noting they are consistent.
 22. We recalculated the allocation from the Nutter Center to the Athletics Department for concessions and parking, noting no exceptions.
 23. We selected a sample of 10 equipment, uniform and/or supplies expense transactions and agreed the expense transaction to supporting documentation maintained by the University, noting no exceptions.
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24. We reviewed contracts for fundraising, marketing and promotional activities for the Athletics Department. We selected a sample of 10 fundraising, marketing and/or promotion expense transactions and agreed them to supporting documentation, noting no exceptions.

Procedures Related to the Internal Accounting Controls

25. We obtained an understanding of the general control environment as it relates to the Athletics Department which included the following the following as it relates to the Athletics Department: (1) departmental organization, (2) control consciousness of department employees, (3) use of internal auditors, (4) competency of personnel, (5) adequate safeguarding and control of department records and assets, and (6) controls over interactions with information technology department.
26. We obtained an understanding of the University's procedures for gathering information on the nature and extent of the affiliated and outside organization's activities for or on behalf of the University's intercollegiate athletic programs. We found that the University receives internal reports of the outside organization's activities on a monthly and an external audited report on an annual basis.

Procedures Related to the Wright State University Foundation

27. We obtained the list of outside programs and related financial activities for the year ended June 30, 2007, which is included on page 7 of this report.
28. We confirmed with the athletic business manager that the information referred to in 24 above is a complete list of programs outside the University's financial reporting system, which conducted financial transactions for or on behalf of the University's intercollegiate athletic programs during the year ended June 30, 2007.
29. We confirmed directly with officers of the Foundation that the data to be contained in 24 above represented a complete and accurate summary of all business transacted for or on behalf of the University's intercollegiate athletic programs during the year ended June 30, 2007.

Procedures Related to the Athletics Assets

30. We obtained a schedule of intercollegiate athletics capitalized assets, additions and improvements of facilities summarized by type.
31. We agreed the schedule to the institution's general ledger.

32. We selected significant capitalized additions made by the institution during the reporting period (greater than 10 percent of total capital additions) and agreed the recorded cost of each selection to adequate supporting documentation. We noted no capitalized additions exceeding 10 percent of total capital additions.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the compliance of the accompanying Statement of Revenues and Expenses of Wright State University. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the University management and governing boards, and is not intended to be and should not be used by anyone other than these specified parties.

Crowe Chizek and Company LLC

Crowe Chizek and Company LLC

Columbus, Ohio
December 13, 2007

Wright State University
Intercollegiate Athletics Department
Statement of Revenues and Expenses
For the Year Ended June 30, 2007 (Unaudited)

Revenues	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	Total
Ticket Sales	\$ 224,984	\$ 5,513	\$ 10,622	\$ -	\$ 241,119
Guarantees	40,000	5,000	26,000	-	71,000
Contributions	58,950	3,625	53,943	178,675	295,193
Direct state / other government support	205	1,982	-	21,386	23,573
Direct institutional support	1,125,122	748,111	3,754,721	1,330,104	6,958,058
NCAA / conference distributions	60,420	-	-	249,504	309,924
Program sales, concessions, novelty sales, parking	7,336	-	67,321	104,147	178,804
Royalties, licensing, advertisements & sponsorships	121,673	99,925	11,595	14,620	247,813
Sports camp revenues	22,885	23,230	120,007	4,240	170,362
Other revenues	-	45	34	53,496	53,575
Total operating revenue	<u>1,661,575</u>	<u>887,431</u>	<u>4,044,243</u>	<u>1,956,172</u>	<u>8,549,421</u>
Expenses					
Athletics student aid	278,648	242,299	2,027,607	-	2,548,554
Guarantees	45,000	3,500	-	-	48,500
Coaching salaries, benefits, & bonuses	564,686	205,818	853,183	-	1,623,687
Support-staff / administrative other compensation & benefits	145,449	117,980	11,852	1,529,303	1,804,584
Recruiting	65,102	45,473	86,698	-	197,273
Team travel	144,128	113,254	631,367	-	888,749
Equipment, uniforms, & supplies	23,128	25,661	166,045	21,680	236,514
Game expenses	64,468	34,080	47,849	-	146,397
Fund raising, marketing, and promotion	121,535	22,323	35,864	49,835	229,557
Sport camp expenses	4,677	8,965	60,983	4,709	79,334
Direct facilities, maintenance, and rental	101,031	18,703	18,480	526,237	664,451
Spirit groups	3,600	-	-	216,898	220,498
Medical expenses and medical insurance	871	1,002	8,266	94,366	104,505
Membership and dues	890	648	4,217	5,904	11,659
Other operating expenses	98,362	47,725	91,832	360,661	598,580
Total operating expenses	<u>1,661,575</u>	<u>887,431</u>	<u>4,044,243</u>	<u>2,809,593</u>	<u>9,402,842</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (853,421)</u>	<u>\$ (853,421)</u>

Wright State University
Statement of Changes in Funds
Restricted Funds
June 30, 2007 (Unaudited)

	Beginning Fund	Increase in Funds (1)	Expenses for or on Behalf of Program (2)	Transfers & Others	Ending Fund
Gift Accounts					
ADC Platinum Charter	\$ (9,032)	\$ 56,900	\$ (47,868)	\$ -	\$ -
Athletics General Fund	-	71,914	(71,904)	-	10
Baseball	-	19,515	(19,515)	-	-
Baseball Facility Project	60	-	-	-	60
Basketball - Men's	-	11,083	(11,083)	-	-
Basketball Premium Seats	(1,006)	104,600	(105,594)	-	(2,000)
Basketball - Women's	-	3,625	(3,625)	-	-
Campus Scholarship Campaign - Men's Basketball	61	120	-	-	181
Campus Scholarship Campaign - Women's Basketba	39	-	-	-	39
Campus Scholarship Campaign - Athletics	481	-	-	-	481
Cheerleading	-	5	(5)	-	-
Cross Country - Men's	-	500	(500)	-	-
Cross Country - Women's	-	500	(500)	-	-
Golf	-	6,585	(6,585)	-	-
Heider/Best Memorial Scholarship	860	-	-	468	1,328
Gregg Nischwitz Scholarship	11,409	-	(11,409)	12,108	12,108
Soccer Lights Fund	1,021	-	-	-	1,021
Soccer Dugout Fund	2,998	333	(943)	-	2,388
Soccer-Men's	-	2,150	(2,150)	-	-
Softball	-	2,515	(2,515)	-	-
Swimming - Men's	-	825	(825)	-	-
Swimming - Women's	-	1,425	(1,425)	-	-
Tennis - Men's	-	600	(600)	-	-
Tennis - Women's	-	850	(850)	-	-
Training Room	1,172	-	(1,172)	-	-
Volleyball	-	3,825	(3,825)	-	-
Soccer - Women's	1,000	1,300	(2,300)	-	-
Women's Volleyball Scholarship	23	100	-	-	123
Wright State University Pavilion	239,849	50,000	-	-	289,849
Peggy Wynkoop Scholarship	160	400	-	-	560
	<u>249,095</u>	<u>339,670</u>	<u>(295,193)</u>	<u>12,576</u>	<u>306,148</u>
Endowment Income Accounts					
Greg Nischwitz	147,725	-	-	-	147,725
Heider / Best Scholarship	1,958	150	-	-	2,108
Greg Nischwitz	78,945	41,722	(2,267)	(12,108)	106,292
Heider / Best Scholarship	7,713	1,808	(98)	(468)	8,955
	<u>236,341</u>	<u>43,680</u>	<u>(2,365)</u>	<u>(12,576)</u>	<u>265,080</u>
Total Wright State Foundation, Inc.	<u>\$ 485,436</u>	<u>\$ 383,350</u>	<u>\$ (297,558)</u>	<u>\$ -</u>	<u>\$ 571,228</u>

(1) Amount includes cash receipts and interest accruals allocated to the endowment accounts.

(2) The Foundation is the only organization outside of the University's financial system that conducted transactions for or on behalf of the Athletic Department



Mary Taylor, CPA
Auditor of State

WRIGHT STATE UNIVERSITY

GREENE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 24, 2008**