

# WRIGHT STATE *UNIVERSITY*

## **Annual Report and Single Audit Reports For Federal Awards For the Year Ended June 30, 2004**

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





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Wright State University  
3640 Colonel Glenn Highway  
Dayton, Ohio 45435-0001

We have reviewed the Independent Auditor's Report of the Wright State University, Greene County, prepared by PricewaterhouseCoopers LLP, for the audit period July 1, 2003 through June 30, 2004. 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.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

December 13, 2004

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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, 2004 with selected comparative information for the years ended June 30, 2003 and 2002. 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

- In accordance with Governmental Accounting Standards Board (GASB) Statement No. 39, beginning in 2004 the Wright State University Foundation (Foundation), a legally separate tax-exempt entity, is determined to be a component unit of the University. As such, it is discretely presented (i.e., in a separate column) within the university's financial statements.
- The University continues to experience annual reductions in state appropriations. State appropriations fell \$.6 million in 2004 from 2003 while 2003 appropriations were \$2.6 million less than 2002.
- As State support continues to decline, the University increased tuition by six percent for all returning students (15.9 percent for the School of Medicine). For all new students (excluding the School of Medicine), the tuition increase was approximately 10.2 percent. These increases still enable the University to maintain the fourth lowest in-state undergraduate tuition rate among the State of Ohio's thirteen four-year public institutions.
- Net assets increased \$10.3 million at June 30 from the prior year in both 2004 and 2003. The majority (\$9.3 million) of the 2004 increase was realized in unrestricted net assets. This was largely attributable to a favorable variance in tuition and fees as a result of better than expected enrollments.
- During fiscal 2004 the University completed the construction of its own electrical substation at a cost of approximately \$2.3 million. The substation is expected to create substantial annual savings in electrical costs for the next twenty to forty years. In addition, a renovation costing approximately \$1.6 million for structural improvements and safety enhancements was performed on the university's Forest Lane student apartments. As a result of these improvements, all of the university's student housing is equipped with installed sprinklers.
- Fall 2003 student headcount increased 1.3 percent and annual full time equivalent (FTE) students increased 4.8 percent from the prior year.
- For the 12<sup>th</sup> time in 13 years, *The Guardian* student newspaper earned "All-American" ranking, the highest rating possible from the national Associated Collegiate Press.
- For the 25<sup>th</sup> consecutive year, top honors went to Wright State students at the National Model United Nations (NMUN) conference by again earning top honors. The NMUN is the largest intercollegiate conference of its kind and attracts students from all over the world.
- For the fourth year in a row, *Facilities & Event Management* magazine named the university's Ervin J. Nutter Center a Prime Site Award winner.

- The University has raised \$56.2 million through June 30, 2004 as part of its fundraising campaign entitled "*Tomorrow Takes Flight: The Campaign for Wright State University*". The campaign set a goal of raising \$40 million in operating and endowment funds for student scholarships, faculty development, facility improvements, program support, and to increase institutional endowments. Due to the continuing success of the campaign, the University has decided to extend it for another two years through 2006.
- Wright State's School of Medicine was named one of the top 50 medical schools for primary care in the nation in the U.S. News & World Report "America's Best Graduate Schools 2005" ranking.
- For the second year in a row, two Wright State teams won top honors at the 20<sup>th</sup> annual National Case Competition, sponsored by the Society for the Advancement of Management. In addition, university students were second in the National Intercollegiate Ethics Bowl, finishing in the top ten for the fourth consecutive year.
- The University has begun implementing its new Enterprise Resource Planning (ERP) System. This project replaces all administrative information systems within the University, including financial, human resource/payroll, student, and advancement and fund-raising systems. During 2004 the University implemented the web portal portion of the system, which is the gateway for faculty, staff, and students to access all other portions of the ERP system as well as enabling these individuals to customize and manage other communication and information exchanges that affect them. In addition, other modules began training and implementation efforts. The finance module is planned for a July 1, 2005 "go live" date.

### **Using the Annual Report**

This annual report includes three financial statements: the Statements of Net Assets, the Statements of Revenues, Expenses and Changes in Net Assets, and the Statements 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 Statements 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 Statements 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:



	2004	2003	2002
	(All dollar amounts in thousands)		
Current assets	\$ 89,141	\$ 87,489	\$ 73,103
Noncurrent assets:			
Capital assets, net	227,257	225,160	222,089
Other	74,926	70,772	62,946
Total assets	<u>391,324</u>	<u>383,421</u>	<u>358,138</u>
Current liabilities	65,961	66,355	56,785
Noncurrent liabilities	22,406	24,384	18,976
Total liabilities	<u>88,367</u>	<u>90,739</u>	<u>75,761</u>
Net assets:			
Invested in capital assets, net of related debt	210,772	209,916	210,513
Restricted	21,515	21,390	20,926
Unrestricted	70,670	61,376	50,938
Total net assets	<u>\$ 302,957</u>	<u>\$ 292,682</u>	<u>\$ 282,377</u>

The summary reflects the university's continued success in strengthening its asset base. The University continues to be conservative and prudent in its spending and fiscal management, sensitive to its own needs and the limitations of the current State economic environment. The University has also benefited from increasing student enrollment.

*Total assets* have increased \$7.9 million in 2004. *Current assets* are comprised primarily of cash and operating investments, student and sponsor receivables, and prepaid expenses. While total accounts receivable only increased from \$18.7 million in 2003 to \$19.1 million in 2004, sponsor receivables increased approximately \$2.7 million due to the continued annual increase in sponsored awards and an additional \$2.0 million in sponsor billings the last two months of 2004 over that of 2003. Likewise, there was a \$2.7 million decrease in investment trade receivables from 2003. Accounts receivable is comprised of primarily sponsor receivables on contracts and grants as well as student receivables for various student fees and charges. Prepaid expenses increased \$1.0 million from \$9.9 million at June 30, 2003 to \$10.9 million at June 30, 2004. The majority of the prepaid expenses are made on behalf of OhioLINK for prepaid license agreements. OhioLINK is a statewide library program for which the University is the fiscal agent. There was only a modest increase of \$2.1 million in capital assets (net of depreciation) in 2004. Other noncurrent assets increased \$4.1 million in 2004 to \$74.9 million from \$70.8 million in 2003 primarily as a result of an increase of \$4.6 million in long-term investments.

The 2003 increase in total assets of \$25.3 million over 2002 was primarily the result of a \$19.4 million increase in cash and investments and increases of \$3.6 in OhioLINK prepaid license agreements.

Total assets of the Wright State University Foundation increased from \$47.2 million at June 30, 2003 to \$61.4 million at June 30, 2004, an increase of \$14.2 million. Of the \$61.4 million, investments comprise \$47.2 million and pledges receivable comprise another \$10.2 million. Investments rose approximately \$12.5 million over its 2003 level, primarily due to the success of the current fundraising campaign and the positive returns generated in the investment market. In addition, pledges receivable increase from \$6.7 million to \$10.2 million, an increase of \$3.5 million. This, too, is attributable to the continuing success of the fundraising campaign.

*Current liabilities* are comprised primarily of accounts payables 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 actually decreased from \$66.4 million at June 30, 2003 to \$66.0 million at

June 30, 2004. Although the overall decrease was not significant, accounts payable decreased \$7.0 million from \$16.7 million in 2003 to \$9.7 million in 2004, primarily due to investment trade payables decreasing \$5.1 million and other accounts payable decreasing another \$1.9 million due to some large routine expenditures that occurred late in June of 2003. Deferred revenue increased \$6.4 million from \$32.4 million in 2003 to \$38.8 million in 2004 primarily due to an increase in advance sponsor payments, the majority of which is from participating institutions in the OhioLINK program. Deferred summer student fees also increased slightly.

Current liabilities increased from \$56.8 million at June 30, 2002 to \$66.4 million at June 30, 2003, an increase of \$9.6 million. Deferred revenue increased \$7.3 million in 2003, again attributable to advance payments for the OhioLINK program. Accounts payable increased \$2.9 million in 2003 as a result of the large routine expenditures that were incurred in June of 2003.

*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:

	2004	2003	2002
	(All dollar amounts in thousands)		
Invested in capital assets, net of related debt	\$ 210,772	\$ 209,916	\$ 210,513
Restricted:			
Nonexpendable	1,364	1,364	1,364
Expendable	20,151	20,026	19,562
Unrestricted:			
Designated	70,413	64,660	55,723
Undesignated	257	(3,284)	(4,785)
Total net assets	<u>\$ 302,957</u>	<u>\$ 292,682</u>	<u>\$ 282,377</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. Capital activity was relatively modest in both fiscal 2004 and 2003. The University did begin implementation of its new administrative software package in 2004 resulting in capitalized expenditures of \$4.0 million. In both 2004 and 2003, the University also made routine investments to maintain its aging facilities.

*Restricted nonexpendable* represents the university's permanent endowments. It does not include the endowments held by the Wright State University Foundation, to which all new gifts are directed. *Restricted expendable* represents funds that are externally restricted to specific purposes, such as student loans or sponsored projects. \$17.1 million and \$16.2 million of the restricted expendable fund balances at June 30, 2004 and June 30, 2003, 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 contained in the university's financial policy. Surpluses

generated outside of the specific colleges and divisions (i.e. general university surpluses) are typically designated for specific university projects.

### Statements of Revenues, Expenses and Changes in Net Assets

The Statements 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:

	2004	2003	2002
	<u>(All dollar amounts in thousands)</u>		
Operating Revenues:			
Student tuition and fees - net	\$ 87,295	\$ 75,804	\$ 65,767
Grants and contracts	79,657	71,974	61,575
Sales and services	6,828	7,123	5,849
Auxiliary enterprises	14,871	13,154	8,930
Other	1,785	1,600	2,618
Total	<u>190,436</u>	<u>169,655</u>	<u>144,739</u>
Operating expenses	<u>284,227</u>	<u>266,425</u>	<u>243,484</u>
Operating loss	(93,791)	(96,770)	(98,745)
Nonoperating revenues (expenses):			
State appropriations	91,725	92,302	94,932
Gifts	4,970	4,679	4,322
Investment income	3,565	3,036	1,484
Interest expense	(657)	(637)	(625)
Other income (expense)	(13)	(230)	(3,343)
Capital appropriations	3,447	6,481	12,841
Capital grants	1,029	1,444	909
Total	<u>104,066</u>	<u>107,075</u>	<u>110,520</u>
Increase in net assets	10,275	10,305	11,775
Net assets - beginning of year	<u>292,682</u>	<u>282,377</u>	<u>270,602</u>
Net assets - end of year	<u>\$ 302,957</u>	<u>\$ 292,682</u>	<u>\$ 282,377</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>2004</u>	<u>2003</u>	<u>Difference</u>	<u>Percent Increase (Decrease)</u>
Revenues:				
Grants and contracts	\$ 20,077,437	\$ 15,277,720	\$ 4,799,717	31.4%
State appropriations	<u>5,159,550</u>	<u>6,787,892</u>	<u>(1,628,342)</u>	<u>(24.0)%</u>
Total revenues	<u>\$ 25,236,987</u>	<u>\$ 22,065,612</u>	<u>\$ 3,171,375</u>	<u>14.4%</u>
Expenses:				
Total OhioLINK	<u>\$ 25,236,987</u>	<u>\$ 22,065,612</u>	<u>\$ 3,171,375</u>	<u>14.4%</u>

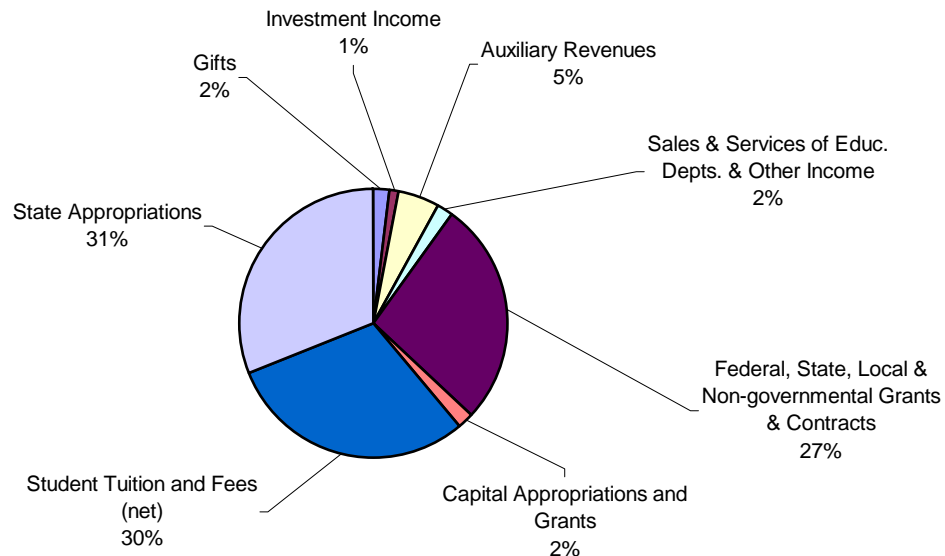
The University relies primarily on state appropriations and student tuition and fees to fund the ongoing programs and operations of the University. Although accounting standards classify state appropriations as a nonoperating revenue source, the University continues to rely upon it as a primary funding source. It was the largest single funding source of the University until 2003, when gross student tuition and fees exceeded it. Unfortunately, even though the amount of state appropriations received by the University each year is in general a function of student credit hour enrollment and although 2004 enrollment increased to an all-time high, total state appropriations once again declined for the third consecutive year. These reduced funding levels result in a greater and greater reliance on student tuition and fees. As the table below demonstrates, the State of Ohio over the past two 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	107,972,411	86,565,632	0.80

The shifting of the financial burden has been most notable in the more recent years. In just three years the State has gone from funding \$1.16 for every dollar of gross tuition to only \$0.80. In gross dollars, the difference between state appropriations (net of OhioLINK) and gross tuition has gone from a positive \$11.9 million in 2001 to a negative \$21.4 million in 2004. That is a difference of \$33.3 million in just four years. That difference reflects the magnitude of the additional burden placed on students and their families by the withdrawal of state support. Contributing somewhat to the difference is the fact that better than anticipated enrollments in recent years have resulted in higher than budgeted student fee income. Wright State has continued to assess lower than average tuition and fees in recent years and as a result continues to hold its rank of fourth lowest (out of 13) of the four-year public institutions with respect to student tuition rates. It should be noted that two of the lower three universities have received special state funding that Wright State does not receive.

Below is a graphic illustration of revenues by source for the year ended June 30, 2004.



*State appropriations* declined from \$94.9 million in 2002 to \$92.3 million in 2003 to \$91.7 million in 2004. The effect of this reduction in state appropriations can really be demonstrated when translating it to a FTE basis. In just those two years from 2002 to 2004, the amount of state appropriations per FTE fell from approximately \$6,929 in 2002 to approximately \$6,303 in 2003, a nine percent drop. If one were to adjust these figures by any measure of inflation, the percentage reduction would be even greater.

*Net student tuition and fees* increased over 15 percent from 2003 to 2004, as well as from 2002 to 2003. These fees were \$87.3 million in 2004, \$75.8 million in 2003 and \$65.6 million in 2002. The 2004 increase, as well as the 2003 increase, is primarily the result of two factors. One factor is the magnitude of tuition increases needed to offset the declining state support. The typical increase in 2004 ranged from six percent to 10.2 percent, depending upon whether a student was new or returning. In addition, FTE enrollment continues to rise. It went up 4.8 percent in 2004.

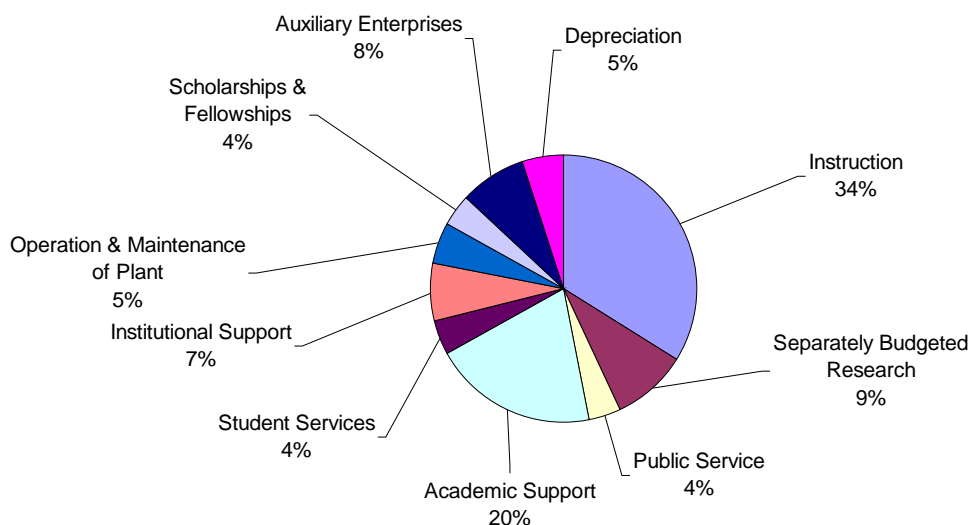
*Grants and contracts* increased from \$72.0 million in 2003 to \$79.7 million in 2004, an increase of \$7.7 million or 10.7 percent. 2002 was \$61.6 million. Grant and contract awards have been increasing annually over the last decade or more. Once again in 2004 (as in 2003), the most significant increase was the revenue generated from other colleges and universities as well as other grants in support of and participation in the OhioLINK program that is administered by the University. The 2004 increase for this program was \$4.8 million. In addition, there were numerous other new federal awards in 2004.

*Auxiliary revenues* increased from \$13.2 million in 2003 to \$14.9 million in 2004 primarily because of an accounting change due to a change in the structure of the university's contract with its food service contractor. This change first took place in 2003. However, 2004 was the first year with a full twelve months of activity. In 2002, the contractor ran the food service operations as an independent entity, simply paying the University a rental commission for the space. In the fall of 2003, the University took over the operations and hired the contractor as a provider of services in assisting the University in running the operations. Therefore, in 2004 and most of 2003 all of the gross revenues were recorded by the University rather than the contractor. This increase in revenues was \$.9 million in 2004 and \$4.0 million in 2003. Net auxiliary revenues in 2002 were \$8.9 million.

*Sales and services*, which are primarily revenues generated from specific departmental sales activities to organizations external to the University, were \$6.8 million, \$7.1 million, and \$5.8 million for the years ended June 30, 2004, 2003 and 2002, respectively. 2004 decreased as a result of a decrease in conference activities and printing revenues. The increase of \$1.3 million in 2003 was the result of additional conferences and clinical activities within the School of Medicine.

*Investment income* increased by \$.5 million in 2004, from \$3.0 million in 2003 to \$3.5 million in 2004. Investment income was \$1.5 million in 2002. The 2004 increase was due to a sustained improvement in the equity markets during the fiscal year. The 2003 improvement of \$1.5 million was due to the strong rebound in the equity markets during the fourth quarter of that fiscal year.

The following is a graphic illustration of expenses by function for the year ended June 30, 2004.



Overall operating expenses were \$284.2 million in 2004 as compared to \$266.4 million and \$243.5 million in 2003 and 2002, respectively. The 2004 increase represents an increase of \$17.8 million or 6.7 percent. The largest component of expenses is employee compensation and benefits. Salaries and benefits increased approximately \$14.3 million, or 8.9 percent, from \$159.9 million in 2003 to \$174.2 million in 2004. This increase was attributable to routine compensation increases, filling a number of positions that had been vacant in the previous year, and some new positions created by increased sponsored program awards. In addition, benefit costs continue to rise at double digit rates. Scholarship and fellowship awards increased approximately \$1.1 million, partially as a response to the rising cost of student tuition and the need to have awards keep pace with these rising costs.

OhioLINK expenditures continue to increase, primarily due to the volume of participation and the increased number and amount of license agreements. Over the last three years these costs have risen from \$17.6 million in 2002 to \$22.0 million in 2003 to \$25.2 million in 2004. Auxiliary expenditures increased \$1.8 million, most notably due to the change in the university's contract with its food service provider as described earlier. Most other costs across the University were maintained at a level comparable to fiscal 2003.

Overall operating expenses increased \$22.9 million in 2003 over 2002. Much of this increase can be attributed to the same items as the 2004 increase. Salaries and benefits increased \$8.4 million, OhioLINK expenditures increased \$4.4 million, and the food service operation change amounted to an increase of \$4.0 million. In addition, there were increases in 2003 costs for computers, office furniture, and related items most notably for the final move into Millett Hall in that fiscal year.

Spending per student FTE was basically flat from 2002 through 2004 after deducting restricted program activity (externally funded gifts and awards, including OhioLINK) from overall expenditures in each of the years 2004, 2003, and 2002 and after adjusting for the effects of an accounting change in food service operations in 2003 as a result of the University taking over the operations from a third party contractor. This accounting change had the effect of reporting increased operating costs (and corresponding revenues) of \$4.0 million in 2003 over 2002. Keeping spending per student FTE flat is a reflection of the university's success in its continuing efforts to control costs.

### Statements of Cash Flows

The Statements 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, 2004. A summary of the Statements of Cash Flows is as follows:

	2004	2003	2002
	(All dollar amounts in thousands)		
Cash provided (used) by:			
Operating activities	\$ (77,859)	\$ (81,591)	\$ (86,046)
Noncapital financing activities	96,089	97,076	99,199
Capital and related financing activities	(15,337)	(2,540)	(9,752)
Investing activities	(7,497)	(223)	119
Net increase in cash and cash equivalents	<u>(4,604)</u>	<u>12,722</u>	<u>3,520</u>
Cash and cash equivalents-beginning of year	46,880	34,158	30,638
Cash and cash equivalents-end of year	<u>\$ 42,276</u>	<u>\$ 46,880</u>	<u>\$ 34,158</u>

Cash and cash equivalents decreased \$4.6 million in 2004 from 2003. This is a reflection of the university's cash management practices and the timing of its investments. Although cash and cash equivalents decreased in 2004, total investments increased by \$8.8 million. This is also reflected above as cash flows used in investing activities increased by \$7.3 million in 2004 over 2003. Cash flows from operating activities improved in 2004 from 2003 primarily because of enhanced revenues and controlled spending. Cash flows from operating activities also improved in 2003 compared to 2002. Capital and related financing activities decreased \$12.8 million from 2003 primarily because in 2003 the University received net debt proceeds of \$7.0 million and also received \$3.0 million of additional State capital funding.

### Capital Assets and Debt

#### *Capital Assets*

The University had approximately \$227.3 million invested in capital assets, net of accumulated depreciation of \$158.3 million at June 30, 2004. Capital assets were \$225.2 million, net of accumulated depreciation of \$148.5 million at June 30, 2003. Depreciation expense for the year ended June 30, 2004 and 2003 was \$14.0 million. A summary of net capital assets for the year ended June 30 is as follows:

	2004	2003	2002
	(All dollar amounts in thousands)		
Land, land improvements and infrastructure	\$ 20,081	\$ 20,618	\$ 20,945
Buildings	167,146	166,496	150,703
Machinery and equipment	21,104	17,125	15,869
Library books and publications	18,926	19,188	19,385
Construction in progress		1,733	15,187
Total capital assets - net	<u>\$ 227,257</u>	<u>\$ 225,160</u>	<u>\$ 222,089</u>

The University completed its construction of an electrical substation in 2004 adding an additional cost of \$1.2 million for a total project cost of \$2.3 million. This substation is expected to save the University over \$200,000 in energy costs annually. In addition, the University completed its renovation of its student apartments in 2004. The total cost of this project was approximately \$1.6 million with \$1.0 million being added in the current year. The only major capital project begun in 2004 was the acquisition and beginning stages of implementation of an ERP suite of administrative software. This project is expected to take place over several years with a total estimated project cost of \$15.0 million, most of which will be capitalized. Approximately \$4.0 million was capitalized in 2004. The University also continues to address ongoing needs for repair of its aging facilities.

#### *Debt*

The University issued no new debt in 2004. New bonds were issued in 2003 in the amount of \$16.9 million. Part of that bond issue was to refund all previously existing bonds outstanding with the University. Those bonds also financed several small projects. Outstanding debt was \$16.5 million, \$18.6 million, and \$11.6 million at June 30, 2004, 2003, and 2002, respectively. Of the 2004 balance of \$16.5 million, \$15.3 million reflects the one outstanding bond issue and \$1.2 million reflects outstanding equipment leases. With the 2003 bond issue, the University received a bond rating of A2 from Moody's Investors Service. There have been no changes in that rating.

#### **Economic Factors That Will Affect the Future**

The University has been improving its financial health on an annual basis. Management notes that this is becoming more and more challenging because of shrinking State resources. That same reduction in state support makes it even more important to increase our reserves to protect our ability to support our academic programs in the future and to generate investment income to help finance current needs. The State of Ohio's economic challenges will continue to cloud the revenue picture for the University. This makes our decisions regarding rate increases for student tuition and fees as well as investments in our academic programs much more challenging. Higher education's share of the state operating and capital budgets continues to decline. The University is working to develop alternate or enhanced sources of funding. Management has been very pleased with the success of the fundraising campaign that has been underway for several years now that will help support scholarships, faculty development programs, and facility improvements. Because of the continuing success of the campaign, which was scheduled to end in 2004, the University has extended it for an additional two years. Unfortunately, our budget relies increasingly on tuition payments by students and their families. We continue to work with the State in various forums to emphasize the importance of public funding for higher education as an essential investment in the state's future.

The University is systematically investing in its aging facilities. Management has been spending much time on its capital planning process, working to improve its understanding of the possible contribution that operating margins can make to the financing of needed capital improvements. As state funding declines and the need for infrastructure investments grows, the University realizes that it is going to have to rely more on its own resources and on external financing to complete the projects it feels are necessary. The University also realizes that it will need to continue to review its expenditure practices in hopes of finding



further efficiencies. Costs such as health care, insurance, and many contracted services will need to be continually reviewed to help minimize costs as much as possible.

Even with the continued challenges that exist, we believe that we are not only well positioned financially to face them, but we have a faculty and staff committed to the success of Wright State University and of its students.

## Report of Independent Auditors

To The Board of Trustees of  
Wright State University:

In our opinion, the accompanying statement of net assets and the related statement of revenues, expenses, and changes in net assets and cash flows, present fairly, in all material respects, the financial position of Wright State University (the "University"), a component unit of the State of Ohio, at June 30, 2004 and 2003, and its revenues and expenses and changes in net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of Wright State University's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The Management's Discussion and Analysis 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 supplementary information. However, we did not audit the information and express no opinion on it.

As described in Note 1, the University adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 39, *Determining Whether Certain Organizations are Component Units, an amendment of GASB Statement No. 14*, effective July 1, 2003. The University elected to include the Foundation's financial statements as of June 30, 2003 and for the year then ended for comparative purposes only.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2004 on our consideration of Wright State University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters for the year ended June 30, 2004. 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 considered in assessing the results of our audits.

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.

PricewaterhouseCoopers LLP

September 30, 2004  
Dayton, Ohio

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**WRIGHT STATE UNIVERSITY**  
**Statements of Net Assets**  
**June 30, 2004 and 2003**

ASSETS	2004		2003	
	University	Foundation	University	Foundation
Current assets:				
Cash and cash equivalents	\$ 42,275,915	\$ 1,478,940	\$ 43,554,542	\$ 3,382,651
Short-term investments	8,820,497		7,949,858	
Accounts receivable (net of allowance for doubtful accounts of \$780,000 in 2004 and \$630,000 in 2003 - Note 3)	19,179,701		18,684,608	
Gifts and pledges receivable (net of allowance for uncollectible pledges of \$9,500 in 2004 and \$17,000 in 2003)		4,808,163		3,102,128
Loans receivable (net of allowance for doubtful loans of \$1,582,000 in 2004 and \$1,547,500 in 2003)	3,016,789		2,959,885	
Inventories	768,646		748,314	
Prepaid expenses	10,967,607		9,913,367	
Deferred charges	4,111,595		3,678,689	
Total current assets	89,140,750	6,287,103	87,489,263	6,484,779
Noncurrent assets:				
Restricted cash and cash equivalents			3,325,854	
Restricted investments			42,569	
Gifts and pledges receivable (net of allowance for uncollectible pledges of \$11,000 in 2004 and \$20,600 in 2003)		6,854,337		5,431,372
Loans receivable (net of allowance for doubtful loans of \$163,000 in 2004 and \$149,500 in 2003)	16,161,851		14,801,334	
Other assets	1,029,227	215,884	2,793,437	193,613
Other long-term investments	57,735,280	47,375,851	49,808,373	34,454,366
Capital assets, net (Note 4)	227,256,452	650,000	225,160,090	650,000
Total noncurrent assets	302,182,810	55,096,072	295,931,657	40,729,351
<b>Total assets</b>	<b>\$ 391,323,560</b>	<b>\$ 61,383,175</b>	<b>\$ 383,420,920</b>	<b>\$ 47,214,130</b>
<b>LIABILITIES AND NET ASSETS</b>				
Current liabilities:				
Accounts payable trade and other	\$ 9,704,908	\$ 97,311	\$ 16,696,177	\$ 162,560
Accounts payable to Wright State University		787,877		602,005
Accrued liabilities	9,821,284		10,192,342	
Deferred revenue (Note 1)	38,813,418		32,358,662	
Refunds and other liabilities	442,962	1,064,739	521,430	583,010
Current portion of long-term liabilities (Note 5)	7,178,121	1,162,150	6,586,202	105,320
Total current liabilities	65,960,693	3,112,077	66,354,813	1,452,895
Noncurrent liabilities:				
Long-term liabilities (Note 5)	22,406,000	247,950	24,384,121	1,156,380
Total noncurrent liabilities	22,406,000	247,950	24,384,121	1,156,380
<b>Total liabilities</b>	88,366,693	3,360,027	90,738,934	2,609,275
Net assets:				
Invested in capital assets, net of related debt	210,772,331	650,000	209,915,621	650,000
Restricted - nonexpendable:				
Instruction and departmental research		13,572,515		5,744,706
Separately budgeted research	357,337	84,228	357,337	130,022
Public service		161,749		2,161,724
Academic support		444,005		497,929
Student services		10,000		10,000
Scholarships and fellowships	1,003,500	8,582,206	1,003,500	7,750,216
Auxiliaries		58,766		192,396
Other	3,044		3,044	
Restricted - expendable:				
Instruction and departmental research	177,195	10,214,766	500,435	11,538,245
Separately budgeted research	1,807,629	4,167,908	2,109,800	1,095,326
Public service	1,385	930,709	241,624	1,480,084
Academic support		1,156,346	13,875	1,354,214
Student services		93,038		103,916
Institutional support		2,647,143		12,925
Plant operation and maintenance		40,411		36,210
Scholarships and fellowships	790,568	13,402,080	692,653	11,893,143
Loans	17,096,289		16,192,476	
Debt service	272,597		272,597	
Auxiliaries		752,057		257,626
Other	5,262	65,419	2,599	
Unrestricted	70,669,730	989,802	61,376,425	(303,827)
Total net assets	302,956,867	58,023,148	292,681,986	44,604,855
<b>Total liabilities and net assets</b>	<b>\$ 391,323,560</b>	<b>\$ 61,383,175</b>	<b>\$ 383,420,920</b>	<b>\$ 47,214,130</b>

See Accompanying Notes to Financial Statements

**WRIGHT STATE UNIVERSITY**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**For the Years Ended June 30, 2004 and 2003**

	2004		2003	
	University	Foundation	University	Foundation
<b>OPERATING REVENUES</b>				
Student tuition and fees (net of scholarship allowances of \$20,677,304 in 2004 and \$18,677,977 in 2003)	\$ 87,295,107	\$	\$ 75,804,481	\$
Federal grants and contracts	40,286,351		34,900,385	
State grants and contracts	6,126,816		6,622,930	
Local grants and contracts	577,123		455,917	
Nongovernmental grants and contracts	32,666,343		29,994,178	
Sales and services	6,828,099		7,122,746	
Auxiliary enterprises sales (net of scholarship allowances of \$1,409,274 in 2004 and \$1,285,063 in 2003)	14,871,000		13,154,113	
Gifts and contributions		12,710,489		10,639,185
Other operating revenues	1,784,869		1,599,826	
<b>Total operating revenues</b>	<b>190,435,708</b>	<b>12,710,489</b>	<b>169,654,576</b>	<b>10,639,185</b>
<b>OPERATING EXPENSES</b>				
Educational and general:				
Instruction and departmental research	96,809,086		89,858,999	
Separately budgeted research	24,287,690		21,573,393	
Public service	10,491,213		10,238,024	
Academic support	55,978,758		51,573,900	
Student services	12,312,121		11,930,262	
Institutional support	21,516,408	372,230	20,651,867	275,104
Operation and maintenance of plant	15,447,693		16,140,175	
Scholarships and fellowships	11,404,292		10,266,702	
Total educational and general	248,247,261	372,230	232,233,322	275,104
Auxiliary enterprises	22,024,035		20,228,111	
Depreciation	13,955,400		13,963,153	
<b>Total operating expenses</b>	<b>284,226,696</b>	<b>372,230</b>	<b>266,424,586</b>	<b>275,104</b>
<b>Operating (loss)/gain</b>	(93,790,988)	12,338,259	(96,770,010)	10,364,081
<b>NONOPERATING REVENUES (EXPENSES):</b>				
State appropriations	91,725,182		92,301,745	
Gifts	4,969,631		4,678,334	
Investment income (net of investment expenses of \$209,649 in 2004 and \$198,661 in 2003 for WSU and \$71,874 in 2004 and \$21,594 in 2003 for Foundation)	3,564,891	5,830,753	3,036,192	1,095,918
Interest on capital asset-related debt	(656,888)		(636,602)	
Payments to Wright State University		(4,750,719)		(4,972,839)
Other nonoperating revenues (expenses)	(12,704)		(230,409)	
Net nonoperating revenues before capital appropriations and capital grants	99,590,112	1,080,034	99,149,260	(3,876,921)
Capital appropriations from the State of Ohio	3,446,541		6,481,392	
Capital grants	1,029,216		1,444,249	
<b>Total nonoperating revenues (net)</b>	<b>104,065,869</b>	<b>1,080,034</b>	<b>107,074,901</b>	<b>(3,876,921)</b>
<b>Increase in net assets</b>	<b>10,274,881</b>	<b>13,418,293</b>	<b>10,304,891</b>	<b>6,487,160</b>
<b>NET ASSETS</b>				
Net assets - beginning of year	292,681,986	44,604,855	282,377,095	38,117,695
<b>Net assets - end of year</b>	<b>\$ 302,956,867</b>	<b>\$ 58,023,148</b>	<b>\$ 292,681,986</b>	<b>\$ 44,604,855</b>

See Accompanying Notes to Financial Statements

**WRIGHT STATE UNIVERSITY**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2004 and 2003**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	2004	2003
Student tuition and fees	\$ 87,711,566	\$ 76,495,558
Federal, state, local, and nongovernmental grants and contracts	81,767,286	77,865,446
Sales and services of educational and other departmental activities	7,703,613	7,748,140
Payments to employees	(137,743,096)	(128,811,379)
Payments for benefits	(35,649,718)	(32,327,186)
Payments to suppliers	(83,211,201)	(83,789,748)
Payments for scholarships and fellowships	(12,244,783)	(11,204,606)
Student loans issued	(4,911,789)	(4,990,840)
Student loans collected	3,494,366	3,686,008
Student loan interest and fees collected	319,246	288,452
Auxiliary enterprise sales	14,905,222	13,449,139
	<b>(77,859,288)</b>	<b>(81,591,016)</b>
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State appropriations	91,725,182	92,301,745
Gifts	4,363,638	4,774,787
	<b>96,088,820</b>	<b>97,076,532</b>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital appropriations from the State of Ohio	3,446,541	6,481,392
Capital grants received	1,029,216	1,444,249
Purchases of capital assets	(17,325,153)	(16,361,051)
Sales of capital assets	255,819	1,170
Proceeds from capital debt		16,937,719
Principal paid on capital debt and leases	(2,086,202)	(10,406,898)
Interest paid on capital debt and leases	(656,888)	(636,602)
	<b>(15,336,667)</b>	<b>(2,540,021)</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales and maturities of investments	90,928,910	87,401,528
Interest on investments	1,854,979	1,723,107
Purchase of investments	(100,281,235)	(89,347,797)
	<b>(7,497,346)</b>	<b>(223,162)</b>
 <b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(4,604,481)</b>	<b>12,722,333</b>
 Cash and Cash Equivalents - Beginning of Year	46,880,396	34,158,063
 <b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 42,275,915</b>	<b>\$ 46,880,396</b>

See Accompanying Notes to Financial Statements

**WRIGHT STATE UNIVERSITY**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2004 and 2003**

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

	2004	2003
Operating loss	\$ (93,790,988)	\$ (96,770,010)
Depreciation	13,955,400	13,963,153
Change to allowance for doubtful accounts	150,000	
Change to allowance for doubtful loans	48,000	47,000
Changes in assets and liabilities:		
Accounts receivable	(3,167,909)	5,523
Inventory	(20,332)	(38,937)
Prepaid expenses	(339,618)	(1,716,862)
Deferred charges	(432,906)	(485,583)
Other assets	1,764,210	(2,031,592)
Accounts payable	(1,264,954)	1,684,969
Accrued liabilities	(371,058)	(1,273,197)
Deferred revenue	6,454,756	7,257,670
Compensated absences	700,000	600,000
State Allocated Unfunded Workers Compensation Liabilities		(1,335,445)
Refunds and other liabilities	(78,468)	(145,873)
Loans to students and employees	(1,465,421)	(1,351,832)
<b>Net cash (used) by operating activities</b>	<b>\$ (77,859,288)</b>	<b>\$ (81,591,016)</b>

**Noncash Transactions:**

Capital lease	\$ 463,877
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See Accompanying Notes to Financial Statements



# WRIGHT STATE UNIVERSITY

## Notes to Financial Statements

Year Ended June 30, 2004

### (1) Organization and Summary of Significant Accounting Policies

#### Organization and Basis of Presentation

Wright State University (University) is a state-assisted institution of higher education created in 1967. The University has an enrollment of more than 16,700 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 included, as a discrete entity, 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. GASB Statement No. 39 was issued in May 2002, effective for the University for the year ended June 30, 2004. As an amendment to Statement No. 14, 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 (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 on the accrual basis. 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. All internal (between funds) transactions have been eliminated.

##### Recent Pronouncements

In March 2003, the GASB issued Statement No. 40 "Deposit and Investment Risk Disclosures." This statement requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rate risk. The provisions of this statement are effective for financial statements for periods beginning after June 15, 2004. The University does not expect the adoption of this statement to have a material effect on its financial statements.

Wright State University

Notes to Financial Statements  
(Continued)

In November 2003, the GASB issued Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries." This statement also clarifies and establishes accounting requirements for insurance recoveries. The provisions of this statement are effective for financial statements for fiscal periods beginning after December 15, 2004. The University does not expect the adoption of this statement to have a material effect on its financial statements.

In June 2004, the GASB issued Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." This statement establishes standards for the measurement, recognition and display of other postemployment benefit expenses/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of employers subject to governmental accounting standards. The provisions of this statement are effective for financial statements for fiscal periods beginning after December 15, 2006. The University has not yet evaluated the impact that the adoption of this statement will have on its financial statements.

Cash and Cash Equivalents

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, 2004, 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.

Distributions of investment earnings are made from the university's endowment fund to the operating units that benefit from the endowment funds. The endowment spending policy calls for the distribution of 4 percent of the previous twelve quarter moving average market value of the endowment fund. In addition, as of June 30, 2004 and 2003 there was approximately \$2,720,000 and \$2,530,000, respectively, of net appreciation on investments of donor-restricted endowments that are available for expenditure. They are reported as "restricted-expendable" net assets in the statements of net assets.

Wright State University  
Notes to Financial Statements  
(Continued)

Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method.

Capital Assets

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 fixed 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.

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 \$27.3 million and \$9.9 million, respectively, for the year ended June 30, 2004 and \$21.8 million and \$9.1 million, respectively, for the year ended June 30, 2003.

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.

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 nonoperating expenses are net losses on the disposition of capital assets and interest expense on capital assets-related debt.

Wright State University  
Notes to Financial Statements  
(Continued)

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 2003 comparative information to conform to the 2004 presentation.

(2) Cash, Cash Equivalents and Investments

The carrying amount of cash and cash equivalents of all funds totaled \$37,487,228 and \$9,288,674 as compared to bank balances of \$41,356,761 and \$16,042,641 at June 30, 2004 and 2003, respectively. The difference in the carrying amount and bank balances is caused by items in-transit (primarily outstanding checks) and by cash on hand. The bank balances are comprised of \$35,750,100 demand and time deposit accounts, a \$2,691,704 certificate of deposit and \$2,914,957 in money market funds at June 30, 2004. Of the bank balances, \$302,428 is insured by the Federal Deposit Insurance Corporation, \$37,973,729 is uninsured but collateralized by pools of government securities pledged by the depository banks and held by Federal Reserve Banks in the member bank's name, and \$3,080,604 is uninsured and uncollateralized.

GASB Statement No. 3 requires government entities to categorize investments to give an indication of the level of risk assumed by the entity at year-end. The categories are as follows:

Category 1 – Investments that are insured or registered, or for which securities are held by the University or its agent in the name of the University.

Category 2 – Investments that are uninsured and unregistered, with securities held by the broker's trust department or agent in the university's name.

Wright State University

Notes to Financial Statements  
(Continued)

Category 3 – Investments that are uninsured and unregistered, with securities held by the broker or dealer, or by its trust department or agent but not in the university's name.

The cost and fair value of investments at June 30 are as follows:

	Cost		Fair Value	
	2004	2003	2004	2003
Repurchase agreements	\$ 2,145,617	\$ 10,043,922	\$ 2,145,617	\$ 10,043,922
State Treasury Asset Reserve of Ohio	5,334,775	30,127,699	5,334,775	30,127,699
Other	3,200	3,200	3,200	3,200
	<u>7,483,592</u>	<u>40,174,821</u>	<u>7,483,592</u>	<u>40,174,821</u>
Managed under trust agreements:				
U.S. agency securities	13,333,736	11,299,850	13,239,673	11,467,431
U.S. treasury securities	13,512,457	12,636,461	13,358,340	12,967,667
Corporate bonds	14,913,363	16,533,103	14,888,969	17,415,834
State and municipal bonds		17,631		18,797
Common and preferred stock	10,601,935	6,879,924	11,025,000	6,300,947
High yield fund	1,815,281		1,753,721	
Small capital value fund	1,409,696	2,038,382	2,308,001	2,498,979
Small capital growth fund	1,942,952	1,932,112	2,388,492	1,984,132
International equity fund	4,850,000	3,950,528	4,898,676	2,521,345
	<u>62,379,420</u>	<u>55,287,991</u>	<u>63,860,872</u>	<u>55,175,132</u>
Total	<u>\$ 69,863,012</u>	<u>\$ 95,462,812</u>	<u>\$ 71,344,464</u>	<u>\$ 95,349,953</u>

The U.S. Government and Agency securities are invested with banks which keep the securities in their safekeeping accounts at the Federal Reserve Bank in "book entry" form in the name of the respective bank, but who also internally designate the securities as owed by or pledged to the University (Category 3). Corporate bonds, state and municipal bonds and common and preferred stock investments are in safekeeping with Depository Trust Co., in the custodial bank's name but who also internally designate the investments as owned by or pledged to the University (Category 3). The collateral for the repurchase agreements, which consist of U.S. government securities, is held by the Federal Reserve Bank of Cleveland in the member bank's name (Category 3).

The small capital value and growth funds and the international equity funds are invested with companies registered under the Investment Company Act of 1940 as open-end management investment companies. The mutual funds are not required to be categorized by GASB Statement No. 3.

The University also invests funds in STAROhio. STAROhio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the Securities and Exchange Commission as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on June 30. STAROhio is not required to be categorized by GASB Statement No. 3.

Wright State University  
Notes to Financial Statements  
(Continued)

(3) Accounts Receivable

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

	2004	2003
Sponsor receivables	\$ 10,609,886	\$ 8,098,817
Student accounts	6,996,295	6,318,348
Wright State University Foundation	787,877	602,005
Investment trade receivables	123,517	2,835,995
Interest receivable	514,460	510,670
Other, primarily departmental sales and services	927,666	948,773
Total	19,959,701	19,314,608
Less: Allowance for doubtful accounts	780,000	630,000
Net accounts receivable	\$ 19,179,701	\$ 18,684,608

(4) Capital Assets

Capital assets activity for the year ended June 30, 2004 is summarized as follows:

	Balance 07/01/2003	Additions	Retirements	Transfers	Balance 06/30/2004
Land	\$ 3,049,830	\$	\$	\$	\$ 3,049,830
Land improvements and infrastructure	23,597,275	229,810			23,827,085
Buildings	247,273,457	3,262,037	54,357	3,641,455	254,122,592
Machinery and equipment	50,776,411	8,909,702	4,207,358		55,478,755
Library books and publications	47,219,834	2,010,740	138,461		49,092,113
Construction in progress	1,733,460	1,907,995		(3,641,455)	
Total	\$ 373,650,267	\$ 16,320,284	\$ 4,400,176	\$	\$ 385,570,375
Less accumulated depreciation:					
Land improvements and infrastructure	6,030,398	765,576			6,795,974
Buildings	80,777,029	6,224,857	25,041		86,976,845
Machinery and equipment	33,651,281	4,691,926	3,968,151		34,375,056
Library books and publications	28,031,469	2,273,040	138,461		30,166,048
Total accumulated depreciation	148,490,177	13,955,399	4,131,653		158,313,923
Capital assets, net	\$ 225,160,090	\$ 2,364,885	\$ 268,523	\$	\$ 227,256,452

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 year ended June 30, 2004 is summarized as follows:

	Beginning Balance <u>7/1/2003</u>	<u>Additions</u>	Principal Repayments/ Reductions	Ending Balance <u>6/30/2004</u>	Current Portion
Bonds and equipment lease purchase obligations:					
General obligation bonds	\$ 16,937,719		\$ 1,608,433	\$ 15,329,286	\$ 1,707,173
Equipment leases	<u>1,632,604</u>		<u>477,769</u>	<u>1,154,835</u>	<u>370,948</u>
Total bonds and equipment leases	\$ 18,570,323		\$ 2,086,202	\$ 16,484,121	\$ 2,078,121
Other liabilities:					
Compensated absences	12,400,000	6,239,999	5,539,999	13,100,000	5,100,000
Total other liabilities	<u>12,400,000</u>	<u>6,239,999</u>	<u>5,539,999</u>	<u>13,100,000</u>	<u>5,100,000</u>
Total long-term liabilities	<u>\$ 30,970,323</u>	<u>\$ 6,239,999</u>	<u>\$ 7,626,201</u>	<u>\$ 29,584,121</u>	<u>\$ 7,178,121</u>

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

Description	Maturity Dates	Interest Rates	Outstanding Principal	Unamortized Premium	Total
Bonds payable:					
Series 2003	2005-2023	3.00% - 5.00%	\$ 14,770,000	\$ 559,286	\$ 15,329,286
Equipment lease purchase obligations	2004-2009	2.50% - 6.56%	<u>1,154,835</u>		<u>1,154,835</u>
	Total		<u>\$ 15,924,835</u>	<u>\$ 559,286</u>	<u>\$ 16,484,121</u>

Wright State University  
Notes to Financial Statements  
(Continued)

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

Year Ended June 30	Principal	Interest	Total
2005	\$ 2,010,948	\$ 647,260	\$ 2,658,208
2006	1,946,489	568,416	2,514,905
2007	1,991,532	490,481	2,482,013
2008	2,066,359	409,453	2,475,812
2009	1,959,507	344,924	2,304,431
2010-2014	4,660,000	697,500	5,357,500
2015-2019	650,000	258,800	908,800
2020-2023	640,000	81,750	721,750
Total	<u>\$ 15,924,835</u>	<u>\$ 3,498,584</u>	<u>\$ 19,423,419</u>

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

In April 2003, the University issued \$16,315,000 in General Receipts Bonds. The bonds were issued to refund outstanding General Receipts Bonds, Series 1971 and Series 1993, and to finance a food service renovation, a student housing renovation and the construction of an electrical substation. The Series 2003 Bonds carry an effective interest rate of 3.71%. There was an economic gain of \$469,031 from this refunding.

(6) 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 Public Employees Retirement System of Ohio (PERS) or the ARP. Both STRS and PERS 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 PERS is provided by state statute per the Ohio Revised Code.

Both STRS and PERS 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 PERS at 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085.

Plan participants are required to contribute 10% and 8.5% and the University 14.0% and 13.31% of the employees' covered compensation for STRS and PERS, respectively. The Ohio Revised Code provides statutory authority for both employee and employer contributions. The university's contributions to STRS were \$7,488,699, \$6,966,850, and \$6,866,452, and to PERS were \$6,360,369, \$6,023,531, and \$5,718,930, for the years ended June 30, 2004, 2003, and 2002 respectively, equal to the required contributions for each year.



Wright State University

Notes to Financial Statements  
(Continued)

Certain full-time university faculty and unclassified staff have the option to choose the ARP in place of STRS or PERS. 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. 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 rates for plan participants are 10% and 8.5% of employees' covered compensation for employees who would otherwise participate in STRS and PERS, respectively. The University contributes 13.31% of a participating unclassified staff member's compensation to the participant's account. The university's contributions to a participating faculty member's account and to STRS is 10.5% and 3.5% of a participant's compensation, respectively. Plan participants' contributions were \$2,430,747, \$2,053,685, and \$1,957,109, and the university's contributions to the plan providers amounted to \$3,065,869, \$2,745,302, and \$2,571,028, respectively, for the years ended June 30, 2004, 2003, and 2002. In addition, the amounts contributed to STRS by the University on behalf of ARP participants were \$573,143, \$434,553, and \$451,863, respectively, for the years ended June 30, 2004, 2003, and 2002.

(7) Other Postemployment Benefits (OPEB)

STRS provides OPEB to all retirees and their dependents, while PERS provides postretirement health care coverage to age and service retirees (and dependents) with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is also available under PERS. A portion of each employer's contributions is set aside for the funding of postretirement health care. For STRS, this rate changed from 4.5% to 1% of the total 14.00% (see note 6), while the PERS rate changed from 4.3% to 5% of the total 13.31% (see note 6) effective July 1, 2002.

The Ohio Revised Code provides the statutory authority for public employers to fund postretirement health care through their contributions to STRS and PERS. 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 \$2.8 billion at June 30, 2003. The number of benefit recipients eligible for OPEB was 108,294 for STRS at June 30, 2003. The amount contributed by the University to STRS to fund these benefits was \$534,907 for the year ended June 30, 2004.

Postretirement health care under PERS is advance-funded on an actuarially determined basis. The actuarial value of PERS net assets available for OPEB at December 31, 2002 is \$10 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$18.7 billion and \$8.7 billion, respectively. The number of PERS active contributing participants was 364,881 for the year ended December 31, 2002. For the year ended June 30, 2003 the University contributed \$2,389,320 to PERS for OPEB funding.

(8) 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 \$61,000,000 at June 30, 2004. Such assets relate principally to donor restricted funds and are discretely presented in the accompanying financial statements. Amounts transferred to the

Wright State University  
Notes to Financial Statements  
(Continued)

University from the Foundation are recorded as nonoperating gifts in the accompanying financial statements.

(9) 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 revenue 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.

(10) Commitments and Contingencies

At June 30, 2004, the University is committed under contractual obligations for:

Capital expenditures	\$ 4,366,175
Non-capital goods and services	<u>3,004,358</u>
Total contractual commitments	<u>\$ 7,370,533</u>

These commitments are being funded from the following sources:

State appropriations requested and approved	\$ 940,887
University funds	<u>6,429,646</u>
Total sources	<u>\$ 7,370,533</u>

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.

Wright State University  
Notes to Financial Statements  
(Continued)

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

(11) Summary of Significant Accounting Policies

In accordance 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 Cash 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)

(12) Pledges Receivable

Pledges receivable at June 30, 2004 and 2003, by fund type, are as follows:

	2004			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Less than one year	\$ 42,015	\$ 3,311,579	\$ 1,464,069	\$ 4,817,663
One to five years	34,600	3,389,971	2,355,950	5,780,521
Gross pledges receivable	76,615	6,701,550	3,820,019	10,598,184
Present value discount	(2,815)	(256,450)	(122,419)	(381,684)
Allowance for uncollectible pledges	(500)	(19,000)	(1,000)	(20,500)
Pledges receivable (net)	\$ 73,300	\$ 6,426,100	\$ 3,696,600	\$ 10,196,000

	2003			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Less than one year	\$ 23,367	\$ 2,913,160	\$ 182,601	\$ 3,119,128
One to five years	34,775	3,581,493	178,800	3,795,068
Gross pledges receivable	58,142	6,494,653	361,401	6,914,196
Present value discount	(1,742)	(178,653)	(7,401)	(187,796)
Allowance for uncollectible pledges	(1,700)	(32,600)	(3,300)	(37,600)
Pledges receivable (net)	\$ 54,700	\$ 6,283,400	\$ 350,700	\$ 6,688,800

The fair value of pledges receivable was determined using a discount rate of 3.81% and 2.46% as of June 30, 2004 and 2003, respectively.

Wright State University  
Notes to Financial Statements  
(Continued)

(13) Investments in Securities

The cost and fair value of the Foundation's investments, at June 30, 2004 and 2003, are as follows:

	2004		2003	
	Cost	Fair Value	Cost	Fair Value
Common stock	\$ 9,725,075	\$ 10,447,411	\$ 7,070,947	\$ 7,395,999
Mutual funds:				
Equity	12,031,062	15,980,599	15,805,996	15,005,658
Fixed income	15,316,087	15,980,480	10,562,428	11,803,057
Exchange traded funds	3,649,642	4,256,395		
Totals	\$ 40,721,866	\$ 46,664,885	\$ 33,439,371	\$ 34,204,714

Net realized gains on sales of investments were \$583,476 and \$272,021 for the years ended June 30, 2004 and 2003, respectively. Calculation of net realized gains on sales of investments is based on original cost.

The Foundation's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and investments. The Foundation deposits its cash in federally insured banks. These deposits are generally in excess of the Federal Deposit Insurance Corporation's insurance limit.

Investments are managed by professional investment management companies based on recommendations by the Foundation's investment consultant. Each investment manager is subject to the Foundation's investment policy, approved by the board of trustees, which contains objectives, guidelines and restrictions designed to provide for preservation of capital with an emphasis on providing current income and achieving long-term growth of the funds without undue exposure to risk. Certain funds have been pooled for ease of management and to achieve greater diversification in investments.

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**WRIGHT STATE UNIVERSITY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2004**

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<b>Federal Grant/Pass Through Grant/Program Title</b>	<b>Federal CFDA Number or Primary Grant Number</b>	<b>Expenditures</b>
<b>STUDENT FINANCIAL ASSISTANCE CLUSTER:</b>		
<b>U.S. Department of Education Direct Programs:</b>		
Federal Supplemental Educational Opportunity Grant	84.007	\$ 382,532
National Science Scholars Program	84.242	
Federal Family Education Loans (Note B)	84.032	
Federal Work Study	84.033	905,825
Federal Perkins Loan (Note C)	84.038	
Federal Pell Grant	84.063	<u>8,616,076</u>
Total U.S. Department of Education Direct Programs		<u>9,904,433</u>
<b>U.S. Department of Health and Human Services Direct Programs:</b>		
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	295,136
Financial Assistance for Disadvantaged Students (Medicine)	93.139	0
Scholarships for Disadvantaged Students Program (SOPP)	93.925	<u>27,037</u>
Total U.S. Department of Health and Human Services Direct Programs		<u>322,173</u>
<b>TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER</b>		<u><b>10,226,606</b></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, 2004**

Federal Grant/Pass Through Grant/Program Title	Federal CFDA Number or Primary Grant Number	Expenditures
<b>RESEARCH AND DEVELOPMENT CLUSTER:</b>		
<b>National Institute of Standards and Technology, Subcontract:</b>		
Development of a Thermo-Mechanically Induced Geometric Variation Estimator	11.612	\$ (8,214)
<b>U.S. Department of Education, Prime:</b>		
Rehabilitation Research and Training Centers (RRTC) on Drugs and Disability	84.133	75,641
<b>U.S. Department of Education, Subcontract:</b>		
A Research Study on the Effectiveness of the PALS Approach	84.186A	72,994
Addressing Disability Rehabilitation among Racial Minorities: A Focus on HIV and/or Substance Disorders	84.133B	30,000
The PALS Prevention Approach for Youth with Learning Disabilities	84.027	87,143
Teaching American History Evaluation Plan	84.215	9,119
Total U.S. Department of Education, Subcontract		199,256
<b>Total U.S. Department of Education</b>		<b>274,897</b>
<b>U.S. Department of Health and Human Services, Prime:</b>		
Aging and Pilot Time-Sharing Performance	93.866	188,974
Analysis of the Human c-myc Gene Regulation Origin	93.862	(4,604)
Angiotensin Receptors in Central Osmosensitivity - Supplement	93.837	34,302
Cardiovascular Disease Enhanced Dissemination and Utilization	93.837	160,725
Cell Volume Regulation in Neurons and Glia	93.853	246,745
Crack and Health Service Use: Natural History Approach-supplement	93.279	951,979
Development of Synaptic Inputs on Spinal Interneurons	93.853	10,115
Early Life Antecedents of Adult Chronic Disease	93.847	46,391
Environmental Light and Retinal Membrane Development	93.867	269,233
Evolution of Axial Sepsification in Caenorhabditis	93.390	93,845
Fels Database Mining	93.262	9,582
Genetic and Environmental Influences on Childhood Growth	93.865	244,111
Genetic Epidemiology of Aging and Body Composition	93.866	304,968
Genetic Epidemiology of Bone Turnover Markers	93.866	0
Genetic Epidemiology of Childhood Skeletal Maturation	93.865	248,896
Genetic Epidemiology of CVD Risk Factors	93.837	730,280
Genetic Regulation of Adiposity and Associated CVD Risks	93.848	364,765
Higher Order Mechanisms in Color Discrimination	93.867	134,169
Human c-myc Gene Replication Origin	93.862	97,968
Hypothalamic Role in Hypertension	93.837	214,338
Intracellular pH Responses of Central Chemoreceptors	93.838	281,175
Longitudinal Cardiac Outcomes and Body Composition	93.837	129,576
MDMA/Club Drug Use and STD/HIV Sex Risk Behavior in Ohio	93.279	524,805
MdmX Regulation of the p53 Tumor Suppression Protein	93.396	253,155
Mechanisms of Cellular Taurine in Brain Edema	93.854	209,055
Molecular Basis of Gm-Csf-Induced Neutrophil Chemotaxis	93.837	81,304
Molecular Mechanisms of Vasopressin Cytotoxicity in Inherited Diabetes Insipidus	93.847	225,487
MVPS: Health Concerns, Role Function, Health Service Use	93.361	41,562
Neurologic Resource in the Quicktime Streaming Format	93.879	7,188
Physician Obesity Awareness Program (POAP) - Supplement	93.837	35,054
Proteomics of M-L Antigens Modulating Cation Transport	93.849	106,042
Recognition and Repair of Cisplatin - DNA Damage	93.395	244,648
Reducing Barriers to Drug Abuse Treatment Services	93.279	605,335
Regulation of Spinal Interneuron Input-Output Functions	93.854	370,553
Role of Angiotensin Receptors in Central Osmosensitivity	93.837	262,335
Scabies: Biology Culture Host Specificity and Antigens	93.855	111,982

See notes to the Schedule of Expenditures of Federal Awards.

(Continued)



# WRIGHT STATE UNIVERSITY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

Federal Grant/Pass Through Grant/Program Title	Federal CFDA Number or Primary Grant Number	Expenditures
<b>RESEARCH AND DEVELOPMENT CLUSTER (Continued)</b>		
<b>U.S. Department of Health and Human Services, Prime (Continued):</b>		
Sexual Maturity for U.S. Children: Relationship with Growth	93.865	\$ 125,415
Short Term Training for Minority Students (STREAMS) at Wright State University	93.837	48,055
Signal Transduction in Neutrophil-Mediated Heart Injury	93.837	762
Skin Penetration of Important Occupational Chemicals in their Pure Form	93.113	20,468
Statistical Analysis of Body Composition Risk Factors		134,461
Stress-Induced Sickness Behavior during Separation	93.242	31,225
Subcutaneous Fat, Blood Lipids and Subsequent Outcome	93.865	462,010
Visceral Adiposity: Genetic and Environmental Influences	93.848	206,907
Wright State University Emergency Power and Quarantine Caging	93.389	64,772
		<u>8,930,113</u>
Total U.S. Department of Health and Human Services, Prime		
<b>U.S. Department of Health and Human Services, Subcontract:</b>		
A PDA-Based Post-Exposure Prophylaxis Tool for Medical Care and Surveillance	93.135	11,430
Divergence of Blood Pressure in Adolescent Girls	93.837	37,129
Increasing Substance Abuse Treatment for Persons	93.144	(156)
Motion Detector Networks for Smooth Pursuit	93.867	36,709
Rural Stimulant Use and Mental Health: Services and Outcome	93.279	226,125
State of Ohio - Know Your Numbers Campaign	93.WP0K93	5,633
Structures of Antibiotics and Related Compounds	93.862	40,399
The Epidemiology of Body Mass Index Rebound	93.837	45,395
Trial of Alendronate Disodium in Pediatric Gaucher Disease	93.103	21,350
		<u>424,014</u>
Total U.S. Department of Health and Human Services, Subcontract		
<b>Total U.S. Department of Health and Human Services</b>		<u>9,354,127</u>
<b>U.S. Department of Defense, Prime:</b>		
Aircraft Mechanical/Thermal Technology Research	12.800	10,415
Breakfree Clip	12.300	44,743
Built In Self Test for Automatic Insertion into Mixed Signal	12.800	146,293
Cellular Mechanisms of Central Nervous System and Pulmonary	12.300	94,032
Cellular Mechanisms Oxygen Toxicity Mammalian Central Nervous System	12.300	111,261
Computational Aerothermodynamics	12.800	106,380
Computational Mathematics for Determining Uncertainty Bounds	12.800	73,935
Donors, Acceptors, and Traps in A1GaN and A1GaN/GaN Epitaxial Layers	12.800	150,588
Electrical and Optical Properties of Extended Defects in GaN	12.300	133,591
Evolving Pattern Recognition Systems	12.800	122,776
Ew Receiver-On-A-Chip (ROC)	12.800	85,635
Extended Development of JBI Publishing for Embedded Assets	12.800	10,910
Hyperbaric Imaging Equipment: In Vitro Studies of Oxygen Toxicity	12.300	19,859
Hyperbaric Oxygen Treatments on Children with Cerebral Palsy	12.420	30,715
Immunological Methods/Toxicity of Depleted Uranium in Rats	12.800	48,298
Intelligent Distributed Group and Team Training System in AWACS	12.630	19,059
Intergovernmental Personnel Agreement - Bayaktaroglu	12.IPA-Bayaktaroglu	200,148
Intergovernmental Personnel Agreement - Dilsavor	12.IPA-Dilsavor	144,789
Intergovernmental Personnel Agreement - Johnston	12.IPA-Johnston	101,382
Intergovernmental Personnel Agreement - Minardi	12.IPA-Minardi	161,320
Intergovernmental Personnel Agreement - C. Harris	12.IPA-Harris	128,300
Investigation of Microwave Attenuation in Plasma	12.800	159,991
Low Level Chemical Toxicity: Relevance to Chemical Agent Defense	12.800	1,101,184
Materials for High Speed Devices	12.800	514,535
Mathematical Modeling, Simulation, and Control of Physical Processes	12.800	21,445

See notes to the Schedule of Expenditures of Federal Awards.

(Continued)

**WRIGHT STATE UNIVERSITY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2004**

Federal Grant/Pass Through Grant/Program Title	Federal CFDA Number or Primary Grant Number	Expenditures
<b>RESEARCH AND DEVELOPMENT CLUSTER (Continued)</b>		
<b>U.S. Department of Defense, Prime (Continued):</b>		
Mathematical Investigation of Perfect Arrays	12.901	\$ 12,781
Molecular Mechanisms and Modeling of Skin Irritation from JP-8	12.800	229,567
MonoBIT (4-Pt) FFT Receiver Backend	12.800	43,376
Multidisciplinary Design Optimization for High Reliability and Robustness	12.300	107,811
Multidisciplinary Nonlinear Sensitivity Analysis	12.800	598
Precision Design, Modeling, and Instrumentation in Turbomache	12.800	115,729
Proteomic Analysis of Cisplatin-Resistant Ovarian Cancers	12.420	170,096
Pseudonoise Sequences with Good Correlation Properties	12.901	805
Receiver and Processing Concepts Evaluation (RAPCEVALI)	12.800	8,439
Simulating the Interactions of Genes, Proteins, and Metabolite	12.800	116,989
Two Projects in Algebra and Combinatorics	12.901	11,110
Unmanned Aerial Combat Vehicles via a Virtual Testbed Environment	12.800	36,867
Upgrade NMR Research Instrumentation/Magnetic Resonance Lab	12.630	10,207
Video to Information: Cross-Modal Analysis of Planning Meetings	12.800	162,677
		<hr/>
Total U.S. Department of Defense, Air Force, Prime		4,768,636
<b>U.S. Department of Defense, Subcontract:</b>		
Adaptive Structures - Based on Energy Design (ASBED)	12.800	101,853
Alternating Current Sensor to Detect Damage and Hole Shape	12.800	6,538
Bay of Biscay Agent Simulation Environment	12.800	1,872
Broadband High Resolution Bandpass Delta Sigma Analog to Digital Converter	12.800	154,166
Bioremediation of Groundwater Contaminated Chlorinated Ehtenes	12.800	44,083
Cell Signaling and Silk Research	12.800	14,573
Center for Advanced Nitride Electronics	12.800	86,376
Center of Excellence in Cellular Dynamics and Engineering	12.800	71,694
Controlling the Apparent Vocal Effort of Synthetic Speech	12.800	34,367
Cost of Spatial Disorientation on Air Force Aerial Operations	12.800	28,900
Custom Synthesis of Intermediates for AFX Chromophores	12.800	14,363
Design for Radar Cross Section Reduction	12.800	72,501
Detecting and Extracting Image Similarities, Differences, and Target Recognition	12.800	33,379
Developing Effective Strategies and Perform Metrics and Auto Target Recognition	12.431	(911)
Distributed Collaborative Decision Support Technology	12.800	24,933
Distributed Multirate Multiple Model Filtering with Out-Of-Sequence Data	12.800	67,003
Diverse Data Fusion, Information Theory, and Evaluation Technical	12.800	33,367
Effects of Magnetic Fields and Flow Field in Machine 5 Wind Tunnel	12.F3360	6,548
Electrochemical Deposition Ni Textured Layer-Nano Size	12.800	6,630
Electrode Design and Measurement Methods for (MHD) Flows	12.F3360	35,031
Elevated Temperature Electrocatalysts with Alcohol Based Fuel	12.800	88,435
Exploring Middle East Region to Enhance Cultural Lens Model	12.800	48,198
Handheld One-Way Voice Communication System	12.910	10,940
High Speed/Resolution Delta Sigma Analog-To-Digital Convert	12.800	13,302
Intelligent Distributed Group and Team Training Systems	12.630	448,081
Intergovernmental Personnel Agreement/Specialized Research	12.IPA-Dolson	11,658
Laser-Based Nano and Micro Machining for Meso-Matter Tooling and Fabrication	12.800	4,372
Man Made Target from SAR Range Profile Data	12.800	30,883
Mapping Cognitive Differences for Mission Enhancement	12.800	48,263
Mobile Joint Tactical Radio Systems (JTRS) for UAVs	12.800	3,137
Mobility Aircraft Availability Forecast (MAAF) Model	12.800	53,099
Modeling and Control Support for Pnuematic Muscle Actuator	12.800	1,272
Modeling Electromagnetic - Gasdynamic Actuation	12.800	2,126
Modeling Sortie Generation, Maintenance, Inventory Interact	12.800	19,777
Molecular Modeling Polymeric Nanocomposite Materials	12.800	46,058
Multirate Interacting Multiple Model Fusion	12.XXX	68,549

See notes to the Schedule of Expenditures of Federal Awards.

(Continued)

# WRIGHT STATE UNIVERSITY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

Federal Grant/Pass Through Grant/Program Title	Federal CFDA Number or Primary Grant Number	Expenditures
<b>RESEARCH AND DEVELOPMENT CLUSTER (Continued)</b>		
<b>U.S. Department of Defense, Subcontract (Continued):</b>		
Nanoporous SiC and GaN	12.300	\$ 52,730
Nonlinear Analysis of Advanced Composites in Thermal/Acoustic Environment	12.800	69,316
Polymer-Supported and Solution-Phase Routes-Polyyne Monomers	12.800	2,911
Power Extraction from a Gas Turbine Engine in Flight	12.800	449
Quantification Methods for Structural Analysis and Design	12.800	21,501
Prototyping Study into Quantifying the Cost of Spatial Disorientation on Air Force Aerial Operations	12.800	30,043
Quantifying Uncertainty in Structural Response	12.800	72,403
Repair Techniques with HGCDTE Infrared Focal Plane Arrays	12.800	24,395
Representing Plan Execution in a Dynamic Battlefield Environment	12.431	30,457
Robust Feature - Aided Tracking	12.XXX	80,741
Science and Engineering of Carbon Foams	12.800	56,457
Secure Knowledge Management Tasks	12.800	1,304,033
Semi-Active Vibration Control of Fan Blades	12.800	33,235
Sensor ATR Technology	12.800	1,770
Sequences of Images Using the PFF, LGG, and Spring Approaches	12.800	29,162
Simulation Based Research and Development Tools and Processes	12.800	151,730
Single Ionic Conducting Polymer Electrolyte	12.800	33,622
Substituted Heterocyclic Polymers for Fuel Cell Applications	12.800	11,366
Target Detection in Virtual Environments	12.800	17,248
The Cultural Lens in Asymmetrical Operations	12.431	(6,064)
Toxicant Classification by NMR-Based Metabonomics	12.800	61,341
Use of Auditory Displays	12.800	96,323
Validation and Enhancements to Wildcat-Pod	12.800	12,870
YBCO Coated Conductor Processing Using Pulsed Laser Deposition	12.800	855
Total U.S. Department of Defense, Subcontract		<u>3,924,310</u>
<b>Total U.S. Department of Defense</b>		<u>8,692,946</u>
<b>U.S. Department of Energy, Prime:</b>		
Continuous Severe Plastic Deformation Processing - Aluminum Alloys	81.086	120,012
Cost Effective Survivability in Ultra High-Speed Networks	81.049	14,982
Multiscale Reactive Transport in Processes Related to CO2 Sequestration	81.049	93,231
Total U.S. Department of Energy, Prime		<u>228,225</u>
<b>U.S. Department of Energy, Subcontract:</b>		
Development of P-Type ZnO	81.049	2,500
Development of Radiopharmaceuticals for the Study of Neurological and Psychiatric Disorders	81.049	10,126
Total U.S. Department of Energy, Subcontract		<u>12,626</u>
<b>Total U.S. Department of Energy</b>		<u>240,851</u>
<b>U.S. Department of Interior, Subcontract:</b>		
Archaeological Investigations at the Wright Brothers' Bicycle Shop Lot, Dayton, Ohio	15.912	30,325
Pre-Excavation Gpr Survey at the Wright Brothers Bike Shop Site, Dayton, Ohio	15.912	305
Total U.S. Department of Interior, Subcontract		<u>30,630</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, 2004**

Federal Grant/Pass Through Grant/Program Title	Federal CFDA Number or Primary Grant Number	Expenditures
<b>RESEARCH AND DEVELOPMENT CLUSTER (Continued)</b>		
<b>U.S. Environmental Protection Agency, Prime:</b>		
Chemical Analysis Of Environmental Material	66.606	\$ 17,670
Cyanotoxin Standards Cylindrospermopsis And Anatoxin-A	66.424	40,540
Disruption Of Immune Function By Environmental Contaminants	66.501	(2)
Intergovernmental Personnel Agreement - Greenberg	66.IPA-Greenberg	77,930
Measurements of Dioxins and Furans in Environmental Samples	66.501	18,479
Total U.S. Environmental Protection Agency, Prime		154,617
<b>National Aeronautics and Space Administration, Prime:</b>		
Communication Processes in Organizational Risk Management	43.001	6,283
Computer Modeling of the Discharge Chamber of an Ion Engine	43.001	50,534
Coupled Models of Planetary Thermospheres/Ionospheres	43.001	94,179
Distributed Work in Complex, Dynamic Domains	43.001	39
Dynamic Test of Pressure Sensors	43.001	7,146
Mars Global Surveyor Radio Science Electron Density Profiles	43.001	75,084
MER Design and Development: Relationship between Tools and Scientific Reason	43.001	23,205
Total National Aeronautics and Space Administration, Prime		256,470
<b>National Aeronautics and Space Administration, Subcontract:</b>		
Application of Remote Sensing to the Ohio Environment	43.001	45
Human Activity on Surface Water Quality of the Great Miami River	43.001	16,474
NASA Mars EVA Prototype - Phase I; Earth Analogs for Human Exploration of Mars	43.001	11,662
Parallel Solutions of the Navier Stokes Equations	43.001	25,709
Remote Sensing Management of the Control of the Gypsy Moth and other Forests Pests	43.001	43,912
Visual Orientation and Spatial Memory: Mechanisms of Countermeasures	43.001	96,683
Total National Aeronautics and Space Administration, Subcontract		194,485
<b>Total National Aeronautics and Space Administration</b>		450,955
<b>National Science Foundation, Prime:</b>		
Analysis of Sparse Factorial Designs and Related Problems	47.049	22,909
Arrays over Small Phase Alphabet having Desirable Correlation Properties	47.049	37,823
Bioengineering Design Projects for the Disabled	47.041	29,766
Calcium Homeostasis Modeled on the Freshwater Crayfish Molting Cycle	47.074	133,470
CAREER - Maturation of Synaptic Properties during Early Postnatal Development	47.074	129,297
CAREER: Evolvable Hardware Neuromorphic Computational Devices for Sensing and Control	47.070	88,049
Collaborative Project: Develop Undergraduate Data Mining Course	47.076	18,310
Coronas and Escape from the Martian Atmosphere, Ancient, and Modern	47.049	30,918
Cross-Modal Analysis Of Signal And Sense	47.075	108,947
Equations of Monge-Ampere Type and Fully Nonlinear Equations	47.049	18,772
Genetics of Haldane's Rule in Caenorhabditis	47.074	72,914
GOALI: Laser Additive Manufacturing of Aerospace Components	47.041	62,331
Parallel Reduced Order Modeling/In-Situ Error Correction	47.070	25,740
REU Supplement: Career-Maturation of Synaptic Properties	47.074	3,004
REU Supplement: Cross-Modal Analysis of Signal And Sense	47.075	27,984
REU: Effect of Dietary Protein on Structure and Function of the Avian Nephron	47.074	677
RU: Effect of Dietary Protein on Structure and Function of the Avian Nephron	47.074	289
Social Influences on Endocrine and Behavioral Responses during Development	47.074	75,563
Solute Transport in Multimodal, Heterogeneous Geological Form	47.050	66,910
Speech Driven Facial Animation	47.070	7,058

See notes to the Schedule of Expenditures of Federal Awards.

(Continued)

**WRIGHT STATE UNIVERSITY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2004**

Federal Grant/Pass Through Grant/Program Title	Federal CFDA Number or Primary Grant Number	Expenditures
<b>RESEARCH AND DEVELOPMENT CLUSTER (Continued)</b>		
<b>National Science Foundation, Prime (Continued):</b>		
Strategic Control of Time-Sharing Performance	47.075	\$ 13,481
Talk Head and Icon: Behaviorally Situated Avatars Tutoring	47.070	123,891
Trajectory Networks in Human Motion Processes	47.075	15,030
U.S. Brazil Cooperation - NSF POWRE	47.074	<u>2,100</u>
Total National Science Foundation, Prime		<u>1,115,233</u>
<b>National Science Foundation, Subcontract:</b>		
Chemical Sensor and Probe Microscopy in Hydrothermal Ecosystem	47.049	18,110
IntelliStitch AI: Intelligent Computerized Embroidery Design Automation for the Textile Industry	47.070	88,595
ITR: i-LEARN: IT's Enabled, Intelligent and Ubiquitous Access to Educational Opportunities for Blind Students	47.070	8,664
Oxygen Escape from Mars, Venus, and Earth	47.049	13,807
Shock Tube Testing of Pressure Sensors	47.070	<u>8,526</u>
Total National Science Foundation, Subcontract		<u>137,702</u>
<b>Total National Science Foundation</b>		<u>1,252,935</u>
<b>U.S. Department of Agriculture, Prime:</b>		
Reciprocal Cross Effects of Induced Systemic Resistance on Pathogens and Insects	10.206	<u>18,476</u>
<b>U.S. Department of Agriculture, Subcontract:</b>		
Bioremediation of Water Streams Contaminated with Pcb's	10.961	<u>7,405</u>
<b>Total U.S. Department of Agriculture</b>		<u>25,881</u>
<b>U.S. Fish and Wildlife Services, Prime:</b>		
Impacts of Environmental Contaminants on Fish-Eating Birds of the Passaic River	15.605	76,008
Monitoring of Caspian Tern and Herring Gull Productivity and Immune Functions	15.605	9,331
Reproductive and Developmental Toxicity of Polychlorinated Dibenzodioxins and Polychlorinated Dibenzofurans	15.808	<u>12,365</u>
Total U.S. Fish and Wildlife Services, Prime		<u>97,704</u>
<b>U.S. Department of Housing and Urban Development, Prime:</b>		
Building Futures - Research	14.511	<u>161</u>
<b>U.S. Veterans Administration, Prime:</b>		
Intergovernmental Research Personnel Agreement - Allen	64.103	<u>2,700</u>
<b>TOTAL RESEARCH AND DEVELOPMENT CLUSTER</b>		<u>20,570,190</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, 2004**

Federal Grant/Pass Through Grant/Program Title	Federal CFDA Number or Primary Grant Number	Expenditures
<b>U.S. Department of Education Direct Programs:</b>		
A Collaborative University Approach to Training in Adapted Physical Education with Emphasis on Low-Incidence Disabilities	84.325A	\$ 62,837
Algebra and Physical Science Professional Development Project	84.366	70,174
Building Resources in the Development of Global Education for International Business	84.153A	58,037
Capacity-Building Faculty Support	84.048	177,823
Career-Technical Distance Education Delivery	84.048	40,886
Child Care Subsidy and Promoting Positive Relationships Program	84.335A	68,145
Expanding the Pool of Qualified Teachers for Ohio's Schools	84.367	55,059
Higher Skills Partnership Initiative for West Central Ohio Business and Industrial Partnership	84.031	6,331
Information Technology Research Institute	84.116Z	36,305
Involvement in European and Western Hemispheric Studies	84.016A	42,262
Mathematical and Physical Science Professional Development for Grades 7-11 Teachers	84.281	7,582
Ohio First-Summer Training	84.276	38,037
Partners In Integrated Earth Systems Science (PIES)	84.281	56,840
Positive Behavioral Support in the Early Childhood Environment	84.323A	46,139
Prevention through Alternative Learning; Violence and Substance Abuse Prevention	84.PO11130488	72,125
Professional Growth in the Wright Direction	84.276	8,315
Project Manager for Expanding the Pool of Qualified Teachers	84.367	32,947
Project RENEUUS: Regional Educational between the European Union and the United States	84.116J	66,406
Statewide Core Electronic Information Collection (SCEIC)	84.369	1,295,747
Teaching American History Grant	84.215	203,981
The Reading First - Ohio Center	84.357A	53,964
U.S. Brazil Biotech Training Consortium (USABRIO)	84.116M	14,875
West Central Ohio Tech Prep Consortium Mini Grant	84.016	11,512
Total U.S. Department of Education Direct Programs		<u>2,526,329</u>
<b>Corporation for National and Community Service, Prime -</b>		
A Healthy Child is a Better Learner	94.005	<u>155,700</u>
<b>U.S. Department of Health and Human Services, Prime:</b>		
Acute Care Nurse Practitioner Cardiac Specialty Program	93.247	249,423
Anatomical Resource in the Quicktime Vr Format	93.879	27,832
Brothers to Brothers/Sisters to Sisters	93.243	400,405
Creating Educational Partnerships in Diverse Communities	93.884	115,973
Expansion of Alliance for Research in Community Health	93.984	130,226
Healthlink Miami Valley	93.252	572,927
Long Term Care Enhancement for RN/BSN Distance Students	93.359A	10,744
Nurse Practitioner/Nurse Midwifery Program	93.298	(93)
Online Family Nurse Practitioner 1st and 2nd Master's Degree	93.247	217,505
Online Nurses: RN-BSN Program via the Internet	93.359	22,075
Predoctoral Training in Primary Care	93.896	112,333
Professional Nurse Traineeship	93.358	63,255
Third Symposium Cell Volume and Signaling Regulation	93.849	12,000
Total U.S. Department of Health and Human Services, Prime		<u>1,934,605</u>
<b>U.S. Department of Health and Human Services, Subcontract:</b>		
CCOE: Dual Diagnosis MI/MRDD	93.630	17,267
CCOE: Dual Diagnosis MI/MRDD - ODMH	93.630	55,009
Dayton Clinical Oncology Program (DCOP) Fiscal Agency	93.399	823,922
Graduate Research Assistant Stipend-Wey Zheng	93.867	15,991
HIV Outreach, Prevention, and Intervention	93.939	14,295
Outreach and Prevention/Intervention	93.939	248,109

See notes to the Schedule of Expenditures of Federal Awards.

(Continued)

**WRIGHT STATE UNIVERSITY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2004**

Federal Grant/Pass Through Grant/Program Title	Federal CFDA Number or Primary Grant Number	Expenditures
<b>U.S. Department of Health and Human Services, Subcontract (Continued):</b>		
Ohio Faculty Directory	93.252	\$ 10,000
PECE-PACT: Parents Early Childhood Education/Positive Action Choices Training	93.959	67,596
Sensitivity of Disabilities Workshop for Engineering Student	93.184	<u>7,350</u>
Total U.S. Department of Health and Human Services, Subcontract		<u>1,259,539</u>
<b>Total U.S. Department of Health and Human Services</b>		<u>3,194,144</u>
<b>U.S. Department of Defense, Prime:</b>		
Air Force ROTC-Uniform Commutation Fund	12.AFROTCR170-1	<u>58,150</u>
<b>U.S. Department of Housing and Urban Development, Prime -</b>		
Building Futures	14.511	22,166
Dayton Community Development Work-Study Program	14.512	<u>37,203</u>
Total U.S. Department of Housing and Urban Development, Prime		<u>59,369</u>
<b>U.S. Department of Housing and Urban Development, Subcontract:</b>		
Dayton Metropolitan Housing Authority Graduate Research Assistant	14.850	(416)
Hope VI Project Graduate Research Assistant	14.850	1,559
Yellow Springs Home, Inc. Strategic Plan	14.850	<u>9</u>
Total U.S. Department of Housing and Urban Development, Subcontract		<u>1,152</u>
<b>Total U.S. Department of Housing and Urban Development</b>		<u>60,521</u>
<b>National Aeronautics and Space Administration, Prime -</b>		
Aerospace Medicine Residency Program	43.001	<u>485,899</u>
<b>National Aeronautics and Space Administration, Subcontract -</b>		
Delivering the ESSEA On-Line Courses for K-12 Teachers	43.001	<u>16,053</u>
<b>Total National Aeronautics and Space Administration</b>		<u>501,952</u>
<b>National Endowment for the Humanities, Prime -</b>		
Living and Working in Ohio's Miami Valley, 1890-1929	45.161	<u>4,001</u>
<b>National Science Foundation, Prime:</b>		
A National Model for Engineering Mathematics Education	47.041	6,217
Creating Laboratory Access for Science Students (CLASS): National Dissemination	47.076	233,989
Crossing the Interdisciplinary Barrier: An Integrated Undergraduate Program in Bioinformatics	47.070	107,294
Research Foundations on Successful Participation of Underrepresented Minorities in Information Technology: A Virtual Conference	47.076	29,039
REU/ASSURE Site in Physics at Wright State University and Wright Patterson Air Force Base	47.049	31,601
UMEB: Wright State University Partners with Wilberforce University to Yield RESULTS	47.049	<u>29,101</u>
Total National Science Foundation, Prime		<u>437,241</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, 2004**

Federal Grant/Pass Through Grant/Program Title	Federal CFDA Number or Primary Grant Number	Expenditures
<b>National Science Foundation, Subcontract -</b>		
A Series of Workshops in the Chemical Sciences	47.074	\$ 300
LSAMP Bridge Program	47.076	<u>2,556</u>
Total National Science Foundation, Subcontract		<u>2,856</u>
<b>Total National Science Foundation</b>		<u>440,097</u>
<b>Small Business Administration, Prime -</b>		
Dayton Business LINC Partnership	59.037	<u>649</u>
<b>Small Business Administration, Subcontract:</b>		
Manufacturing Small Business Development Center - (M-SBDC)	59.005	77,255
Small Business Development Center	59.037	<u>283,582</u>
Total Small Business Administration, Subcontract		<u>360,837</u>
<b>Total Small Business Administration</b>		<u>361,486</u>
<b>U.S. Department of Transportation, Prime:</b>		
U.S. Centennial of Flight (COFC) Web Enhancement Program	20.DTFAWA03P10100	<u>9,235</u>
<b>U.S. Department of Transportation, Subcontract:</b>		
Public and Social Service Transportation Internship Program	20.215	<u>5,554</u>
<b>Total U.S. Department of Transportation</b>		<u>14,789</u>
<b>U.S. Department of Veterans Administration, Prime:</b>		
Environmental Health Sciences Internship Program 2002-03	64.103	2,753
Interactive Training And Development Series-Leadership Trans	64.103	1,209
Leadership And Goalsharing Training	64.103	2,547
Leading Successful, Goal-Oriented Teams	64.103	18,322
Skills to get Organized and Manage your Time	64.103	1,681
Staff Administrative Support Team (SAST) Annual Seminar	64.103	<u>2,253</u>
Total U.S. Department of Veterans Administration, Prime		<u>28,765</u>
<b>Other Federal Agency:</b>		
Snow Emergency Removal	97.036	<u>20,103</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<u><u>\$ 38,162,833</u></u>

See notes to the Schedule of Expenditures of Federal Awards.

(Concluded)



# WRIGHT STATE UNIVERSITY

## NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

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### 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, 2004.

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, 2004, are summarized as follows:

Federal Stafford Loans	\$ 29,426,308
Federal Unsubsidized Stafford Loans	28,355,906
Federal Parental Loans for Undergraduate Students (PLUS)	<u>10,917,174</u>
	<u>\$ 68,699,388</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:

	<b>CFDA Number</b>	<b>Outstanding Balance at June 30, 2004</b>
Federal Perkins Loan Program	84.038	\$ 13,668,730
Loans to Disadvantaged Students	93.342	266,045
Health Professions Student Loan Program	93.342	108,985
Nursing Student Loan Program	93.364	1,021,972
Primary Care Loan Program	93.342	2,280,509

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:

	<b>Number</b>	<b>Disbursements</b>
Federal Perkins Loan Program	84.038	\$ 3,423,622
Loans to Disadvantaged Students	93.342	14,091
Nursing Student Loan Program	93.364	301,576
Primary Care Loan Program	93.342	72,506

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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:

We have audited the financial statements of Wright State University (the “University”), a component unit of the State of Ohio, as of and for the year ended June 30, 2004, and have issued our report thereon dated September 30, 2004. 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 the University’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the University in a separate letter dated September 30, 2004.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.* However, we noted certain immaterial instances of noncompliance, which we have reported to management of the University in a separate letter dated September 30, 2004.

This report is intended solely for the information and use of Board of Trustees, the University's audit and finance committee, management of the University, the Auditor of the State of Ohio and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

PricewaterhouseCoopers LLP

September 30, 2004  
Dayton, Ohio

**Report of Independent Auditors on Compliance with Requirements  
Applicable to each Major Program and Internal Control Over Compliance  
in Accordance with OMB Circular A-133**

To The Board of Trustees  
of Wright State University:

Compliance

We have audited the compliance of Wright State University (the “University”), a component unit of the State of Ohio, 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, 2004, except as described in the second paragraph of this report. The 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 the University’s management. Our responsibility is to express an opinion on the University’s compliance based on our audit. We did not audit the University’s compliance with the billing, recordkeeping, payment processing, collections, reporting and due diligence compliance requirements specified by Federal Perkins Loan Program and described in the OMB Circular A-133 Compliance Supplement. Compliance with these requirements was audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the University’s compliance with those requirements, is based solely on the report of the other auditors.

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 the 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 on the University's compliance with those requirements.

In our opinion, based on our audit and the report of other auditors, the 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, 2004.

#### Internal Control Over Compliance

The management of the University is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, except as noted in the following paragraph, we considered the University's internal control over compliance with 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133. We did not consider internal control over compliance with the billing, recordkeeping, payment processing, collections, reporting and due diligence compliance requirements specified by the Federal Perkins Loan Program and described in the OMB Circular A-133 Compliance Supplement. Internal control over these compliance requirements was considered by the other auditors referred to above; and our report, insofar as it relates to the University's internal control over those compliance requirements, is based solely upon the report of the other auditors.

Our consideration and the other auditors' consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure over compliance and its operation that we consider to be material weaknesses. Also, the report of the other auditors noted no matters involving the internal control structure over compliance and its operation that they consider to be material weaknesses.

This report is intended solely for the information and use of Board of Trustees, the University's audit and finance committee, management of the University, the Auditor of the State of Ohio and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*Princeton House Cooper LLP*

September 30, 2004  
Dayton, Ohio

# WRIGHT STATE UNIVERSITY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2004

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### Part I - Summary of Auditors' Report

#### Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financing reporting:

> Material weaknesses identified? \_\_\_\_\_ yes       X  no

> Reportable conditions identified that are not considered to be material weaknesses? \_\_\_\_\_ yes       X  no

Noncompliance material to financial statements noted? \_\_\_\_\_ yes       X  no

#### Federal Awards

Internal control over major programs:

> Material weaknesses identified? \_\_\_\_\_ yes       X  no

> Reportable conditions identified that are not considered to be material weaknesses? \_\_\_\_\_ yes       X  no

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 Circular A-133? \_\_\_\_\_ yes       X  no

#### Identification of Major Programs:

Student Financial Aid - Cluster  
Research and Development - Cluster  
Statewide Core Electronic Information Collection

Dollar Threshold used to distinguish between type A and type B programs: \$ 1,144,885

Auditee qualified as low-risk auditee  X  yes      \_\_\_\_\_ no

# **WRIGHT STATE UNIVERSITY**

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2004**

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### **Part II - Financial Statement Findings**

No items noted

### **Part III - Federal Awards Findings and Questioned Costs**

No items noted



**Wright State University  
Intercollegiate Athletics  
Department**

**Report of Independent Accountants on  
Applying Agreed-Upon Procedures  
Year Ended June 30, 2004**

**Report of Independent Accountants  
on Applying Agreed-Upon Procedures**

Dr. Kim Goldenberg, 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 complying with National Collegiate Athletic Association (NCAA) Constitution 6.2.3.1. Management of the University is responsible for the Statement of Revenues and Expenditures and internal control over the Athletics Department. 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. Our procedures and findings are as follows:

Procedures Related to the Accounting Records

- a. We obtained the Statement of Revenues and Expenditures of the Intercollegiate Athletics Department for the year ended June 30, 2004, as prepared by management and as shown on page 4. We recalculated the addition of the amounts on the statement and compared actual expenditures to the 2004 budgeted expenditures.
- b. We obtained the University's supporting documentation on basketball ticket sales and reconciled financial data therein to the Statement of Revenues and Expenditures for the intercollegiate athletics department. For one basketball game, we obtained the summary of ticket sales and traced the amount to the Total Game Ticket Sales Reconciliation, noting no exceptions.
- c. We agreed the basketball guarantee revenues (away games) and expenditures (home games) to the signed contracts and other supporting documentation, noting no exceptions.
- d. We obtained an understanding of the University's methodology for recognizing gift income in the intercollegiate athletic department to the extent that expenses have been incurred and reimbursement has been requested from Wright State University Foundation (Foundation). The Foundation originally receives all donors' gifts. We agreed recorded revenues to copies of checks received from the Foundation for 25 selected items, noting no exceptions.

- e. We inspected a report detailing all contributions received for intercollegiate athletics. We noted one contribution of \$38,000 received directly by the University, which constituted more than 10% of all contributions.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the accompanying Statement. 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.

#### Procedures Related to the Internal Accounting Controls

The management of the University is responsible for establishing and maintaining a system of internal control over financial reporting. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America.

Because of inherent limitations in any internal control, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of internal control over financial reporting to future periods are subject to the risk that the internal control may become inadequate because of changes in conditions, or that the degree of compliance with procedures may deteriorate.

- f. We obtained an understanding of the general control environment as it relates to the athletic department. Specifically, we evaluated the following as it relates to the athletic department: (1) departmental organization, (2) control consciousness of department employees, (3) competency of personnel, (4) adequate safeguarding and control of department records and assets, and (5) controls over interactions with data processing.
- g. We obtained an understanding of the University's procedures for gathering information on the nature and extent of the outside organization's activities for or in behalf of the intercollegiate athletic programs. We found that the University receives internal reports of the outside organization's activities on a monthly basis and an external audited report on an annual basis.

#### Procedures Related to Wright State University Foundation

- h. We obtained the list of outside programs and related financial activities for the year ended June 30, 2004, which is included on page 5 of this report.
- i. We were informed by the athletic business manager that the information referred to in "d." above is a complete list of programs outside the University's financial reporting system, which conducted financial transactions for or in behalf of the University's intercollegiate athletic programs during the year ended June 30, 2004.

- j. We confirmed directly with officers of the Foundation that the data contained in "d." above represents a complete and accurate summary of all business transacted for or in behalf of the University's intercollegiate athletic programs during the year ended June 30, 2004.
- k. We obtained the financial statements of the Foundation for the year ended June 30, 2004, which had been examined by independent auditors who expressed an unqualified opinion on those statements.

We were not engaged to, and did not, perform an examination of the University's system of internal control over financial reporting, the objective of which would be the expression of an opinion on the suitability of design of internal control over financial reporting of the University as of June 30, 2004. Accordingly, we do not express such an opinion. We also were not engaged to examine and report on the operating effectiveness of the University's internal control over financial reporting as of June 30, 2004, and accordingly we express no opinion on its operating effectiveness. Had we performed additional procedures, or had we made an examination of the system of internal control over financial reporting, other matters might have come to our attention that would have been reported to you. This report relates only to the procedures specified above and does not extend to any financial statements of the University.

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.

*PriceWaterhouseCoopers LLP*

September 30, 2004  
Dayton, Ohio

**Wright State University**  
**Intercollegiate Athletics**  
**Statement of Revenues and Expenditures**  
*Year Ended June 30, 2004*

	<b>Basketball</b>	<b>Other Sports</b>	<b>Non-Program Specific</b>	<b>Total</b>
<b>Operating Revenues</b>				
Student Activity Fees	\$ 1,008,597	\$ 3,520,651	\$ 1,301,795	\$ 5,831,043
Athletics Ticket Sales	293,979	5,444	-	299,423
Athletic Guarantees	-	11,000	-	11,000
Advertising	164,072	-	64,176	228,248
Gifts - WSU Foundation & Private	132,344	75,509	153,188	361,041
Sports Conference Shared Revenue	8,000	-	194,720	202,720
Federal Grants - Work Study	140	3,464	19,593	23,197
Promotions	14,216	95,944	91,776	201,936
Children's Swim Lessons	-	-	13,073	13,073
Athletic Camps	22,695	115,211	705	138,611
Other	7,518	6,603	39,483	53,604
<b>Total Operating Revenues</b>	<b>\$ 1,651,561</b>	<b>\$ 3,833,826</b>	<b>\$ 1,878,509</b>	<b>\$ 7,363,896</b>
<b>Operating Expenditures</b>				
Coaches Salaries & Benefits	\$ 653,101	\$ 821,023	\$ -	\$ 1,474,124
Other Salaries & Benefits	50,539	151,043	1,161,286	1,362,868
Grants-In-Aid	229,577	1,750,769	30,836	2,011,182
Athletic guarantees	43,500	4,500	-	48,000
Conference Membership Fees	945	40,123	530	41,598
Communications	168,309	93,256	155,775	417,340
Travel	192,114	574,174	153,444	919,732
Recruiting	72,514	80,229	-	152,743
Insurance	204	1,395	40,226	41,825
Equipment	5,900	-	45,393	51,293
Supplies	52,469	187,202	176,421	416,092
Operation and Maintenance of Plant	10,394	102,101	304,035	416,530
Rent	89,520	21,842	480	111,842
Conference tournament expenses	11,802	224	-	12,026
Other	70,673	5,945	84,568	161,186
<b>Total Operating Expenditures</b>	<b>\$ 1,651,561</b>	<b>3,833,826</b>	<b>2,152,994</b>	<b>7,638,381</b>
<b>Excess of Revenue</b>				
Over Expenditures	\$ -	\$ -	\$ (274,485)	\$ (274,485)

**Wright State University**  
**Statement of Changes in Funds**  
**Restricted Funds**  
*Year Ended June 30, 2004*

Gift Accounts	Beginning Fund	Increase in Funds (1)	Expenses for or in Behalf of Program (2)	Transfers & Others	Ending Fund
ADC Platinum Charter	\$ -	\$ 114,324	\$ (114,316)	\$ -	\$ 8
Athletics General Fund	(36)	78,377	(78,255)	-	86
Baseball	2,136	6,631	(8,725)	-	42
Baseball Facility Project	-	10,000	-	(10,000)	-
Baseball Premium Seats	-	833	-	(750)	83
Basketball - Men's	133	17,895	(18,028)	-	-
Basketball - Women's	14	1,400	(1,406)	-	8
Cheerleading	-	175	-	-	175
Cross Country - Men's	75	-	-	-	75
Cross Country - Women's	150	100	(100)	-	150
Campus Scholarship Campaign - Athletics	2,320	-	(2,320)	-	-
Campus Scholarship Campaign - Men's Basketball	1	60	-	-	61
Campus Scholarship Campaign - Women's Basketball	39	-	-	-	39
Emerald Jazz	-	250	(250)	-	-
Golf	2,574	43,825	(44,306)	-	2,093
Greg Nischwitz	10,735	10,792	(10,735)	-	10,792
Heider/Best Scholarship	2,783	408	-	-	3,191
Soccer - Men's	395	1,500	(1,811)	-	84
Soccer - Women's	45	250	(295)	-	-
Soccer buyout fund	-	2,999	(407)	-	2,592
Soccer Light Fund	1,021	-	-	-	1,021
Softball	871	100	(971)	-	-
Sports Information	75	405	(480)	-	-
Swimming - Men's	156	613	(768)	-	1
Swimming - Women's	-	1,038	(1,038)	-	-
Tennis - Men's	51	150	(200)	-	1
Tennis - Women's	38	300	(337)	-	1
Track - Women's	100	100	(200)	-	-
Training Room	-	2,400	(2,400)	-	-
Volleyball	735	1,150	(1,885)	-	-
Women's Volleyball Scholarship	478	90	(560)	-	8
WSU Pavilion Fund	174,453	41,251	(69,483)	-	146,221
Wynkoop Scholarship	1,765	-	(1,765)	-	-
	<u>201,107</u>	<u>337,416</u>	<u>(361,041)</u>	<u>(10,750)</u>	<u>166,732</u>
<b>Endowment Income Accounts</b>					
Greg Nischwitz	145,893	1,832	-	-	147,725
Heider/Best Scholarship	1,608	250	-	-	1,858
Greg Nischwitz	46,751	31,756	(12,737)	-	65,770
Heider/Best Scholarship	6,236	1,322	(489)	-	7,069
	<u>200,488</u>	<u>35,160</u>	<u>(13,226)</u>	<u>-</u>	<u>222,422</u>
<b>Total Wright State Foundation</b>	<u>\$ 401,595</u>	<u>\$ 372,576</u>	<u>\$ (374,267)</u>	<u>\$ (10,750)</u>	<u>\$ 389,154</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.



**Auditor of State  
Betty Montgomery**

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**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  
DECEMBER 23, 2004**