WRIGHT STATE UNIVERSITY

CHANGING LIVES

Annual Report and Single Audit Reports for Federal Awards

for the year ended

June 30, 2010

Office of the Controller

3640 Colonel Glenn Hwy.

Dayton, OH 45435

Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Wright State University, Greene County, prepared by Crowe Horwath LLP, for the audit period July 1, 2009 through June 30, 2010. 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.

Dave Yost

Dave Yost
Auditor of State

February 2, 2011

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WRIGHT STATE UNIVERSITY

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Management's Discussion and Analysis
Fiscal Year Ended June 30, 2010

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, 2010 with selected comparative information for the years ended June 30, 2009 and 2008. 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

- For the third year in a row, Wright State University's regional reputation enjoyed national attention as a "Best in the Midwest" college in *The Princeton Review's* annual college ratings. Wright State was among 158 schools from 12 states profiled as "Best in the Midwest" in its 2010 Best Colleges: Region by Region, released online with its 2010 Best 371 Colleges. Criteria considered for this designation include academics, quality of life, and extracurricular activities.

- Wright State was named to the 2009 President's Higher Education Community Service Honor Roll, the highest federal recognition a college or university can receive for its commitment to volunteering, service-learning, and civic engagement. Wright State is the only public university in Ohio to be listed on the Honor Roll with Distinction for its commitment to service.

- Six of Wright State's seven university centers of excellence were designated Ohio Centers of Excellence by Governor Ted Strickland and Ohio Board of Regents Chancellor Eric D. Fingerhut. These centers are the Center of Excellence in Human-Centered Innovation, the Center of Excellence in Knowledge-Enabled Computing, the Wright State University & Premier Health Partners Neuroscience Institute, Product Reliability and Optimization, Micro-Air Vehicle Research, and the National Center for Medical Readiness. The University believes there will be additional designations to come.

- For the first time in three years the University raised its undergraduate tuition rates by 3.5%. Graduate tuition as well as the School of Professional Psychology increased its rates by 4% while the Boonshoft School of Medicine (BSOM) had a tuition increase of 5%. These increases were necessitated in 2010 as a result of a flat level of support from the State of Ohio in the new biennial state budget that covers fiscal years 2010 and 2011. Even with these tuition increases, Wright State continues to maintain the fourth lowest in-state undergraduate tuition rate among Ohio's thirteen four-year public institutions.

- As noted above, in 2010 total state appropriations did not change from its 2009 funding level after subtracting the effect of OhioLINK (a statewide library initiative for which the University serves as fiscal agent). Increases in 2009 and 2008 were 7.0% and 4.7%, respectively. The 2009 and 2008 increases were significant increases, allowing the University to forego undergraduate tuition increases in those years. State appropriations in 2010 would have been much lower had it not been for federal stimulus funds that provided an additional $13.0 million to maintain funding at the 2009 level.

- Net assets increased $11.5 million from 2009 to 2010. This increase was created primarily by better than expected returns in investment income and large increases in tuition and fee revenue created by a sizeable increase in enrollment. There were also modest increases in net capital assets. Net assets decreased $3.4 million in 2009 primarily as a result of poor investment performance.

- Fiscal year 2010 saw the largest enrollment in the university's history. Fall 2009 headcount grew to nearly 18,800, a 6.4% increase over fall 2008. The strongest growth was in the Colleges of Science and Mathematics, Engineering and Computer Science, and Nursing and Health. This strong growth followed a 4.4% increase in headcount from the previous year. These recent increases in enrollment have helped to compensate for the lack of increase in state funding.

- For the 31st consecutive year, Wright State students brought home top honors from the National Model United Nations (NMUN) conference, a record unmatched by any other four-year college or university in the country. NMUN is the world's largest university-level simulation of the United Nations and educates over 4,000 students about the United Nations and contemporary international issues facing our world. Wright State's student team was awarded four top honors.

- During 2010 Wright State's Boonshoft School of Medicine and Miami Valley Hospital announced the formation of the Wright State University & Premier Health Partners Neuroscience Institute to speed the transfer of research discoveries from bench to bedside, improving the diagnosis and treatment of neurological disorders such as stroke. This major public-private initiative partners the Dayton region's strongest biomedical research institution with the clinical resources of the region's leading hospital system. Miami Valley Hospital has made a major investment of $4.35 million over five years to create a new Department of Neurology within the Wright State University Boonshoft School of Medicine. This institute was named one of Wright State's six Ohio Centers of Excellence.

- In December 2009 the University issued $11.4 million of taxable Build America Bonds in order to effect some energy savings projects across campus. These measures are part of an effort to achieve a 20 percent reduction in energy usage from 2004 (base year) to 2014 as required by Ohio legislation. These projects are expected to be completed by December 2010. While the bonds are considered taxable, the University receives a 35 percent rebate of interest expense from the federal government as a form of federal subsidy. While the gross effective rate of the bonds is 4.38 percent, the net effective rate after rebate is only 2.83 percent. The University negotiated a performance contract with the contractor in which the University is guaranteed energy savings adequate to retire the debt incurred for the project.

- The University continued its efforts during 2010 to convert Wright State's academic calendar from the quarter system to the semester system effective fall quarter, 2012. This move is being made to better align Wright State's calendar with other universities' to better facilitate collaborative academic programs, student transfer and articulation. Changes to the *general education* and *writing across the curriculum* programs were finalized and approved and faculty workload issues were resolved. The University is on schedule to complete its three year transition.

Using the Annual Report

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

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

At a number of points in this narrative, we discuss revenues from state appropriations. In general, these references should be read to also include federal appropriations, which are the federal stimulus funds the state has used to replace lost state tax revenues due to the recession. In contrast, federal grants and contracts refer to more traditional forms of federal funding that are quite distinct from federal stimulus funds.

Statements of Net Assets

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

	2010	2009	2008
	(All dollar amounts in thousands)		
Current assets	$ 84,313	$ 81,284	$ 66,445
Noncurrent assets:			
Capital assets, net	303,714	298,308	292,817
Other	108,495	97,307	115,697
Total assets	496,522	476,899	474,959
Current liabilities	82,126	78,775	69,957
Noncurrent liabilities	42,890	38,096	41,564
Total liabilities	125,016	116,871	111,521
Net assets:			
Invested in capital assets, net of related debt	269,596	267,032	257,526
Restricted	19,044	18,827	18,755
Unrestricted	82,866	74,169	87,157
Total net assets	$ 371,506	$ 360,028	$ 363,438

The university's net assets increased $11.5 million in 2010 primarily due to strong results in the investment market and large increases in student enrollments. The investment markets rebounded in 2010 which produced almost $10 million in investment income compared to a budget of only $4 million. This is in stark contrast to the $12 million investment loss experienced in 2009 which was the primary driver in the reduction of $13.0 million in unrestricted net assets in that year. In addition, the University experienced the largest enrollment in the school's history in 2010 creating a better than planned growth in student tuition revenue. These two items were by far the largest contributors to the $8.7 million increase in unrestricted net assets. Capital assets, net of depreciation and related debt, increased only slightly in 2010 as the University completed its science facility projects and began a number of energy conservation projects. These outlays were substantially offset by annual depreciation expense however, causing the net capital assets to remain relatively unchanged. In 2009, the primary outlays were for the continuation of improvements in the university's science facilities and major renovations of its facilities at the university's Lake campus in Celina.

Total assets increased $19.6 million in 2010 over 2009. *Current assets*, comprised primarily of cash and operating investments, student and sponsor receivables, and prepaid expenses, increased by only $3.0 million in 2010 from 2009. This increase is a result of several factors. Most notably, there was $3.5 million of restricted cash consisting of unspent bond proceeds at June 30, 2010 for the energy conservation projects. In addition, accounts receivable decreased $1 million from $22.7 million to $21.7 million primarily as a result of a decrease in sponsored program receivables of $1.5 million. Prepaid expenses comprise another large share of current assets at $13.6 million in 2010 compared to $14.1 million in 2009. These assets are primarily composed of license agreements for the OhioLINK program for which the University is the fiscal agent.

Other noncurrent assets increased $11.2 million from $97.3 million in 2009 to $108.5 million in 2010. These assets are comprised of long-term investments, long-term student loans receivable, and long- term prepaid expenses and deferred charges. Loans receivable decreased $3.5 million as a result of the University not issuing any new loans in several programs, most notably the federal Perkins loan program and two internal loan programs which were converted to need based grant programs in 2010. No Perkins loans were issued in order to make up for the over-awarding of these loans in prior years. Long-term investments increased $15 million from $78 million in 2009 to $93 million in 2010. This increase is a direct result of a much stronger investment market in 2010.

Capital assets, net of depreciation increased from $298.3 million in 2009 to $303.7 million in 2010. This increase of $5.4 million is a result of the University completing work on its science facilities at the Dayton campus and renovations and improvements to facilities at the university's Lake campus. In addition, the University spent approximately $7.5 million on some energy conservation projects. Net of the annual depreciation expense of $18.7 million, capital assets only increased $5.4 million.

Total assets increased only slightly from 2008 to 2009 from $475.0 million to $476.9 million in 2009. Cash and investments decreased $6.8 million due to the investment market offset by increases in capital assets of approximately $5.5 million for the science facilities and Lake campus improvements as well as increases in prepaid expenses of $2.4 million for additional license agreements.

Total assets of the Wright State University Foundation increased from $85.1 million at June 30, 2009 to $97.4 million at June 30, 2010, an increase of $12.3 million. This increase was almost entirely the result of an increase in long-term investments. Long-term investments increased $12.6 million from $73.5 million in 2009 to $86.1 million in 2010. Again, the positive investment climate was the primary cause for this increase. Gifts and pledges receivable comprise another $8.7 million and $8.1 million at June 30, 2010 and June 30, 2009, respectively.

Current liabilities are comprised primarily of accounts payable and accrued liabilities, deferred revenues from both student fees and advance payments for contracts and grants, and the current portion of long-term liabilities. These liabilities increased only $3.3 million from $78.8 million at June 30, 2009 to $82.1 million at June 30, 2010. Within this total, however, there are a number of balances that changed. Accounts payable decreased $1.4 million from 2009 to 2010 due to large payables that existed in 2009 for a couple of grants that do not exist in 2010. Accrued liabilities increased $5.6 million primarily due to $5.3 million of liabilities that remain at June 30, 2010 as a result of a voluntary separation incentive plan the University offered during the year in an effort to reduce expenses through strategically managing staff vacancies. Deferred revenue decreased $1.9 million from $38.3 million in 2009 to $36.4 million in 2010. The restricted fund decreased $2.4 million, primarily attributable to OhioLINK as the program's expenses increased in 2010 resulting in a utilization of the deferred revenue from 2009. Another $.9 million of payments from the State of Ohio for science facilities which was deferred in 2009 was spent in 2010 resulting in an additional decrease. Deferred student tuition and fees increased $1.3 million due to increases in tuition rates and enrollments.

Current liabilities increased $8.8 million from 2008 to 2009. This was partially due to an increase in accrued liabilities as a result of the University moving to a self-insured health plan in 2009 which increased the year end liability by $2.4 million. In addition, deferred revenue increased $4.3 million from increases in the OhioLINK program and State of Ohio funding for capital projects, primarily the university's science facilities.

Noncurrent liabilities increased $4.8 million from $38.1 million at June 30, 2009 to $42.9 million at June 30, 2010. This increase is the result of the University issuing $11.4 million of additional long-term debt in 2010 for a number of energy conservation projects. There were also principal payments against the university's debt obligations of $5.1 million and a decrease in compensated absences of $.4 million that somewhat reduced the overall increase.

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:

	2010	2009	2008
	(All dollar amounts in thousands)		
Invested in capital assets, net of related debt	$ 269,596	$ 267,032	$ 257,526
Restricted expendable	19,044	18,827	18,755
Unrestricted:			
Designated	96,241	83,645	81,851
Undesignated	(13,375)	(9,476)	5,306
Total net assets	$ 371,506	$ 360,028	$ 363,438

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. During 2010 the University completed the expansion and renovation of its Dayton campus science facilities as well as the renovation and improvements performed at the Celina campus. The science facilities provide additional instructional as well as research space. The Celina project was a major project that affected close to 75 percent of the campus and added the James F. Dicke Center, a multipurpose facility used for recreation, meeting, and study space as well as theatre and other banquet-style activities. In addition to these two projects, the University began a number of energy conservation projects across both of its campuses that are expected to cost $11.3 million. The University spent $7.5 million in 2010. These projects are expected to be completed in 2011. The University also continues to provide for annual maintenance of its existing facilities in order to avoid the growth of a deferred maintenance issue.

Restricted expendable represents funds that are externally restricted to specific purposes, such as student loans or sponsored projects. $18.8 and $18.5 million at June 30, 2010 and 2009, respectively, of the restricted expendable fund balances 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. Colleges and divisions are permitted to retain their own budgeted funds that are not spent at the close of each fiscal year. The University believes 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. After two years of tough challenges brought about primarily by the poor investment markets that drew down the university's unrestricted fund balance, 2010 saw a rebound in the markets that helped the university restore a portion of those balances. Stronger than expected enrollments also contributed to that restoration. However, the financial pressures of the economy and funding limitations of the State of Ohio necessitated the University to implement modest budget cuts that included a voluntary separation program that cost the University $6.8 million. While this program allows the University to make strategic personnel decisions in an effort to control spending in the coming years, this program's cost in addition to other strategic spending initiatives (such as the decision to honor commitments of state financial aid after that funding was substantially reduced shortly before the beginning of fall quarter) drew down upon the undesignated unrestricted net assets for the third year in a row. The entire amount of growth in the unrestricted net assets in 2010 was a result of unspent designated resources at the college and unit level. While these colleges and units were able to live within their budgets and even slightly grow their reserves, the general university drew down upon the undesignated unrestricted net assets. Over those three years, undesignated unrestricted net assets have decreased $25.4 million resulting in a deficit balance of $13.4 million at June 30, 2010. While it is not management's intent to continue this trend, the University has found it necessary to continue to utilize accumulated resources to adequately address its strategic needs. In addition, it has chosen not to reduce designated balances to reflect the investment losses in 2009. Management remains committed to re-building its reserves through prudent financial management while continuing to meet the needs of the students.

Statements of Revenues, Expenses and Changes in Net Assets

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

	2010	2009	2008
	(All dollar amounts in thousands)		
Operating Revenues:			
Student tuition & fees - net	$ 124,575	$ 119,655	$ 114,734
Grants and contracts	89,882	86,786	89,859
Sales and services	8,410	8,163	7,472
Auxiliary enterprises	15,476	16,088	15,296
Other	2,846	2,287	2,686
Total	241,189	232,979	230,047
Operating expenses	386,514	377,440	365,960
Operating loss	(145,325)	(144,461)	(135,913)
Nonoperating revenues (expenses):			
Federal appropriations	12,988		
State appropriations	89,045	104,647	98,715
Federal grants	22,581	14,251	11,230
State grants	3,254	4,412	3,588
Gifts	8,398	9,035	8,450
Investment income	9,988	(12,013)	(3,494)
Interest expense	(1,443)	(1,346)	(1,024)
Other income (expense)	(2,613)	(1,460)	(246)
Capital appropriations	9,648	19,002	7,354
Capital grants and gifts	4,957	4,523	15,154
Total	156,803	141,051	139,727
Increase (decrease) in net assets	11,478	(3,410)	3,814
Net assets - beginning of year	360,028	363,438	359,624
Net assets - end of year	$ 371,506	$ 360,028	$ 363,438

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

	2010	2009	Difference	Percent Increase (Decrease)
Revenues:				
Grants and contracts	$ 31,027,834	$ 25,418,964	$ 5,608,870	22.1%
State appropriations	4,534,613	7,177,111	(2,642,498)	(36.8)%
Total revenues	$ 35,562,447	$ 32,596,075	$ 2,966,372	9.1%
Expenses:				
Total OhioLINK	$ 35,562,447	$ 32,596,075	$ 2,966,372	9.1%

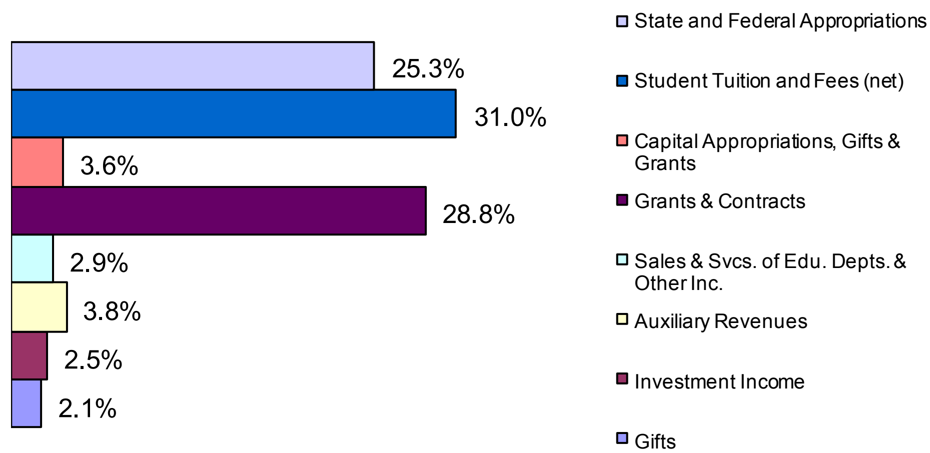
The university's primary revenue sources are state appropriations and student tuition and fees. These fund the ongoing programs and operations of the University. In 2010 these two sources accounted for over 56 percent of the university's total revenues in 2010 with nearly another 29 percent coming from grants and contracts, a restricted revenue source. Accounting standards classify state appropriations as a nonoperating revenue source in the financial statements. However, since the University continues to rely upon state funding as a significant funding source for ongoing operations, it manages state funding as an operating revenue item. Enrollments at WSU rose significantly in 2010 setting a new record high which resulted in an increase in tuition revenue of approximately 4.1 percent. Meanwhile, the State of Ohio's funding remained flat in 2010, net of OhioLINK. This trend of tuition growing and state appropriations shrinking as a percent of total revenues has continued for three decades. What exacerbates this funding situation even more is the fact that over 13 percent or approximately $13 million of the appropriations received by the University from the State of Ohio in 2010 was the pass-through of federal stimulus funding provided by the federal government to the State. The State has attempted to maintain or improve state appropriations over the last several years, but economic conditions in the State of Ohio have been extremely difficult. Therefore, while the University has been fortunate not to lose funding from its 2009 level, thanks in large part to the federal stimulus funding, the state funding has not kept up with the growth in students and is now dependent to a significant degree on temporary stimulus funding. State appropriations did increase $6.4 million, or 7.0 percent, net of OhioLINK in 2009, however this was in a year when there was no undergraduate tuition increase. It continues to be the goal of the State and the University to make higher education more affordable to its residents by bringing tuition levels closer to the national average. This will take time, as for years the amount of state appropriations allocated to Wright State University and higher education in general had not been keeping pace with enrollment growth, requiring the University to raise tuition at a magnitude greater than desired in order to fund the increasing costs of serving the students and to respond to inflationary pressures. The pressures on state funding are likely to continue. The ability of the State to provide adequate funding for all of the functions it supports is questionable. While the state biennial budget ending June 30, 2011 maintains a commitment to higher education (but only through heavy reliance on stimulus funding), the subsequent biennial budget faces a substantial deficit before even considering any new funding needs, as the federal stimulus funds disappear and a personal income tax reduction is scheduled to take place. Therefore, it is not reasonable to assume the funding situation for higher education is going to improve any time soon. The table below demonstrates just how much the State of Ohio over the past three decades has forced universities to shift the burden for funding the cost of higher education to students and their families. It can be noted that even the last several years of increased funding from the State has had little impact on the students' overall share of the required revenues.

State Appropriations per Dollar of Gross Tuition

Fiscal Year	Gross Tuition	State Appropriations net of OhioLINK	Net State Appropriations per Dollar of Gross Tuition
1980	$ 13,833,157	$ 29,604,813	$ 2.14
1990	40,939,473	63,889,505	1.56
2001	74,956,371	86,874,854	1.16
2002	82,426,162	86,461,640	1.05
2003	94,242,118	85,513,853	0.91
2004	107,972,107	86,565,632	0.80
2005	121,717,222	84,724,080	0.70
2006	131,262,871	84,784,334	0.65
2007	139,584,821	86,988,360	0.62
2008	142,040,685	91,085,746	0.64
2009	150,194,749	97,469,816	0.65
2010	161,383,354	97,498,261	0.60

The table above shows that the level of state appropriations has increased over the last four years as the State has tried to maintain and even increase its commitment to higher education. However, the migration of funding the costs of higher education from the State to the student has been so significant over the last three decades that it’s unknown if the State will ever be at the forefront of the funding stream again. In the meantime, the University continues with other types of revenue streams to help minimize the cost of tuition. There is a strong emphasis on fundraising. Also, there continues to be a priority to increase the level of research. Even though the University raised its tuition in 2010, the University continues to maintain its position in the state with a lower than average level of tuition and fees relative to other Ohio four-year public institutions. Wright State ranks as the fourth lowest (out of 13) of the four-year public institutions with respect to undergraduate student tuition rates. It should be noted that two of the lower three universities receive special state funding for the purpose of subsidizing tuition that Wright State does not receive.

Below is a graphic illustration of revenues by source for the year ended June 30, 2010.



State and federal appropriations decreased from $104.6 million in 2009 to $102 million in 2010, a decrease of $2.6 million. After pulling out the funding for OhioLINK in both years, appropriations were actually flat from 2009 to 2010. In addition, the 2010 amount of $102 million includes $13 million of federal stimulus pass-through funds. These were needed by the State of Ohio just to keep funding at a level commensurate with 2009. State appropriations actually increased $5.9 million from 2008 to 2009 as a result of the additional investment in higher education made by the State of Ohio in the previous biennium ended June 30, 2009.

Net student tuition and fees were $124.6 million, $119.7 million, and $114.7 million in 2010, 2009, and 2008, respectively which provided an increase of 4.1% from 2009 to 2010 and 4.4% from 2008 to 2009. In 2010 undergraduate tuition increased 3.5% and graduate tuition and the School of Professional Psychology increased 4%. The Boonshoft School of Medicine increased 5%. These tuition increases combined with an enrollment increase that resulted in a 4.4% increase in student credit hours drove this net tuition increase. The net increase was actually mitigated by an increase of $6.3 million of scholarship allowances, primarily due to an increase of $8.3 million in Pell grants. As discussed earlier, there were no undergraduate tuition increases in 2009 or 2008. 2009 saw an increase in student FTE of 3.6%. This in conjunction with tuition increases in graduate and professional school tuition of 4% accounts for the increase in tuition revenues in 2009.

Grants and contracts were $115.7 million in 2010, increasing $10.3 million from the 2009 level of $105.4 million. The 2008 level was $104.7 million. Federal grants increased $8.3 million just from an increase in the federal student aid Pell program. In addition, revenues from private participants of the OhioLINK program increased $5.6 million. There were also decreases in state financial aid programs and other federal awards that offset these increases. In 2009 nongovernmental grants and contracts decreased approximately $4.2 million due to a reduction in 2009 revenues and expenses in the OhioLINK program. This, too, was partially offset from federal grants increasing $3.0 million primarily due to an increase in federal Pell grants.

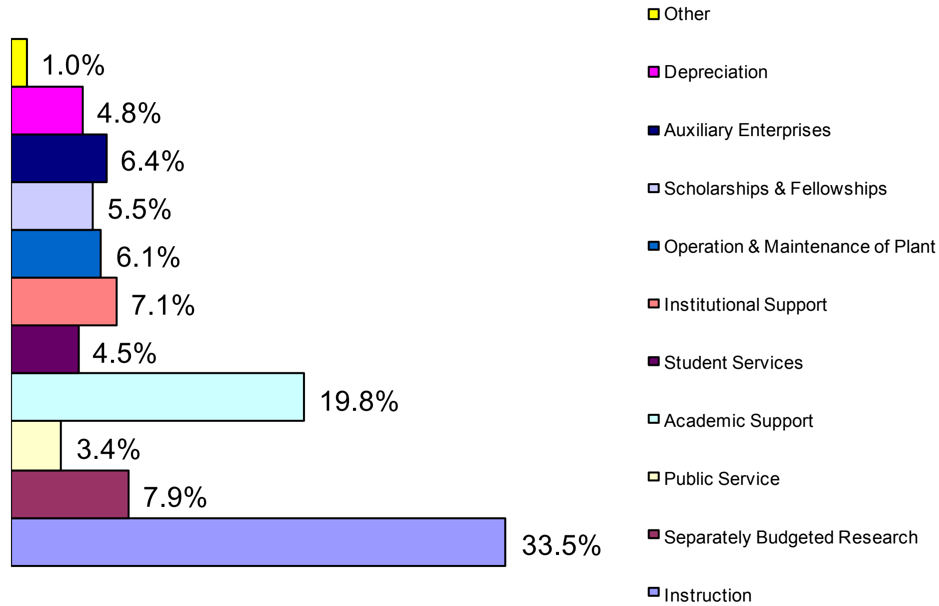
Auxiliary revenues were $15.5 million, $16.1 million, and $15.3 million for the years ended June 30, 2010, 2009, and 2008, respectively. Auxiliary enterprises are comprised of residence services, bookstores, food services, vending, parking and transportation, intercollegiate athletics, the Student Union, and the Nutter Center. The decline in revenues in 2010 was the result of the Nutter Center, as the number of events held in 2010 declined from 2009. This decline resulted from the failure of the center's professional hockey tenant and significant problems in the national touring concert business. Food Services accounted for a $.8 million increase in revenues in 2009 due to an increase in students participating in the board plan and an increase in board rates.

Sales and services, which are primarily revenues generated from specific departmental sales activities to organizations external to the University, were $8.4 million, $8.2 million, and $7.5 million for the years ended June 30, 2010, 2009 and 2008, respectively. The largest amounts of revenue are generated from the Boonshoft School of Medicine in the form of clinical income and pharmacy sales and also from computing and telecommunications revenues.

Investment income bounced back after two loss years from poor investment markets. Investment earnings in 2010 were $10.0 million while investment losses in 2009 and 2008 were $12.0 million and $3.5 million, respectively. The University basically adhered to its investment policy and was able to ride the market back in 2010 and recoup a majority of the losses experienced over the last two years. The 2010 earnings helped restore unrestricted net assets and move the balance closer to the level of two years ago. As the University budgeted conservatively in 2010 due to the recent investment climate, investment returns exceeded the budgeted amount by nearly $6 million. The university's investment returns were at or above the benchmarks established by its investment policy for each respective market sector. The University still considers the current investment climate as somewhat volatile and has further diversified its portfolio to a small degree, but still believes no major investment philosophy changes are warranted. The university's investment policy is designed to invest a large share of its operating reserves in a diverse array of longer term investment instruments in order to maximize long-term growth and current income. In this way returns over the long run can be re-invested, thus permitting higher investment income for support of university goals and to permit accumulation of still further reserves. The accumulation of these reserves helped buffer the impact of the losses of the last two years and still allow the University to accomplish its budgetary and strategic goals.

Capital Appropriations, Gifts and Grants were $14.6 million in 2010, a decrease of $8.9 million from the $23.5 million realized in 2009. The large decrease is a result of approximately $9.1 million of funding for the university's science facilities and Lake campus renovations that was received in 2009 over and above the 2010 funding. These facilities were completed in 2010. During 2010 the University did receive capital appropriations from the State of Ohio in the amount of $5.6 million to finish the university's science facilities and another $4.0 million for a wide array of other projects and renovations across campus. In addition, the University received approximately $1.4 million in gifts from private donors to finish the Lake campus project. The capital appropriations of $19.0 million that occurred in 2009 were primarily for the science facilities and Lake campus renovations. There was a $2.6 million gift for the Lake project as well. Capital appropriations, gifts and grants amounted to $22.5 million in 2008.

The following is a graphic illustration of expenses by function for the year ended June 30, 2010.



Overall operating expenses were $386.5 million in 2010 as compared to $377.4 million and $366.0 million in 2009 and 2008, respectively. That represents only a 2.4% increase from 2009 to 2010 and only a 5.6% increase over the two year period from 2008 to 2010. More than half of this increase in 2010 was for student financial aid expense. All other operating expenses in the aggregate grew by only $3.9 million. The University feels that it has done a good job eliminating and/or minimizing expenses while still addressing its strategic goals. In 2010 salaries and benefits actually decreased approximately $1.8 million even after a contractually required 5% compensation increase (for market, merit, and across the board components combined) for all bargaining unit faculty. There are several reasons for this. The University implemented a voluntary early separation incentive program in 2010 that resulted in 117 individuals electing to separate (mostly retire) from the University in exchange for a lump sum payment. The cost of this program was $6.8 million, all recorded in 2010 but payable over three years to a third party administrator. While this had the effect of increasing operating expenses, it enabled the University to strategically manage the 117 open positions by holding them open for a period of time, reorganizing them, or eliminating them all together. Most of these positions were not filled during 2010 enabling the University to hold down payroll costs whereby total payroll only increased $0.8 million. In addition, the University enjoyed favorable experience in health care claims in 2010 including lower pharmaceutical costs as a result of entering into an insurance arrangement with a new provider. The university's compensated absences accrual also decreased substantially due to all of the additional departures in 2010. Overall benefit costs decreased $2.6 million including the $2 million variance in compensated absences expense. The balance of the increase in 2010 operating expenses was in scholarships and fellowships. Total increases in student aid from 2009 to 2010 were $11.6 million. Of that increase, $6.4 million is recorded as an offset to revenue in the form of scholarship allowances. The balance of the increase, $5.2 million, is recorded as scholarships and fellowships expense. These increases are due to a large increase in the level of the federal Pell grants that were awarded to students as well as a conscious effort on the part of the University to increase need-based aid to Ohio students as a result of their loss of a large part of their Ohio Instructional Grants and Ohio College Opportunity Grants due to late budget cuts to those programs by the State of Ohio. The 2009 increase of $11.4 million was almost entirely attributable to increases in salaries and benefits.

Statements of Cash Flows

The Statement of Cash Flows also provides information about the university's financial health by reporting the cash receipts and cash payments of the University during the year ended June 30, 2010. A summary of the Statements of Cash Flows is as follows:

	2010	2009	2008
	(All dollar amounts in thousands)		
Cash provided (used) by:			
Operating activities	$ (119,180)	$ (120,109)	$ (116,849)
Noncapital financing activities	135,622	132,400	122,181
Capital and related financing activities	(7,375)	(7,143)	(15,851)
Investing activities	(12,765)	7,706	15,447
Net increase (decrease) in cash and cash equivalents	(3,698)	12,854	4,928
Cash and cash equivalents-beginning of year	36,556	23,702	18,774
Cash and cash equivalents-end of year	$ 32,858	$ 36,556	$ 23,702

Cash and cash equivalents decreased $3.7 million from 2009 to 2010. Cash flows from operating activities did not change much from 2009, increasing a slight $.9 million. These cash flows primarily reflect an increase in tuition revenue and scholarships and fellowships expenses. Cash from noncapital financing activities increased $3.2 million from 2009 to 2010 primarily as a result of an increase of $8.3 million in the noncapital grant Pell program. State appropriations declined $2.6 million as a result of reductions in the funding of the OhioLINK program. In addition, the University had net cash outflows of $.9 million due to the timing of the receipts and disbursements of its direct lending program. Net cash outflows for capital and related financing activities were $7.4 million. Within this net outflow of funds are capital projects of $26.7 million funded by $9.6 million of capital appropriations and $11.3 million of debt proceeds from the issuance of taxable Build America Bonds for new energy conservation projects. Other projects are the completion of the university's science facilities and Lake campus renovations. Additionally there are capital gifts and grants received for a portion of the capital projects and principal and interest payments on the university's debt obligations. The net cash used by investing activities of $12.8 million is the net result of all investment activities: purchases, sales, and interest earnings. With the improvement in the investment market, the volume of re-investment transactions increased and caused for a larger outflow of funds to purchase more securities. These purchases exceeded the proceeds from the maturities and sales of investments. The increase in cash and cash equivalents from 2008 to 2009 of $12.9 million is a result of increases in state appropriations and Pell grants offset by decreases in operating cash flows.

Capital Assets and Debt

Capital Assets

The University had approximately $303.7 million invested in capital assets, net of accumulated depreciation of $220.5 million at June 30, 2010. Capital assets were $298.3 million, net of accumulated depreciation of $212.8 million at June 30, 2009. Depreciation expense for the years ended June 30, 2010 and 2009 was $18.7 million and $18.5 million, respectively. A summary of net capital assets for the year ended June 30 is as follows:

	2010	2009	2008
	(All dollar amounts in thousands)		
Land, land improvements and infrastructure	$ 25,379	$ 23,213	$ 23,091
Buildings	232,466	223,787	215,571
Machinery and equipment	26,956	30,257	35,289
Library books and publications	18,399	18,929	18,729
Construction in progress	514	2,122	137
Total capital assets - net	$ 303,714	$ 298,308	$ 292,817

Capital activity in 2010 was steady with the primary work being the completion of the science facilities on the Dayton campus and the completion of the major renovations of the primary facilities at the Lake campus. In addition, the University began an $11.3 million energy conservation project in an effort to decrease energy costs in compliance with State of Ohio mandates. The capital activity in 2009 was primarily for the same science facilities and renovations at the Lake campus. The University also routinely performs a standard level of maintenance and rehabilitation of all campus facilities, addressing building infrastructure needs as well as maintenance of its outer grounds and parking lots.

Debt

The University issued $11.4 million of Federally Taxable – Build America Bonds in December 2009. While these bonds are taxable, the University is eligible for a 35% rebate of interest expense in the form of a federal subsidy. Although this rebate is not recorded as a reduction of interest expense, it does effectively lower the interest rate on the bonds to just under 3%. These bonds were used to fund a series of energy conservation projects that are scheduled to be completed in December of 2010. The University received a bond rating for this issue from Moody's Investors Service of A2. Even with this new issue, the University carries a relatively low level of debt on its books. In addition to the 2009 issue, the university has just two other bond issuances outstanding, a 2003 issue and a 2004 issue. The University has been aggressively amortizing all of its bond issues. Only in the latest decade has the University begun to use debt as a financing tool for its strategic needs. Over that decade the University has continued to carry its A2 debt rating.

Outstanding debt was $37.9 million, $31.6 million, and $35.6 million at June 30, 2010, 2009, and 2008, respectively. The 2010 balance of $37.9 million includes $37.6 million of outstanding bonds and equipment leases of $.3 million.

Factors That Will Affect the Future

As the University progresses towards the end of the current state biennium ending June 30, 2011, the funding picture for higher education and the entire state budget has become much more uncertain. The State of Ohio's weak economic conditions continue to reflect national patterns and have not improved much over the last year. Unemployment remains high. This has put a tremendous strain on state resources as state revenues are weak and the demand for services has grown. As funding for higher education is heavily subsidized by one time federal stimulus monies and other onetime sources that disappear after the current biennium, the University is concerned as to how the State plans to construct its budget in the next biennium. Current estimates show that Ohio faces a $6 billion to $8 billion biennial budget deficit in the next biennium without these one time funds. Add to the mix that 2010 is an election year and the uncertainty of how future funding will be managed grows. Higher education was a strong priority in the previous biennium and continued to enjoy good support in the current biennium, albeit as a result of the allocation of temporary stimulus funding. Election results coupled with state revenue constraints could change that priority. Even with higher education as a priority, it was necessary for the University to perform budget cuts in 2010. Increased enrollments helped to mitigate the impact of those cuts, but nonetheless they were necessary. While faculty bargaining unit employees received healthy wage increases, the rest of the University received less than a 1% increase in compensation. In addition, the University implemented a voluntary separation incentive program to employees who met certain service criteria in an effort to reduce payroll and benefit costs so as to minimize layoffs. While there was a cost to this program, this program has reduced and will continue to reduce employee compensation expenses in excess of the program costs.

While these current economic conditions pose great challenges and uncertainty, the University enjoys important advantages. Its focus on centers of excellence has brought increased recognition and heightened academic quality. Enrollments have been very strong in this economic climate. Tuition revenues have benefited and early indications are the fiscal 2011 will continue to enjoy this continued growth. Since the last quarter of 2009, the investment markets have stabilized and been steadily improving. Additional investment earnings in 2010 helped provide resources to fund strategic investments. Some of the university's reserves have been replenished. The University has come to rely on these reserves to generate investment income to supplement operations. The University has also been engaging with its sister institutions to explore ways to collaborate and pool talent and resources in an effort to eliminate possible redundancies in services, systems, and processes. This has been and will be an on-going effort. We have already experienced some smaller successes with this effort. We envision larger scale gains over time as these initiatives mature and expand.

So while the challenges we face are significant, Wright State is well positioned to deal with these challenges and emerge stronger and more able to play a key role in transforming the lives of our students and the communities we serve.

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REPORT OF INDEPENDENT AUDITORS

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

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Wright State University (the "University"), a component unit of the State of Ohio, as of and for the years ended June 30, 2010 and 2009, which collectively comprise the University's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the University's management. Our responsibility is to express opinions on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of Wright State University as of June 30, 2010 and 2009, and the respective changes in its financial position and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis (MD&A) on pages 2 through 15 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards,* we have also issued a report dated October 15, 2010, on our consideration of the University's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

(Continued)

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

Crowe Horwath LLP

Crowe Horwath LLP

Columbus, Ohio
October 15, 2010

WRIGHT STATE UNIVERSITY
Statements of Net Assets
June 30, 2010 and 2009

	2010		2009	
ASSETS	**University**	**Foundation**	**University**	**Foundation**
Current assets:				
Cash and cash equivalents	$ 29,347,580	$ 2,139,175	$ 36,556,073	$ 2,453,452
Restricted cash and cash equivalents	3,510,729			
Short-term investments	8,091,117		169,533	
Accounts receivable (net of allowance for doubtful accounts of $1,380,000 in 2010 and $1,280,000 in 2009 - Note 3)	21,668,337	263,146	22,725,345	143,417
Gifts and pledges receivable (net of allowance for uncollectible pledges of $2,000 in 2010 and $2,200 in 2009)		2,761,488		4,421,589
Loans receivable (net of allowance for doubtful loans of $2,233,000 in 2010 and $2,073,000 in 2009)	4,885,560		4,480,949	
Inventories	576,243		836,445	
Prepaid expenses	13,621,635		14,134,562	
Deferred charges	2,611,488		2,381,235	
Total current assets	84,312,689	5,163,809	81,284,142	7,018,458
Noncurrent assets:				
Gifts and pledges receivable (net of allowance for uncollectible pledges of $43,400 in 2010 and $34,400 in 2009)		5,960,112		3,690,511
Loans receivable (net of allowance for doubtful loans of $154,000 in 2010 and $189,000 in 2009)	15,207,057		18,693,662	
Other assets	306,332	199,483	608,854	190,276
Other long-term investments	92,981,948	86,110,556	78,004,730	73,504,351
Capital assets, net (Note 4)	303,713,570		298,307,669	650,000
Total noncurrent assets	412,208,907	92,270,151	395,614,915	78,035,138
Total assets	**$ 496,521,596**	**$ 97,433,960**	**$ 476,899,057**	**$ 85,053,596**
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable trade and other	$ 10,320,039	$ 214,393	$ 11,732,229	$ 103,443
Accounts payable to Wright State University		809,265		1,068,713
Accrued liabilities	23,363,880		17,787,857	
Deferred revenue (Note 1)	36,396,271		38,339,494	
Refunds and other liabilities	864,633	1,096,633	847,677	1,010,742
Current portion of long-term liabilities (Note 5)	11,180,505	216,380	10,068,388	552,042
Total current liabilities	82,125,328	2,336,671	78,775,645	2,734,940
Noncurrent liabilities:				
Long-term liabilities (Note 5)	42,890,128	108,020	38,095,634	458,658
Total noncurrent liabilities	42,890,128	108,020	38,095,634	458,658
Total liabilities	125,015,456	2,444,691	116,871,279	3,193,598
Net assets:				
Invested in capital assets, net of related debt	269,595,836		267,032,046	650,000
Restricted - nonexpendable:				
Instruction and departmental research		13,186,834		13,766,928
Separately budgeted research		6,587,236		4,925,308
Public service		174,497		199,798
Academic support		493,164		474,221
Student services		31,851		23,474
Operation and maintenance of plant		1,089,857		1,436,845
Scholarships and fellowships		12,774,729		11,404,242
Auxiliaries		257,369		202,965
Restricted - expendable:				
Instruction and departmental research	7,846	16,702,203	7,751	17,152,424
Separately budgeted research		2,718,164		1,710,106
Public service		596,029		995,396
Academic support		11,434,410		9,507,502
Student services		211,269		195,758
Institutional support		9,462,300		5,668,758
Operation and maintenance of plant		817,104		829,549
Scholarships and fellowships	2,948	16,559,788	2,948	13,901,662
Loans	18,778,316		18,536,113	
Debt service	254,769		279,825	
Auxiliaries		93,112		52,671
Unrestricted	82,866,425	1,799,353	74,169,095	(1,237,609)
Total net assets	371,506,140	94,989,269	360,027,778	81,859,998
Total liabilities and net assets	**$ 496,521,596**	**$ 97,433,960**	**$ 476,899,057**	**$ 85,053,596**

See Accompanying Notes to Financial Statements

WRIGHT STATE UNIVERSITY
Statements of Revenues, Expenses, and Changes in Net Assets
For the Years Ended June 30, 2010 and 2009

	2010		2009	
	University	Foundation	University	Foundation
OPERATING REVENUES				
Student tuition and fees (net of scholarship allowances of $36,808,000 in 2010 and $30,540,000 in 2009)	$ 124,575,027	$	$ 119,654,749	$
Federal grants and contracts	35,897,581		37,362,224	
State grants and contracts	6,513,815		7,835,911	
Local grants and contracts	388,920		360,263	
Nongovernmental grants and contracts	47,081,685		41,227,106	
Sales and services	8,410,256		8,163,327	
Auxiliary enterprises sales (net of scholarship allowances of $1,928,000 in 2010 and $1,846,000 in 2009)	15,475,764		16,088,088	
Gifts and contributions		11,826,055		4,890,021
Other operating revenues	2,846,085		2,286,993	
Total operating revenues	**241,189,133**	**11,826,055**	**232,978,661**	**4,890,021**
OPERATING EXPENSES				
Educational and general:				
Instruction and departmental research	130,594,708		130,319,583	
Separately budgeted research	30,916,938		31,257,367	
Public service	13,367,015		12,988,800	
Academic support	77,377,315		73,160,752	
Student services	17,647,839		17,362,681	
Institutional support	27,567,539	263,242	28,536,897	155,361
Operation and maintenance of plant	23,871,176		22,426,694	
Scholarships and fellowships	21,365,808		16,181,322	
Total educational and general	342,708,338	263,242	332,234,096	155,361
Auxiliary enterprises	25,115,879		26,749,103	
Depreciation	18,689,515		18,456,765	
Total operating expenses	**386,513,732**	**263,242**	**377,439,964**	**155,361**
Operating (loss)/revenue	(145,324,599)	11,562,813	(144,461,303)	4,734,660
NONOPERATING REVENUES (EXPENSES):				
Federal appropriations	12,987,949			
State appropriations	89,044,925		104,646,927	
Federal grants	22,580,544		14,250,902	
State grants	3,254,442		4,412,197	5,000,000
Gifts	8,398,277		9,034,863	
Investment income/(loss) (net of investment expenses of $117,000 in 2010 and 2009 for WSU and $448,016 in 2010 and $381,998 in 2009 for Foundation)	9,988,063	12,874,930	(12,012,750)	(19,641,319)
Interest on capital asset-related debt	(1,442,622)		(1,345,713)	
Payments to Wright State University		(10,658,472)		(12,463,106)
Other nonoperating (expenses)	(2,613,732)	(650,000)	(1,460,576)	
Net nonoperating revenues/(expenses)	142,197,846	1,566,458	117,525,850	(27,104,425)
(Loss)/gain before other revenues, expenses, gains or losses	(3,126,753)	13,129,271	(26,935,453)	(22,369,765)
Capital appropriations from the State of Ohio	9,648,426		19,001,771	
Capital grants and gifts	4,956,689		4,523,429	
Increase/(decrease) in net assets	**11,478,362**	**13,129,271**	**(3,410,253)**	**(22,369,765)**
NET ASSETS				
Net assets - beginning of year	360,027,778	81,859,998	363,438,031	104,229,763
Net assets - end of year	**$ 371,506,140**	**$ 94,989,269**	**$ 360,027,778**	**$ 81,859,998**

See Accompanying Notes to Financial Statements

WRIGHT STATE UNIVERSITY
Statements of Cash Flows
For the Years Ended June 30, 2010 and 2009

CASH FLOWS FROM OPERATING ACTIVITIES	2010	2009
Student tuition and fees	$ 125,665,963	$ 120,382,626
Federal, state, local, and nongovernmental grants and contracts	89,886,235	91,683,677
Sales and services of educational and other departmental activities	6,980,300	7,176,657
Payments to employees	(182,436,495)	(180,223,595)
Payments for benefits	(51,592,396)	(51,464,930)
Payments to suppliers	(104,319,291)	(106,026,380)
Payments for scholarships and fellowships	(22,492,864)	(16,886,582)
Student loans issued	(543,040)	(4,165,684)
Student loans collected	3,625,034	2,991,190
Student loan interest and fees collected	445,071	406,140
Auxiliary enterprise sales	15,601,701	16,017,485
Net cash (used) by operating activities	**(119,179,782)**	**(120,109,396)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal appropriations	12,987,949	
State appropriations	89,044,925	104,646,927
Direct lending receipts	8,867,298	
Direct lending disbursements	(9,774,584)	
Grants for noncapital purposes	25,834,986	18,663,099
Gifts	8,661,582	9,090,371
Net cash provided by noncapital financing activities	**135,622,156**	**132,400,397**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital appropriations from the State of Ohio	9,620,754	18,702,355
Capital grants and gifts received	4,956,689	4,523,429
Purchases of capital assets	(26,729,519)	(24,973,492)
Sales of capital assets	17,888	11,614
Proceeds from capital debt	11,314,926	
Principal paid on capital debt and leases	(5,113,389)	(4,060,865)
Interest paid on capital debt and leases	(1,442,622)	(1,345,713)
Net cash (used) by capital and related financing activities	**(7,375,273)**	**(7,142,672)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	15,042,660	15,930,514
Interest on investments	1,861,818	3,287,660
Purchase of investments	(29,729,094)	(11,512,380)
Bond interest subsidy	59,751	
Net cash (used)/provided by investing activities	**(12,764,865)**	**7,705,794**
Net (Decrease)/Increase in Cash and Cash Equivalents	**(3,697,764)**	**12,854,123**
Cash and Cash Equivalents - Beginning of Year	36,556,073	23,701,950
Cash and Cash Equivalents - End of Year	**$ 32,858,309**	**$ 36,556,073**

See Accompanying Notes to Financial Statements

WRIGHT STATE UNIVERSITY
Statements of Cash Flows
For the Years Ended June 30, 2010 and 2009

Reconciliation of net operating revenues (expenses) to net cash provided (used) by operating activities:	2010	2009
Operating loss	$ (145,324,599)	$ (144,461,303)
Depreciation	18,689,515	18,456,765
Provision for doubtful accounts	780,421	930,865
Provision for doubtful loans	565,944	767,976
Changes in assets and liabilities:		
Accounts receivable	66,637	299,844
Inventory	260,202	(54,851)
Prepaid expenses	495,503	(2,376,205)
Deferred charges	(230,253)	117,863
Other assets	302,522	165,374
Accounts payable	(1,438,193)	333,696
Accrued liabilities	5,576,023	2,445,695
Deferred revenue	(1,056,510)	3,420,670
Compensated absences	(400,000)	1,600,000
Refunds and other liabilities	16,956	186,685
Loans to students and employees	2,516,050	(1,942,470)
Net cash (used) by operating activities	**$ (119,179,782)**	**$ (120,109,396)**

See Accompanying Notes to Financial Statements

(1) Organization and Summary of Significant Accounting Policies

Organization and Basis of Presentation

Wright State University (the University) is a state-assisted institution of higher education created in 1967. The University has an enrollment of approximately 18,800 undergraduate, graduate, and professional students on its two campuses. The financial statements include the university's eight colleges, three schools, and other individual departments. The university's Board of Trustees approves policies and procedures by which the University is governed.

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

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

Summary of Significant Accounting Policies:

Basis of Accounting

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

Financial Statements

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

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

Cash and Cash Equivalents

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

Investments

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

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

Inventories

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

Capital Assets and Collections

Capital assets include land, land improvements, infrastructure, buildings, machinery, equipment, library books, publications and construction in progress. They are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. Building renovations that materially increase the value or extend the useful life of the structure are also capitalized. Normal repairs and maintenance are expensed in the year in which the expenses are incurred. The threshold for capitalizing movable equipment with an estimated useful life of more than one year is $5,000. 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.

Accrued Liabilities

The University offered a voluntary separation incentive plan in 2010 in an effort to reduce personnel costs and strategically manage the vacancies created by the plan participants. The total cost of this plan was $6.8 million and was charged to the departments where the participants performed services. The liability is being paid over three years to a third party administrator. At June 30, 2010, $5.3 million of this liability remains and is recorded in accrued liabilities.

Compensated Absences

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

Deferred Revenue

Deferred revenue consists primarily of the amounts received in advance from grant and contract sponsors that have not yet been earned under the terms of the agreement and amounts received in advance for tuition and fees not yet earned. These deferrals were $22.9 million and $12.7 million, respectively, for the year ended June 30, 2010 and $25.3 million and $11.4 million, respectively, for the year ended June 30, 2009.

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 is 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, such as those received from grantors.
- Unrestricted represents net assets that are not subject to external restrictions. Management or the Board of Trustees designates most of the unrestricted net assets for specific purposes in research, academic, capital acquisition, or other initiatives.

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

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 and federal appropriations, some federal and state grants, gifts, and investment income. Nearly all of the university's expenses are a result of exchange transactions, and therefore classified as operating expenses. The major recurring nonoperating expenses are net losses on the disposition of capital assets and interest expense on capital assets-related debt.

In 2010 the State of Ohio used federal stimulus monies to partially fund the state appropriations provided to the University. Therefore, there is a reduction of state appropriations of approximately $13 million in 2010 and a corresponding increase in federal appropriations.

OhioLINK

Wright State University serves as the fiscal agent for the statewide library program known as OhioLINK. This program's revenues from state appropriations, federal pass-through grants and from other college and university libraries and expenses are all included in the statements of revenues, expenses, and changes in net assets. The total revenues and expenses attributable to OhioLINK were $35,562,447 and $32,596,075 for the years ended June 30, 2010 and 2009, respectively.

Scholarship Allowances

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

Income Taxes

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

Estimates

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

Previous Year's Financial Information

Certain reclassifications have been made to the 2009 comparative information to conform to the 2010 presentation. These reclassifications had no impact on the 2009 total net assets or change in net assets.

(2) Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments in the financial statements is based on criteria set forth in GASB Statement No. 9. Cash equivalents are defined to include investments with original maturities of three months or less. Consistent with this definition, university funds on deposit in the State Treasury Asset Reserve of Ohio are classified as cash equivalents in the statements of net assets. However, for GASB Statement No. 3 disclosure purposes (see below), the funds in the State Treasury Asset Reserve of Ohio are classified as investments.

Deposits

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

As of June 30, 2010 and 2009, the university's bank balances are $30,395,202 and $32,677,694, respectively. Of these balances, $23,016,655 and $11,899,056, respectively, are uninsured with collateral held by pledging banks not in the university's name.

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

	2010	2009
Petty cash	$ 53,528	$ 56,920
Demand deposits	21,878,544	21,154,465
Money market funds	5,895,057	8,169,692
Total	$ 27,827,129	$ 29,381,077

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

Investments

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

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

Description	Fair Value 2010	Fair Value 2009
U.S. Treasury securities	$ 2,576,443	$ 2,789,676
U.S. Agency securities	4,251,370	4,008,933
Common and preferred stock	415,136	362,617
Corporate bonds and notes	4,805,289	4,355,091
State Treasury Asset Reserve of Ohio	5,031,180	7,174,996
Equity funds	55,107,957	41,522,452
Bond funds	33,913,670	25,132,294
Other	3,200	3,200
Total	$ 106,104,245	$ 85,349,259

The various investments in stocks, securities, mutual funds and other investments are exposed to a variety of uncertainties, including interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the values of these investments could occur in the near term. Such changes could materially affect the amounts reported in the financial statements of the University.

Interest Rate Risk

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

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

	2010 Investment Maturites (in years)				
Investment Type	Fair Value	Less Than 1	1-5	6-10	More Than 10
U.S. Treasury securities	$ 2,576,443	$ 209,414	$ 2,367,029	$	$
U.S. Agency securities	4,251,370		3,107,438	1,057,896	86,036
Corporate bonds and notes	4,805,289	383,649	4,120,886		300,754
Bond funds	33,913,670	7,498,054	6,148,977	20,266,639	
Total	$ 45,546,772	$ 8,091,117	$ 15,744,330	$ 21,324,535	$ 386,790

	2009 Investment Maturites (in years)				
Investment Type	Fair Value	Less Than 1	1-5	6-10	More Than 10
U.S. Treasury securities	$ 2,789,676	$ 20,348	$ 2,769,328	$	$
U.S. Agency securities	4,008,933		3,599,978	373,633	35,322
Corporate bonds and notes	4,355,091	149,185	3,910,160		295,746
Bond funds	25,132,294		5,831,975	19,300,319	
Total	$ 36,285,994	$ 169,533	$ 16,111,441	$ 19,673,952	$ 331,068

The University invests in mortgage pass-through securities issued by FNMA, GNMA and FHLMC which are included above in the amounts listed as U.S. Agency Securities. Prepayment options embedded in these securities cause them to be highly sensitive to interest rate changes. Generally when interest rates fall, more mortgages are prepaid. This eliminates the interest income that would have been received under the original amortization schedule. As of June 30, 2010 and 2009, the total value of mortgage pass-through securities is $1,029,929 and $402,929 respectively.

Credit Risk

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

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

2010

Credit Rating	Total	U.S. Treasury Securities	U.S. Agency Securities	Corporate Bonds and Notes	State Treasury Asset Reserve (STAROhio)	Bond Funds
AAA/Aaa	$ 12,810,658	$ 2,576,443	$ 4,251,370	$ 951,665	$ 5,031,180	$
AA/Aa	34,777,700			864,030		33,913,670
A	2,224,078			2,224,078		
BBB/Baa	717,550			717,550		
B	42,041			42,041		
Not Rated	5,925			5,925		
Total	$ 50,577,952	$ 2,576,443	$ 4,251,370	$ 4,805,289	$ 5,031,180	$ 33,913,670

2009

Credit Rating	Total	U.S. Treasury Securities	U.S. Agency Securities	Corporate Bonds and Notes	State Treasury Asset Reserve (STAROhio)	Bond Funds
AAA/Aaa	$ 14,952,999	$ 2,789,676	$ 4,008,933	$ 979,394	$ 7,174,996	$
AA/Aa	25,895,768			763,474		25,132,294
A	1,868,249			1,868,249		
BBB/Baa	739,549			739,549		
Not Rated	4,425			4,425		
Total	$ 43,460,990	$ 2,789,676	$ 4,008,933	$ 4,355,091	$ 7,174,996	$ 25,132,294

The University invests in Government National Mortgage Association (GNMA), or Ginnie Mae, securities which are included above in the amounts listed as U.S. Agency Securities. Ginnie Mae is a wholly-owned government corporation. As such, securities issued by Ginnie Mae are explicitly guaranteed by the U.S. government. As of June 30, 2010, the University holds GNMA securities with a total value of $86,247. The University held no GNMA securities as of June 30, 2009.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investments or collateral securities in the possession of an outside party. At June 30, 2010 and 2009, $11,633,102 and $11,153,701, respectively, is held by the investment's counterparty, not in the name of the University, but internally designated as held for the University.

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

Concentration of Credit Risk Concentration of credit risk is the risk associated with a lack of diversification. It is the risk of loss attributed to the magnitude of the university's investment in a single issuer. Investment managers are required by the investment policy to limit exposure for any one single issue to no more than five percent of the portfolio, at cost. This limit does not apply to investments in U.S. securities. Equity and fixed income managers are required to limit exposure to any one economic sector to forty percent of the portfolio. Cash Pool managers must limit Commercial Paper in any one issuer to no more than five percent of the manager's portfolio. As of June 30, 2010 and 2009, the university's portfolio does not hold any issuer which exceeds five percent of the university's total investments.

Foreign Currency Risk Foreign currency risk relates to the possible adverse effects changes in exchange rates can have on the fair value of investments. According to the university's investment policy, international managers are expected to maintain an appropriate diversification with respect to currency and country exposure. All other managers are not permitted to invest in non-dollar denominated securities. As of June 30, 2010 and 2009, the university's exposure to foreign currency is limited to its investment in international mutual funds of $14,451,774 and $10,834,690, respectively.

Series 2009 Bond Proceeds In December 2009, the University issued $11,420,000 General Receipt Bonds to fund various energy efficiency projects for university facilities. As of June 30, 2010, $3,510,729 of the proceeds remains unspent. The unspent proceeds are held in a Project Fund trust account as provided for in the bond resolution approved by the Board of Trustees. The bond resolution also requires the bond proceeds to be held by a bank or trust company which is a member of the Federal Deposit Insurance Corporation. The Bank of New York Mellon acts as the trustee of the bond project fund. These funds, in addition to a small balance held in Bank of New York Mellon trust accounts for the payment of Series 2004 Bond interest payments, equal $3,510,729 and are classified as restricted cash and cash equivalents at June 30, 2010. These deposit balances are included in the money market fund total of $5,895,057.

Investment Income

The composition of investment income is as follows:

	Year Ended June 30	
	2010	2009
Net interest and dividend income	$ 1,451,321	$ 2,076,723
Realized gains on sales	402,787	1,164,013
Unrealized gains/(losses) in fair value	8,133,955	(15,253,486)
Total	$ 9,988,063	$ (12,012,750)

(3) Accounts Receivable

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

	2010	2009
Sponsor receivables	$ 9,406,973	$ 10,876,220
Student and student-related accounts	9,236,895	9,053,283
Wright State University Foundation	809,265	1,068,713
Interest receivable	102,456	120,733
State appropriations	694,197	1,552,634
Other, primarily departmental sales and services	2,798,551	1,333,762
Total	23,048,337	24,005,345
Less: Allowance for doubtful accounts	1,380,000	1,280,000
Net accounts receivable	$ 21,668,337	$ 22,725,345

(4) Capital Assets

Capital assets activity for the years ended June 30, 2010 and 2009 is summarized as follows:

	Balance 7/1/2009	Additions	Retirements	Transfers	Balance 6/30/2010
Land	$ 3,049,530	$ 650,000	$	$	$ 3,699,530
Land improvements and infrastructure	31,951,557	2,546,813			34,498,370
Buildings	344,833,789	15,990,028	(1,664,228)	2,121,893	361,281,482
Machinery and equipment	77,226,101	5,550,711	(8,576,972)		74,199,840
Library books and publications	51,878,701	1,810,077	(3,670,968)		50,017,810
Construction in progress	2,121,893	514,009		(2,121,893)	514,009
Total	511,061,571	27,061,638	(13,912,168)		524,211,041
Less accumulated depreciation:					
Land improvements and infrastructure	11,788,591	1,030,431			12,819,022
Buildings	121,046,452	8,413,104	(644,054)		128,815,502
Machinery and equipment	46,969,419	6,905,686	(6,630,924)		47,244,181
Library books and publications	32,949,440	2,340,294	(3,670,968)		31,618,766
Total accumulated depreciation	212,753,902	18,689,515	(10,945,946)		220,497,471
Capital assets, net	$ 298,307,669	$ 8,372,123	$ (2,966,222)	$	$ 303,713,570

	Balance 07/01/2008	Additions	Retirements	Balance 06/30/2009
Land	$ 3,049,830	$	$ (300)	$ 3,049,530
Land improvements and infrastructure	30,832,140	1,119,417		31,951,557
Buildings	328,502,898	16,330,891		344,833,789
Machinery and equipment	81,011,965	3,469,417	(7,255,281)	77,226,101
Library books and publications	49,770,195	2,515,394	(406,888)	51,878,701
Construction in progress	137,298	1,984,595		2,121,893
Total	493,304,326	25,419,714	(7,662,469)	511,061,571
Less accumulated depreciation:				
Land improvements and infrastructure	10,790,979	997,612		11,788,591
Buildings	112,932,256	8,114,196		121,046,452
Machinery and equipment	45,723,117	7,029,693	(5,783,391)	46,969,419
Library books and publications	31,041,064	2,315,264	(406,888)	32,949,440
Total accumulated depreciation	200,487,416	18,456,765	(6,190,279)	212,753,902
Capital assets, net	$ 292,816,910	$ 6,962,949	$ (1,472,190)	$ 298,307,669

(5) Long-Term Liabilities

Long-term liabilities consist of bonds payable, equipment lease purchase obligations, and compensated absences. Activity for long-term liabilities for the years ended June 30, 2010 and 2009 is summarized as follows:

	Beginning Balance 07/01/2009	Additions	Principal Repayments Reductions	Ending Balance 06/30/2010	Current Portion
Bonds and equipment lease purchase obligations:					
General obligation bonds	$ 31,010,361	$ 11,420,000	$ 4,883,109	$ 37,547,252	$ 5,053,247
Equipment leases	553,661		230,280	323,381	127,258
Total bonds and equipment leases	31,564,022	11,420,000	5,113,389	37,870,633	5,180,505
Other liabilities:					
Compensated absences	16,600,000	5,282,202	5,682,202	16,200,000	6,000,000
Total other liabilities	16,600,000	5,282,202	5,682,202	16,200,000	6,000,000
Total long-term liabilities	$ 48,164,022	$ 16,702,202	$ 10,795,591	$ 54,070,633	$ 11,180,505

	Beginning Balance 07/01/2008	Additions	Principal Repayments Reductions	Ending Balance 06/30/2009	Current Portion
Bonds and equipment lease purchase obligations:					
General obligation bonds	$ 34,734,594	$	$ 3,724,233	$ 31,010,361	$ 3,838,108
Equipment leases	890,293		336,632	553,661	230,280
Total bonds and equipment leases	35,624,887		4,060,865	31,564,022	4,068,388
Other liabilities:					
Compensated absences	15,000,000	6,297,257	4,697,257	16,600,000	6,000,000
Total other liabilities	15,000,000	6,297,257	4,697,257	16,600,000	6,000,000
Total long-term liabilities	$ 50,624,887	$ 6,297,257	$ 8,758,122	$ 48,164,022	$ 10,068,388

Bonds payable on June 30, 2010 consist of Series 2003, 2004 and 2009 General Receipts Serial and Term bonds. The maturity dates, interest rates, and the outstanding principal balances of capital activities at June 30, 2010 are as follows:

Description	Maturity Dates	Interest Rates	Outstanding Principal	Unamortized Premium	Total
Bonds payable:					
Series 2003	2010-2023	4.00% - 5.00%	$ 4,050,000	$ 119,864	$ 4,169,864
Series 2004	2010-2029	3.50% - 5.00%	22,290,000	712,388	23,002,388
Series 2009	2010-2019	1.37% - 5.31%	10,375,000		10,375,000
Total bonds payable			36,715,000	832,252	37,547,252
Equipment lease purchase obligations	2010-2016	3.57% - 3.84%	323,381		323,381
		Total	$ 37,038,381	$ 832,252	$ 37,870,633

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

Year Ended June 30	Principal	Interest	Total
2011	$ 5,047,258	$ 1,585,908	$ 6,633,166
2012	3,601,080	1,399,331	5,000,411
2013	3,235,852	1,283,434	4,519,286
2014	3,342,435	1,175,689	4,518,124
2015	2,554,080	1,051,233	3,605,313
2016-2020	11,902,676	3,383,404	15,286,080
2021-2025	4,210,000	1,319,125	5,529,125
2026-2029	3,145,000	361,575	3,506,575
Total	$ 37,038,381	$ 11,559,699	$ 48,598,080

All general receipts of the University, except for state appropriations, are pledged for payment of the 2003, 2004 and 2009 bonds. The Series 2009 Bonds are Federally Taxable – Build America Bonds. The University is eligible for a 35 percent rebate of interest expense paid for the Series 2009 Bonds in the form of a federal subsidy. The rebate received for the year ended June 30, 2010 was $59,751. The rebate is reported as Other Nonoperating Revenues and does not reduce the amount reported as interest expense for the year. Likewise, the amounts reported above for future interest expense have not been reduced by the federal rebate anticipated for future years. The University expects to receive $833,512 in future federal rebates.

(6) Operating Leases

The University leases certain properties and equipment under operating lease agreements. Facilities and equipment under these agreements are not recorded on the statements of net assets. Rent expenses for the year ended June 30, 2010 and 2009 were $2,730,089 and $2,416,563, respectively.

Future minimum payments for all material operating leases as of June 30, 2010, are as follows:

2011	$ 2,024,418
2012	1,211,084
2013	686,931
2014	254,468
2015	225,075
2016-2017	247,650
Total minimum lease payments	$ 4,649,626

(7) Retirement Plans

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

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

Plan participants are required to contribute 10 percent and the University 14 percent of the employees' covered compensation for both STRS and OPERS. The Ohio Revised Code provides statutory authority for both employee and employer contributions. The university's contributions to STRS were $8,978,828, $8,825,469, and $8,512,663, and to OPERS were $8,178,026, $8,469,927, and $8,136,269, for the years ended June 30, 2010, 2009, and 2008, respectively, equal to the required contributions for each year.

Certain full-time university faculty and staff have the option to choose the ARP in place of STRS or OPERS. The ARP is a defined contribution plan which provides employees with the opportunity to establish individual retirement accounts with a defined group of investment options, with each participant having control of the assets and investment options associated with those assets. The administrators of the plan are the providers of the plan investment options. Authority to establish and amend benefits and contribution requirements for the ARP is provided by state statute per the Ohio Revised Code.

Under the provisions of ARP, the required contribution rate for plan participants is 10 percent of employees' covered compensation for employees who would otherwise participate in STRS or OPERS. The university's contributions to a participating faculty member's account and to STRS are 10.5 percent and 3.5 percent of a participant's compensation, respectively. The university's contributions to a participating staff member's account and to OPERS are 13.16 percent and .84 percent of a participant's compensation, respectively. Plan participants' contributions were $4,308,845, $4,152,517, and $3,834,684, and the university's contributions to the plan providers amounted to $5,017,868, $4,803,045, and $4,500,074 for the years ended June 30, 2010, 2009, and 2008, respectively. In addition, the amounts contributed to STRS by the University on behalf of ARP participants were $954,802, $927,150, and $848,918, respectively, for the years ended June 30, 2010, 2009, and 2008. The amount contributed to OPERS by the University on behalf of ARP participants was $107,777, $105,123, and $79,667 for the years ended June 30, 2010, 2009, and 2008, respectively.

(8) Other Postemployment Benefits (OPEB)

STRS provides OPEB to all retirees and their dependents, while OPERS provides postretirement health care coverage to age and service retirees (and dependents) with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is also available under OPERS. A portion of each employer's contributions is set aside for the funding of postretirement health care. For STRS, this rate was 1 percent of the total 14 percent (see note 7), while the OPERS rate was .77 percent of the total 14 percent.

The Ohio Revised Code provides the statutory authority for public employers to fund postretirement health care through their contributions to STRS and OPERS. Postretirement health care under STRS is financed on a pay-as-you-go basis. Assets available in the health care reserve fund for STRS amounted to $2.7 billion at June 30, 2009. The number of benefit recipients eligible for OPEB was 129,659 for STRS at June 30, 2009. The amount contributed by the University to STRS to fund these benefits was $641,345 for the year ended June 30, 2010.

Postretirement health care under OPERS is advance-funded on an actuarially determined basis. The actuarial value of OPERS net assets available for OPEB at December 31, 2008 is $10.7 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were $29.6 billion and $18.9 billion, respectively. The number of OPERS active contributing participants was 357,584 for the year ended December 31, 2009. For the year ended June 30, 2010 the University contributed $449,791 to OPERS for OPEB funding.

(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 by the Ohio Board of Regents, Ohio's higher education advising and coordinating board.

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

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

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

(10) Commitments and Contingencies

At June 30, 2010, the University is committed under contractual obligations for:

Capital expenditures	$ 7,625,192
Non-capital goods and services	9,464,086
Total contractual commitments	$ 17,089,278

These commitments are being funded from the following sources:

State appropriations requested and approved	$ 1,214,150
University funds	15,875,128
Total sources	$ 17,089,278

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

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

The University maintains comprehensive insurance coverage with private carriers for real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. The University also carries professional coverage for employees and its Board of Trustees. Over the past three years, settlement amounts related to these insured risks have not exceeded the university's coverage amounts. There has been no significant change in coverage from last year.

The University became self-insured for all employee health care benefits in January 2009 with Anthem and Express Scripts as the third party administrators. Under the terms of the policy, the University is billed for actual claims on a weekly basis. In addition, liabilities for estimates of outstanding claims and claims incurred but not reported under self-insurance programs have been recorded in accrued liabilities. Changes in the self-insured health care liabilities for the past two fiscal years are as follows:

		2010		2009
Liability at beginning of fiscal year	$	2,100,000	$	
Current year claims including changes in estimates		21,748,653		10,069,375
Claim payments		(22,348,653)		(7,969,375)
Liability at end of fiscal year	$	1,500,000	$	2,100,000

Health insurance claims are based upon estimates of the claims liabilities. Estimates are based upon past experience, medical inflation trends, and current claims outstanding, including year-end lag analysis. Differences between the estimated claims payable and actual claims paid are reported in the statements of revenues, expenses and changes in net assets.

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

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 $97,400,000 at June 30, 2010. Such assets relate principally to donor restricted funds and are discretely presented in the accompanying financial statements. Amounts transferred to the University from the Foundation are recorded as nonoperating “gifts” and “capital grants and gifts” in the accompanying financial statements. Following are selected disclosures from the Wright State University Foundation, Inc. financial statements.

A. 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 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.

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

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

Alternative investments, such as hedge funds, private equity and venture capital instruments, for which there is no ready market, are valued at fair value as estimated by management. To estimate fair value, management may rely on valuations reported by the general partners of such investments in unaudited financial reports and/or the Foundation's independent investment advisor. The Foundation believes the carrying amount of these financial instruments is a reasonable estimate of fair value. Because of the inherent uncertainty of valuation in the absence of readily ascertainable market values, the estimated values of those investments may differ from the values that would have been used had a ready market existed for such investments or if the investments were realized, and the differences could be material.

Realized gains or losses are included in the statement of activities. Unrealized gains or losses are based on the differences between cost and fair value of each classification of security and are reported in the statement of activities. Investments are managed by professional investment managers.

Land Held for Development
Land owned by the Foundation consists primarily of lots adjacent to the University that are carried at historical cost. The land was transferred to the University during the fiscal year ended June 30, 2010.

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

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

Net Assets
The Foundation's net assets are classified into three categories: (1) unrestricted net assets, which include no donor-imposed restrictions, (2) temporarily restricted net assets, which include donor-imposed restrictions that will expire in the future and (3) permanently restricted net assets, which include donor-imposed restrictions that the assets be maintained permanently.

The unrestricted net assets consist of operating funds available for any purpose authorized by the board of trustees. Included in unrestricted net assets are funds that have been designated as endowments by the board (quasi-endowments). The board may elect to reverse the decision to designate unrestricted net assets.

Temporarily restricted net assets consist of funds arising from a gift in which the donor has stipulated, as a condition of the gift, restrictions on how or when the gift may be spent. Temporarily restricted net assets also include unspent gains on donor restricted gifts by virtue of the Foundation's spending policy. This policy, which was approved by the board of trustees, aims to protect the Foundation's donor-designated endowments from the effects of inflation by reinvesting a portion of the earnings on these funds as if they were endowment funds. Since the reinvestment of earnings from quasi-endowments was not explicitly designated by the donors, the reinvested earnings cannot be classified as permanently restricted under generally accepted accounting principles as applied to not-for-profit organizations.

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

<u>Gifts and Contributions</u>
Gifts and contributions are recorded at their fair market value on the date of receipt. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Gifts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset categories.

Contributed property is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used or restrict the use of such assets for a specific purpose, the contributions are recorded as restricted support. In the absence of such stipulations, gifts of property are recorded as unrestricted support.

<u>Investment Earnings</u>
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.

<u>Net Assets Released from Restrictions</u>
When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

<u>Adoption of New Accounting Standards</u>
In June 2009, the Financial Accounting Standards Board ("FASB") issued a standard regarding the FASB Accounting Standards Codification™ and the hierarchy of generally accepted accounting principles, which replaces the standard previously issued by the FASB regarding the hierarchy of generally accepted accounting principles. This standard identifies the source of accounting principles and the framework for selecting the principles used in the presentation of financial statements of non-governmental entities that are presented in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). In addition, this standard establishes the FASB Accounting Standard Codification™ (the "Codification") as the source of authoritative U.S. GAAP recognized by the

FASB to be applied by non-governmental entities in the preparation of financial statements in conformity with U.S. GAAP. All guidance contained in the Codification carries an equal level of authority. The initial date of the adoption of this standard was effective for financial statements issued for interim and annual periods ending after June 15, 2009. On June 3, 2009, FASB decided that this standard is effective for interim and annual periods ending after September 15, 2009. The Foundation adopted this standard during the year ended June 30, 2010. The adoption of this standard did not have a significant impact on the Foundation's financial statements.

The Foundation adopted guidance issued by the FASB with respect to accounting for uncertainty in income taxes as of July 1, 2009. A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The adoption had no effect on the Foundation's financial statements. The Foundation is no longer subject to examination by taxing authorities for years before 2007. The Foundation does not have any tax benefits recorded at June 30, 2010, and does not expect that position to significantly change in the next year. The Foundation would recognize interest and/or penalties related to income tax matters in income tax expense, if applicable, and there were no amounts accrued for interest and penalties at June 30, 2010.

In May 2009, the FASB issued a standard regarding accounting for subsequent events. This standard incorporates into authoritative accounting literature certain guidance that already existed within generally accepted auditing standards, but the rules concerning recognition and disclosure of subsequent events will remain essentially unchanged. Subsequent events guidance addresses events which occur after the statement of net assets date but before the issuance of financial statements. Under this guidance, as under current practice, an entity must record the effect of subsequent events that provide evidence about conditions that existed at the statement of net assets date but not record the effects of subsequent events which provide evidence about conditions that did not exist at the statement of net assets date. This standard is effective for periods ending after June 15, 2009. The Foundation adopted this standard during the year ended June 30, 2010. Its adoption did not have a significant impact on the Foundation's financial statements.

<u>Subsequent Events</u>
Management has performed an analysis of the activities and transactions subsequent to June 30, 2010, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2010. Management has performed their analysis through October 15, 2010, the date the financial statements were available to be issued.

<u>Estimates</u>
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.

Reclassifications
Certain reclassifications have been made to conform data in the accompanying prior year financial statements to the current year's presentation. These reclassifications had no effect on net assets or the change in net assets.

B. Business and Concentrations of Credit Risk

The Foundation's financial instruments that are exposed to various risks, such as interest rate, market and concentrations of credit risk consist primarily of cash and investments. The Foundation deposits its cash in federally insured banks. These deposits are generally in excess of the Federal Deposit Insurance Corporation's insurance limit. Due to the level of uncertainty related to changes in the value of investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible the changes in risks in the near term would result in material changes in the fair value of long-term investments and net assets of the Foundation.

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

C. Fair Value of Financial Instruments

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

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

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

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

Assets measured at fair value on a recurring basis are summarized below for the years ended June 30, 2010 and 2009:

	Fair Value Measurements at June 30, 2010 Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Totals
Assets				
Gifts receivable from trusts held by others	$	$	$ 1,305,300	$ 1,305,300
Investment in securities:				
Bonds	5,078,073			5,078,073
Mutual funds	32,959,839	31,058,179	167,566	64,185,584
Alternative assets		10,879,556	4,744,212	15,623,768
Total investment in securities	$ 38,037,912	$ 41,937,735	$ 4,911,778	$ 84,887,425
Other investments:				
Limited partnerships	$	$	$ 1,043,140	$ 1,043,140
Annuity assets				
Mutual funds-securities	30,790	149,201		179,991
Total annuity assets	30,790	149,201		179,991
Total	$ 38,068,702	$ 42,086,936	$ 7,260,218	$ 87,415,856

	Fair Value Measurements at June 30, 2009 Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Totals
Assets				
Gifts receivable from trusts held by others	$	$	$ 1,495,300	$ 1,495,300
Investment in securities:				
Cash and cash equivalents	2,500,000			2,500,000
Bonds	2,482,579			2,482,579
Mutual funds	23,259,238	30,649,690	114,529	54,023,457
Alternative assets			12,847,299	12,847,299
Total investment in securities	$ 28,241,817	$ 30,649,690	$ 12,961,828	$ 71,853,335
Other investments:				
Limited partnerships	$	$	$ 864,649	$ 864,649
Annuity assets				
Cash and equivalents	111	57,500		57,611
Mutual funds-securities	136,761	591,995		728,756
Total annuity assets	$ 136,872	$ 649,495	$	$ 786,367
Total	$ 28,378,689	$ 31,299,185	$ 15,321,777	$ 74,999,651

The table below presents a reconciliation and statement classification of gains and losses for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2010 and 2009:

	2010	
	Gifts Receivable from Trusts Held by Others	Alternative Assets
Beginning balance, June 30, 2009	$ 1,495,300	$ 12,847,299
Unrealized gains/(losses) included in earnings		3,782,432
Net purchases/(sales)		(1,131,949)
Change in value of split interest agreements	(190,000)	
Reclassifications related to ASU 2009-12		(10,753,570)
Ending balance, June 30, 2010	$ 1,305,300	$ 4,744,212
	Mutual Funds	Limited Partnerships
Beginning balance, June 30, 2009	$ 114,529	$ 864,649
Interest and dividends	1,589	
Realized gains/(losses) on sales	(19,896)	
Unrealized gains/(losses) included in earnings	171,078	(2,855)
Net purchases/(sales)	(164,326)	181,346
Net transfers in/(out) of Level 3	64,592	
Ending balance, June 30, 2010	$ 167,566	$ 1,043,140

	2009	
	Gifts Receivable from Trusts Held by Others	Alternative Assets
Beginning balance, June 30, 2008	$ 1,958,100	$ 10,327,115
Realized gains/(losses)		139,916
Unrealized gains/(losses)		(2,743,214)
Net purchases/(sales)		3,212,010
Change in value of split interest agreements	(462,800)	
Net transfers in/(out) of Level 3		1,911,472
Ending balance, June 30, 2009	$ 1,495,300	$ 12,847,299

	Mutual Funds	Limited Partnerships
Beginning balance, June 30, 2008	$ 266,313	$ 508,301
Realized gains/(losses)	(11,701)	
Unrealized gains/(losses)	(63,572)	23,289
Net purchases/(sales)	(23,936)	333,059
Changes in estimates/assumptions	16	
Net transfers in/(out) of Level 3	(52,591)	
Ending balance, June 30, 2009	$ 114,529	$ 864,649

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

Investments in securities consist primarily of mutual fund shares managed by a professional investment management company utilizing the “manager of managers” model of portfolio administration, as described in Note 3. The fair value of money markets and bonds are based on quoted prices in active markets (Level 1 inputs).

Categorization of the fair value of the investment in mutual funds is based upon the Foundation’s proportionate share of individual fund assets within the pooled investment portfolio. Foundation management reviews the valuations and returns in comparison to industry benchmarks and other relevant information (Level 2 inputs).

In October 2009, the FASB issued Accounting Standards Update (ASU) 2009-12 that provides additional guidance on how companies should estimate the fair value of certain alternative investments. The fair value of such investments can now be determined using Net Asset Value (NAV), unless it is probable that the asset will be sold at something other than NAV. ASU 2009-12 requires disclosure of certain attributes of all investments within its scope, regardless of whether NAV is used to measure the fair value of these investments.

Information such as NAV, historical and current performance of the underlying assets, cash flow projections, liquidity and credit premiums required by a market participant, and financial trend analysis with respect to the individual fund manager are utilized in determining the valuation of alternative investments, such as hedge funds, private equity and commercial loans, for which there is no active market. Due to current market conditions as well as the limited trading activity of these investments, the market value of alternative investments is highly sensitive to assumption changes and market value volatility (Level 3 inputs). In some instances, the Foundation possesses the ability to redeem these investments at the fund's NAV (Level 2 inputs).

The Foundation's hedge fund investment is a "fund of funds" vehicle structured as an offshore company that invests all of its capital in private placement funds. The fund's investment objective is to seek to achieve a return somewhere between market equity and fixed income returns with a moderate level of risk undertaken. The fund is broadly diversified and invests in multiple hedge fund strategies including convertible bond hedging, credit hedging, distressed debt, equity market neutral, equity long/short, merger arbitrage, short biased and sovereign debt and mortgage hedging. The fund generally invests in 30-40 hedge funds and the fund of funds manager requires full transparency of each of the underlying funds' investment positions. The Foundation is no longer subject to the fund's initial one-year lock-up period and may, therefore, request liquidation on a quarterly basis with 65 days prior notification. At June 30, 2010, the Foundation has no significant unfunded commitments to its hedge fund allocation.

The private equity fund investment is structured as a domestic partnership in which the Foundation is a limited partner. The fund seeks to invest the capital contributed to it in a diversified pool of long-term investments in non-publically traded companies. Diversification is accomplished by investing 40-60% of committed capital in underlying funds focused on the United States, 20-40% on Europe and 0-30% on emerging markets. Capital commitments of the limited partners are payable to the partnership in installments over a 3 – 5 year period. At June 30, 2010, the Foundation's total capital commitment of $3,500,000 was 16.5% ($577,408) funded. Due to the long-term commitment of capital and the unpredictability of capital calls and partnership distributions, the fund is generally considered illiquid.

The Foundation's investment in commercial loans is in the form of a fund that invests in a diversified portfolio of structured credit instruments, the majority of which are Collateralized Debt Obligation (CDO) equity and mezzanine notes. CDOs are structured finance securities that hold a diversified pool of income-generating collateral that is financed through the issuance of debt securities. CDO investors assume the first level of default risk. These notes are lowly correlated to traditional and other alternative investments, have minimal interest rate risk and are highly transparent. The Foundation's investment in this asset class was fully funded at June 30, 2010. The investment involves a two year lockup period (in effect until March 2011) and allows quarterly redemptions with 69 days prior notice.

Valuation of limited partnership shares reported as "other investments" are derived from reports issued by the general partners adjusted for capital contributions and withdrawals throughout the fiscal year. Although the fund custodians provide annual audited financial statements for each of the funds, the value of the underlying securities is difficult to ascertain as there is no active market associated with these ownership interests. Thus, the partnership interests are classified as Level 3.

Valuation of annuity assets is based on a "Default Level Matrix" developed by the custodian. Mutual funds and other instruments are classified based on analysis and review of FASB standards, together with input from securities pricing service companies, broker/dealers and investment managers regarding their pricing methodologies; discussions with clients and independent accounting firms regarding various market inputs used to determine fair value and participation in industry forums. Management believes that this custodian-developed matrix accurately interprets applicable FASB guidance with respect to the level classification defined therein.

D. Pledges Receivable

Pledges receivable at June 30, 2010 and 2009, by fund type, are as follows:

	2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Less than one year	$ 40,025	$ 2,659,067	$ 64,396	$ 2,763,488
One to five years	4,000	3,888,894	43,910	3,936,804
Six years or greater		2,000,000		2,000,000
Gross pledges receivable	44,025	8,547,961	108,306	8,700,292
Present value discount	(425)	(1,236,161)	(2,006)	(1,238,592)
Allowance for uncollectible pledges	(500)	(40,800)	(4,100)	(45,400)
Pledges receivable (net)	$ 43,100	$ 7,271,000	$ 102,200	$ 7,416,300

	2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Less than one year	$ 45,613	$ 2,045,044	$ 1,062,132	$ 3,152,789
One to five years	4,300	1,984,847	69,200	2,058,347
Six years or greater		2,000,000		2,000,000
Gross pledges receivable	49,913	6,029,891	1,131,332	7,211,136
Present value discount	(313)	(1,189,191)	(3,732)	(1,193,236)
Allowance for uncollectible pledges	(400)	(31,600)	(4,600)	(36,600)
Pledges receivable (net)	$ 49,200	$ 4,809,100	$ 1,123,000	$ 5,981,300

The fair value of pledges receivable was determined using discount rates applicable to the year in which the pledge was established. Rates ranged from 1.79% to 5.10%.

E. Investment in Securities

The cost and fair value of the Foundation's investments, at June 30, 2010 and 2009, are as follows:

	2010	2009
Cash and equivalents	$	$ 2,500,000
Bonds	5,078,073	2,482,579
Mutual Funds	64,185,584	54,023,457
Alternative assets	15,623,768	12,847,299
Totals	$ 84,887,425	$ 71,853,335

Net realized gains (losses) on sales of investments were ($1,353,331) and ($3,228,364) for the years ended June 30, 2010 and 2009, respectively. Calculation of net realized gains on sales of investments is based on original cost. Net unrealized gains (losses) amounted to $10,539,275 and ($18,028,546) for the years ended June 30, 2010 and 2009, respectively.

WRIGHT STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

Federal Grant/Pass Through Grant/Program Title	Federal CFDA Number or Primary Grant Number	Pass-through Agency	Pass-through Agency Number	Expenditures
STUDENT FINANCIAL ASSISTANCE CLUSTER				
U.S. Department of Education Direct Programs				
Federal Supplemental Educational Opportunity Grant	84 007			$ 480,005
Federal Family Education Loans	84 032			120,777,432
William D. Ford Federal Direct Loan Program	84 268			9,774,584
ARRA - Federal Work Study	84 033			166,935
Federal Work Study	84 033			718,713
Federal Perkins Loan Outstanding Balance	84 038			12,478,081
Federal Pell Grant	84 063			22,100,539
Academic Competitiveness Grant	84 375			818,163
National SMART Grant Program	84 376			494,335
Total U.S. Department of Education Direct Programs				167 808 787
U.S. Department of Health and Human Services Direct Programs				
Loans to Disadvantaged Students Outstanding Balance (Note C)	93 342			474,045
Health Professions Student Loans Outstanding Balance	93 342			13,328
Primary Care Loans Outstanding Balance (Note C)	93 342			2,873,720
Nursing Student Loans Outstanding Balance (Note C)	93 364			922 362
Total U.S. Department of Health and Human Services Direct Programs				4,283,455
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER				**172,092,242**

See notes to the Schedule of Expenditures of Federal Awards.

(Continued)

WRIGHT STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

Federal Grant/Pass Through Grant/Program Title	Federal CFDA Number or Primary Grant Number	Pass-through Agency	Pass-through Agency Number	Expenditures
RESEARCH AND DEVELOPMENT CLUSTER				
U.S. Department of Education, Prime -				
RRTC on Substance Abuse, Disability, and Employment	84.133			$ 432,149
U.S. Department of Education, Subcontract -				
Adapting Prevention Education for Youth with Disabilities	84.186	Ohio Department of Alcohol & Drug Addiction Services	99-2572-DFSCA-P-09-0953	35,755
PALS Prevention Project 2009 - Preparing for Prevention Education in the Future	84 027	Ohio Department of Education	063123-2858-6550D-09	2,348
PALS Prevention Project 2010 - Preparing for Prevention Education in the Future	84 027	Ohio Department of Education	063123-4399-6550D-10	60,449
Precollege Assessment and Training	84.126	Ohio Rehabilitation Services Commission	PO RSC01-4347	98,556
Total U.S. Department of Education, Subcontract				197 108
Total U.S. Department of Education				629,257
U.S. Department of Health and Human Services, Prime -				
3 alpha Enhancer Regulation by AhR and NF-kappaB/Rel Proteins	93.113			228,352
A Role for the Novel Nuclear Speckle Protein Son Maintaining Nuclear Speckle Integrity	93 859			132,461
ACE Balance in the Cardiovascular Complication of Diabetes	93 837			409,516
Adiposity, Disease Risk Factors, and Lifetime Health	93 865			720,765
Analysis of the Human c-myc Gene Replication Origin	93 859			186,347
ARRA - 3 alpha Enhancer Regulation by AhR and NF-kappaB/Rel Proteins	93.701			46,708
ARRA - Comparing Acute and Continuous Drug Abuse Treatment A Randomized	93.701			287,532
ARRA - Multi Photon Laser Scanning Microscope for Neuroscience Research Imaging	93.701			718,089
ARRA - Semantics and Services Enabled Problem Solving Environment for Trypanosom	93.701			73,589
ARRA - The Role of the DNA Unwinding Element Binding Protein DUE B in DNA Replic.	93.701			287,056
ARRA - Updating Skeletal Maturity Methods for U.S. Children	93.701			310,740
Corticosterone and Hippocampal Learning During Development	93 242			66,798
Deciphering How MDMX Impacts the p53 Pathway	93 396			239,405
Development of Synaptic Inputs on Spinal Interneurons	93 853			324,845
Functional Assemblies of Motor Units	93 853			282,941
Gene Arch Human Craniofacial Complex	93.121			151,276
Genetic Analysis of Osteoporosis Risk Factors	93 846			401,405
Genetic Architecture of the Human Dentognathic Complex	93.121			422,306
Genetic Epidemiology of BDA3 in an Endogamous Population	93 865			6,680
Genetic Regulation of Adiposity and Associated CVD Risks	93 848			193,227
Genetic Somatic and Maturational Influences on Pediatric Skeletal Health	93 865			220,831
Intracellular pH Responses of Central Chemoreceptors	93 838			266,240
Loss of Muscle Excitability in Acute Quadriplegic Myopathy	93 853			188,843
Mechanisms of Mammalian Neuronal Integration	93 853			174,364
Mechanisms of PLD Interaction with Kinases and Rac Role on Phagocyte Chemotaxis	93 837			270,935
Pathways of Bio-Behavioral Development in the Fetal Basis of Adult Disease	93 361			197,477
PREP Scholars	93 859			15,428
Regulation of Secretory Ion Channels in Colonic Crypts	93 848			249,715
Scabies: Biology Culture Host Specificity and Antigens	93 855			265,245
Semantics and Services Enabled Problem Solving Environment for Trypanosoma cruzi	93 837			333,654
Stress-Induced Sickness During Social Separation: Implications for Depression	93 242			67,738
Synaptic Function: Effects of the Nerve, Injury, Repair and Altered Activity	93 853			975,232
The Role of Long Chain Acyl-CoAs in Nuclear Receptor Regulation	93 847			147,207
The Use of VSL#3 in Irritable Bowel Syndrome in Children	93 213			(39,210)
Trajectories of Illicit Pharmaceutical Opioid Use Among Young Adults in Ohio	93 273			587,623
Using Affymetrix Microarrays to Study Microflora Composition in Children with BS	93 213			186,735
Visceral Adiposity: Genetic and Environmental Influences	93 848			37,500
Total U.S. Department of Health and Human Service, Prime				9,635,595
U.S. Department of Health and Human Services, Subcontract -				
Age-Related Services and Outcomes after DUI Interventions	93 273	University of Michigan	F014781	246,290
ARRA - Best Practices for Study Recruiting in Primary Care Settings	93.701	Wayne State University	WSU10004-A1	11,894
ARRA - Delivery of Therapeutic Genes in Motor Neuron Disease	93.701	Ohio State University	60022132/RF01174200	42,126
ARRA - Science Learning and Scientific Reasoning	93.701	Ohio State University	PO RF01185069/PROJ 60021601	10,651
Benzodiazepine-Induced Glutamate Receptor Plasticity	93 279	University of Toledo	N-2009-49	8,788
Bone Mineral Density in Childhood Study	93 061	Clinical Trials & Surveys Corp.	2006-01 BMDCS	55,004
Childhood Obesity and Sexual Maturation	93 865	Virginia Commonwealth University	PT102591-SC100720	90,119
Childhood Precursors for Adulthood Metabolic Syndrome	93 847	Virginia Commonwealth University	PT103155-SC101100	101,096
CT-Based Diagnosis of Diffuse Coronary Artery Disease	93 837	Indiana University	PO 643675 IUPUI4695026WSU	34,979
DCOP Fiscal Agency Federal	93 395	Dayton Clinical Oncology Program (DCOP)	2U10CA035090-27	1,085,554
Evaluation of the OMH Capacity Building Program for Ohio Commission on Minority Hlth	93 006	Ohio Commission on Minority Health	SPG 09-03	233
Evaluation of the OMH Capacity Building Program for Ohio Commission on Minority Hlth	93 006	Ohio Commission on Minority Health	SPG 10-03	7,796
Genetics of Infant Growth and Later Obesity	93 865	University of Minnesota	Q6636590102	99,641

See notes to the Schedule of Expenditures of Federal Awards.

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Federal Grant/Pass Through Grant/Program Title	Federal CFDA Number or Primary Grant Number	Pass-through Agency	Pass-through Agency Number	Expenditures
RESEARCH AND DEVELOPMENT CLUSTER (Continued)				
U.S. Department of Health and Human Services, Subcontract (Continued) -				
Metabolomic Assessment of Estrogenic Endocrine Disruptor	93.113	Michigan State University	61-0707WS	$ 150,160
Muscle and Neuromuscular Junctions in Spinal Muscular Atrophy	93 853	Johns Hopkins University	2000694143	39,321
Patient Safety and the Primary Care Testing Process	93 226	University of Cincinnati	SRS 19243	15,495
Pharmacogenetics Research Network and Knowledge Base	93 859	Indiana University	U0000041	19,825
Purified Snake Venom Study	93 061	Central State University	P0068386, P0061456, P0057625	37,445
Rare Liver Disease Network	93.140	Children's Hospital Association (The)	G07056	4,778
Rural Stimulant Use and Mental Health: Services and Outcomes	93 279	University of Arkansas	G270110504	20
South Carolina Linkage Programs for Inmates	93 928	University of South Carolina	21899 (18190-FA03)	41,252
South Carolina Linkage Programs for Inmates	93 928	University of South Carolina	91893 (18190-FA02)	10,237
Strengths Based Case Management for Positives	93 941	Montgomery County Combined Health District	RESOLUTION 08-406	26,303
Telemonitoring in Rural Elder Nutrition Centers: Demo Proj of Hypertension Mgt	93 061	American Association of Homes and Services for the Aging	HHSA290200600024	87,075
The Genomic Psychiatry Cohort	93 242	University of Southern California	H39730	194,192
WMD Hazmat Protection Training for Health Professionals PROTECT	93.142	JXT Applications, Inc.	JXT-10-SG-1000, PROJ 9-0060	2,778
Total U.S. Department of Health and Human Service, Subcontract				2 423 052
Total U.S. Department of Health and Human Services				12,058,647
U.S. Department of Homeland Security, Subcontract -				
Intelligent Model Assisted Sensing System (iMass) for Fast and Accurate Nuclear	97 077	Purdue University	4112-25762	66,880
Intelligent Model Assisted Sensing System (iMass) for Fast and Accurate Nuclear	97 077	University of Utah	SUB NO 10016388-WRIGHT	37,597
Total U.S. Department of Homeland Security				104,477
U.S. Department of Defense, Prime -				
A Joint WSU/AFRL Center for Advanced Power and Energy Conversion Research	12 800			222,894
A Molecular Modeling Approach to Predict Elastic and Failure Behavior of Thermo Poly	12 800			24,534
Academic Pipeline and Future Lab	12 800			268,191
An Evaluation of Therapeutic Effectiveness of Hyperbaric Oxygen Treatments on Child	12.420			20,354
Analysis of Desert Sand	12 800			18,046
Autonomic Biomarkers and Treatment for Gulf War llness	12.420			244,496
Bioremediation of Chlorinated Ethenes in the Constructed Wetlands at WPAFB	12 800			159,344
Collaborative Research on Multisensory Interaction	12 800			238,122
Computational Analysis of Wankel Rotary Engine Using Direct Injection	12 800			35,890
Conduction in Thin Films of ZnO for Electronic Applications	12 800			83,926
Cyber-Based Turbulent Hydrogen Combustion Simulation	12 800			63,859
Defects in Wide-Gap Semiconductors for Electronic Applications	12 800			71,632
Experimental Evaluation of Collaborating Teams (EECT)	12 800			57
Homeland Emergency Learning and Preparedness Center	12 800			627,273
Intergovernmental Personnel Agreement - Harris	12 800			(3)
Intergovernmental Personnel Agreement (PA) - M Wolff	12 800			241,488
Mental Workload Manipulation using Multiple Homogeneous Tasks: Performance Effect	12.431			21,243
Research and Analytical Support for the 711th HPW Human Effectiveness Directorate	12 800			6,879
Research and Technical Support for the Culture and Cognition Laboratory (CCL)	12 800			99,241
Sensor Testing System for Design of a Quad-Winged Micro Air Vehicle	12 800			243,740
Signal Designs via Combinatorial Designs	12 800			52,122
Thermo-chemical Phenomena Simulation for Ablation	12 800			75,661
Trial Adoption Usage and Diffusion of Social Media	12 800			7,250
Use of Drugs with Enriched Pharmacology to Enhance Nerve Agent Treatment	12 800			124 866
Total U.S. Department of Defense, Prime				2,951,105
U.S. Department of Defense, Subcontract -				
Advanced Manufacturing Techniques for High-Efficiency Functional Gradient Solid Oxide	12 800	Optomec, Inc.	WO00750-2	12,599
Advanced THz Materials for Nondestructive Evaluation	12 800	Traycer Diagnostic Systems, Inc.		10,111
AF073-074 Multi Channel RFASIC for Handheld GPS Receiver Anti Jam Enhancement	12 800	RBS Technologies, LLC	PO 2009-074-1 & 2010-074-2	51,853
AF083-153 Digital Synthesizer with Tuning Filter	12 800	RBS Technologies, LLC	PO 2008-153-1	16,490
AF083-153 Digital Synthesizer with Tuning Filter	12 800	RBS Technologies, LLC	PO 2009-1728-1	16,625
A RME Onsite Support	12 800	University of Dayton	RSC09029	306,908
Anti-jam ASIC for Handheld GPS	12 800	RBS Technologies, LLC	PO 2008-226-2	111,361
Applied Optimization Technical Support	12 800	Applied Optimization, Inc.		(187)
ARRA - Advanced Manufacturing Techniques for Large Area Solid Oxide Fuel Cells	12 800	Optomec, Inc.	WO00992/2 ARRA	144,491
Arrow Micro Air Vehicle Research and Prototyping	12 800	Defense Research Associates, Inc.	FA8650-10-C-1783	3,062
ATR Center Task Order 0004	12 800	Ohio State University	PO RF01118253/PROJ 60017082	7,065
Automated Tool for Cognitive Cyber Weapon Selection Research	12 800	Ball Aerospace	S8006C-03 TO17	70,925
Biomedical Instrumentation and Electronics Engineering Support	12 800	Universal Energy Systems Inc. (UES Inc.)		31,054
CEG 498 Senior Design Project	12 800	Ohio Aerospace Institute		1,413
Cell BE Architecture Study	12 800	Taitech, Inc.	SUB TS09-44-01-001	15,498

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RESEARCH AND DEVELOPMENT CLUSTER (Continued)					
U.S. Department of Defense, Subcontract (Continued) -					
Center for Automatic Target Recognition - DIQ Contract	12 800	Ohio State University	PO RF011017/PROJ 60013800	$	80,110
Center for Automatic Target Recognition - Research Infrastructure	12 800	Ohio State University	PO RF01107289/PROJ 60014869		48,946
Cervical Injury - Devices and Risk Assessment	12 800	Battelle Laboratories			46,914
Characterization of Electronic Device Materials	12 800	University of Dayton	RSC06029		377,742
Collaborative Center in Multidisciplinary Sciences (CCMS)	12 800	Virginia Polytechnic Institute and State University	SUB 430447-19553		73,018
Collaborative Proposal: Soft-Decision Cognitive Network	12 800	MacAulay-Brown, Inc.	MACB-06-D-0019 DO0010		4,397
Complexity Research	12 800	Ball Aerospace	PO S80006C-04		7,093
Computational Analysis of Two SI Engines Running on Heavy Fuels	12 800	Innovative Scientific Solutions Inc.	SUB SB00609		37,815
Computational Fluid Dynamic Investigation to Determine Adequate Fuel Spray Pattern	12 800	Universal Technology Corporation	10-S590-0009-02-C3		2,244
CoolA D - C2 Tool for Actionable Information Display	12 800	21st Century Systems, Inc.	2008-WSU-001		15,235
Custom Synthesis of Intermediates for AFX Chromophores	12 800	Universal Technology Corporation	06-S568-009-C1		26,830
Deposition of AIN Optical Coatings	12 800	General Dynamics Information Technology, Inc.	F54080923SC15		7,724
Design and Analysis of Advanced Materials in a Thermal/Acoustic Environment	12 800	General Dynamics Information Technology, Inc.	PO 08ESM274165		33,383
Design of a Bio-inspired Flapping-Wing Micro Air Vehicle Actuator	12 800	Ohio Aerospace Institute			591
Electronic/Optical and Electro-Optical Materials Research/Mixed-Signal Component	12 800	University of Dayton	RSC07019		153,574
Enabling Representation of Meta-information in Net-centric Environments	12 800	Charles River Analytics Inc.	SC0907001/PO 1000870		1,154
Evaluating the Use of Auditory Systems to Improve Performance in Search and Rescue	12 800	daytaOhio			29,902
Expanding Decision Support for Mobile Army Commanders	12 800	Alion Science and Technology	SUB1179363		33,796
Feature Analysis for Threat Assessment with Exploitable Human Signatures	12 800	Ohio State University	PO RF01198352/PROJ 60025779		3,710
Forecasting Aircraft Usage for Prognostics	12 800	University of Ilinois	2006-02197-03 GRANT A5274		128,455
Graduate Research Assistant Support - Kolawole	12 800	Central State University	PO 0046390		4,758
High-Performance/High-Security Wireless Network via Space-Time Coded Carrier	12 800	MRLets Technologies Inc.	PO1021 SBIR PHII TPC AF071-095		42,877
Human Performance Ontology (HPO)	12 800	Henry M. Jackson Foundation	SUB 0000184063		176,815
Identification of Biomarkers using Machine Learning Algorithms	12 800	Oak Ridge Institute for Science and Education (ORISE)			41,870
InfoSciTex - 0001 SPRINT	12 800	InfoSciTex	0001-SRP NT 4001.994.44		2,990
InfoSciTex - ATEA Task Order 0001	12 800	InfoSciTex	SUB 4000-S005		29,949
InfoSciTex - ATEA Task Order 0002	12 800	InfoSciTex	SUB 4000-S005		40,332
InfoSciTex - ATEA Task Order 0004	12 800	InfoSciTex	SUB 4000-S005 PO 20482		105,839
InfoSciTex - ATEA Task Order 0005	12 800	InfoSciTex			504,392
Integrated Sensing Control and Modeling for Agile Micro Air Vehicle (MAV) Platforms	12 800	Taitech, Inc.	TS08-31-001		26,979
In-Vitro Toxicity of Engineered Nanomaterials	12 800	Henry M. Jackson Foundation	0000206036		78,484
LSP for Reliable Fatigue Life	12 800	General Dynamics Information Technology, Inc.	PO 08ESM273594		187,654
Mechanism Elucidation of Enhanced Hippocampal Adult Neuroge. Ames Dwarf Mice	12 800	Henry M. Jackson Foundation			946
Mobile-Agent-Based Autonomous Data Fusion for Distributed Sensors	12 300	Impact Technologies, LLC	SUB S1077A		20,788
Modeling Leadership Dynamics in Multinational Environments	12 910	MacroCognition LLC			19,310
Multi-Agent Health Management System	12.431	Intelligent Automation, Inc.	724-1		17,620
Multi-Dimensional Visualization of Layered Sensor Technologies	12 800	Science Applications International Corporation (SAIC)	P010028814 FA8650-06-D-4406		8,000
Multimodal Image-Based State Assessment for Operator Interface Design	12.431	Leonard Wood Institute	LWI-191-250		302,189
Multisensory Processing Research	12 800	Ball Aerospace	PO S80006C-05		5,373
Nanocontrast Agents	12 800	University of Dayton	RCS08053		12,938
Naval Force Protection Research Standoff THz	12 800	CACI Technologies Inc.	S10-104615		63,400
New Electronic Warfare Specialists Through Advanced Research by Students	12 800	MacAulay-Brown, Inc.	MACB-06-D-0019		280,468
New Heart Failure Treatment Capability for Remote Environments	12.420	LifeBridge Technologies, LLC	W81XWH-08-1-0484		40,465
N RVANA Project	12 910	Spectral Energetics, Inc.			41,150
NMR Based Metabolomics in Toxicology Research	12 800	Henry M. Jackson Foundation	169167/132633		9,486
Open Innovation	12 800	Wright Brothers Institute Inc. (The)			98,993
Operationally-relevant Scenario Development to Evaluate Multisensory Display Concept	12 800	Ball Aerospace	PO S80006C-01 TO04		4,486
Operations Support Center (OSC) of Tec^Edge	12 800	Wright Brothers Institute Inc. (The)	WBSC 9023 WSU DRP		418,301
Organ Specific Perturbation of Biological Pathways and Processing	12 800	Henry M. Jackson Foundation			11,026
Power Line Urban Sentry (PLUS) Inductive Core and Recharging Research	12 800	Defense Research Associates, Inc.	PO 2009018		20,242
RCAD: Radar Collision Avoidance Detection	12 800	Ohio Aerospace Institute			1,651
RemSense Inc Phase I SBIR Sensor Technology	12 800	RemSense, Inc			14,766
Rhino Corps Research and Project Support	12 300	Rhino Corps, LTD	DO 629		12,037
Risk Based Design of Air Vehicle Structures	12 800	University of Ilinois	2006-02197-01 GRANT A5274		57,781
Sensitivity Studies of Nonlinear Response for Crack Detection in Fan and Turbine Disks	12 800	Universal Technology Corporation	SUB 09-S590-0012-02-C2		50,000
Single Ionic Conducting Polymer Electrolyte	12 800	University of Dayton	RSC05006; 3035-18-0802 CLIN002		27,685
System for Information and Meta-information Portrayal of Lessons-learned (SIMPL)	12 800	Aptima, Inc.	0516-1452		20,648
Tec^Edge Academic Pipeline Program	12 800	Ohio State University	PO RF01162449/PROJ 60017082		166,392
Tec^Edge Academic Pipeline Program	12 800	Science Applications International Corporation (SAIC)	4400154808		22,000
Tec^Edge Knowledge Management	12 800	Wright Brothers Institute Inc. (The)	WBSC 9023 WSU-KM		60,774
Trusted Semantic Sensor Network - Phase I	12 800	Science Applications International Corporation (SAIC)	SUB 4400163591		159,899
Turbine Engine Component Design	12 800	Universal Technology Corporation	09-S590-0009-19-C1		282,071
Urban Vigilance using Layered Sensing	12 800	Gitam Technologies, Inc.			115,778
Use of Epitope Directed Nanobodies as Passive Immunotherapeutic Agents	12 800	Henry M. Jackson Foundation	162150		8,910
Waveforms Optimization for Electronic Warfare Countermeasures Development	12 800	MRLets Technologies Inc.	PO 1022 AND 1025		7,749
Wright Brother's Institute - Innovation and Collaboration Rapid Prototyping Environment	12 800	Wright Brothers Institute Inc. (The)	WBSC 9028 WSU		157,613
Wright State University - AFRL - Institute Valuation Model	12 800	Wright Brothers Institute Inc. (The)	WBSC 9023 WSU-IV		60,734
WSU - Institutional Valuation Model - Applied Support - Nano	12 800	Wright Brothers Institute Inc. (The)	WBSC 9028 WSU-VAL		16,000
Total U.S. Department of Defense, Subcontract					5 772 509
Total U.S. Department of Defense					8,723,614

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Federal Grant/Pass Through Grant/Program Title	Federal CFDA Number or Primary Grant Number	Pass-through Agency	Pass-through Agency Number	Expenditures
RESEARCH AND DEVELOPMENT CLUSTER (Continued)				
U.S. Department of Energy, Prime -				
ARRA - Computer Tool for Ground Source Heat Pump Cost Analysis	81 087			$ 40,762
Multiscale Reactive Trans in Processes Related to CO2 Sequestration: Nanoscale	81 049			111 603
Total U.S. Department of Energy, Prime				152,365
U.S. Department of Energy, Subcontract -				
Defect Chemistry Study of Nitrogen Doped ZnO Thin Films	81 049	Miami University		64,983
Reservoir Characterization of the Dominion North Canton Storage Field (NCSF)	81 049	Ohio River Clean Fuels, LLC		47,172
Total U.S. Department of Energy, Subcontract				112,155
Total U.S. Department of Energy				264,520
U.S. Department of Interior, Subcontract -				
Remote Sensing Technology Application to Estimation of ET in the Western USA	15 504	Central State University	PO 0047928	30,326
U.S. Department of Transportation, Subcontract -				
Backover Avoidance Study	20 614	Transportation Research Center, Inc.	PO 064291 & 064579	28,198
U.S. Environmental Protection Agency, Prime -				
Degradation Potential of Chlorinated Ethenes in the Rhizosphere of Wetland Plants	66 513			14,909
U.S. Environmental Protection Agency, Subcontract -				
Behavior of Carbon Nanomaterials in Aqueous Suspensions of Natural Organic Matter	66 509	Clemson University	SUB 1288-7558-218-2007103	35,900
Effects of Eutrophication on Mercury Biomagnification in Stream Food Webs	66 510	Miami University		23,929
Influence of Water Quality on the Bioavailability and Food Chain Transport	66 509	Clemson University	1290-7558-218-2007150	47 852
Total U.S. Environmental Protection Agency, Subcontract				107,681
Total U.S. Environmental Protection Agency				122,590
National Aeronautics and Space Administration, Prime -				
Analysis and Modeling of Martian Electron Density Profiles Returned from Spacecraft	43 001			84,730
Computational Investigation of the NEXT Ion Engine Discharge Chamber	43 001			25,319
Coupled Models of Planetary Ionospheres/Thermospheres: Phase B	43 001			91,083
Coupled Models of Planetary Thermospheres/Ionospheres	43 001			38,360
Monte Carlo Calculations of Hot and Escaping Atoms from Mars	43 001			7,153
Production Rates of Thermal-Energetic and Excited Atoms in the Martian Thermosphere	43 001			63 738
Total National Aeronautics and Space Administration, Prime				310,383
National Aeronautics and Space Administration, Subcontract -				
A Nonlinear Adaptive Approach to Isolation of Sensor Faults and Component Faults	43 001	Impact Technologies, LLC	S08-1034A	3,113
A Unified Nonlinear Adaptive Approach for Detection and Isolation of Engine Sensor	43 001	Impact Technologies, LLC	SUB S1165A	3,355
Bi-Metallic Catalyst/Nano-Ceria Composite Anode for Military Fuel Cells	43 001	Ohio Space Grant Consortium		6,159
Develop Web-Based Lessons with Graphics and Animations to Teach Stat. Concept	43 001	Ohio Space Grant Consortium		10,000
Nano-Graphene Platelets - a New Class of Anode Materials for Lithium-ion Batteries	43 001	Ohio Space Grant Consortium		9,131
Next-Generation Ion Thruster Design Tool to Support Future Space Missions	43 001	Tech-X Corporation		319
The Use of Information Visualization Techniques to Gain Insights into Mental Workload	43 001	Ohio Space Grant Consortium		8,604
Total National Aeronautics and Space Administration, Subcontract				40,681
Total National Aeronautics and Space Administration				351,064
National Science Foundation, Prime -				
A National Model for Engineering Mathematics Education	47 076			525,112
A Revolution in NMR Applications Using Optimal Control Theory	47 049			32,250
ARRA - Collaborative Research: GEOTRACES: Atlantic Section: Mercury Speciation	47 082			7,664
ARRA - Collaborative Research: Revolutionary New Capabilities EPR and Toroid NMR	47 082			70,817
Biomedical, Industrial and Human Factors Engineering Design Projects	47 041			29,952
CAREER: Evolvable Hardware Neuromorphic Comput. Devices for Sensing and Ctrl	47 070			2,033
Collaborative Proposal: ITR-SemDIS: Discovering Complex Relationships	47 041			99,248

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Federal Grant/Pass Through Grant/Program Title	Federal CFDA Number or Primary Grant Number	Pass-through Agency	Pass-through Agency Number	Expenditures
RESEARCH AND DEVELOPMENT CLUSTER (Continued)				
National Science Foundation, Prime (Continued) -				
Collaborative Research on Reactive Transport Modeling: Spatial Cross-Correlation	47 050			$ 30,710
Collaborative Research: A GEOTRACES Intercalibration of Collection Handling	47 050			17,680
Collaborative Research: Adaptive Radiation of a Gall Midge-Fungus Mutualism	47 074			99,191
Collaborative Research: Mercury Biogeochemistry on the Continental Shelf and Slope	47 050			56,028
Collaborative Research: Planning Grant: /UCRC for Surveillance Theory	47 041			10,000
Collaborative Research: Quantifying Predictability in Nonlinear Multiscale Systems	47 041			41,433
Collaborative Research: Caterpillars and Parasitoids in the Eastern Andes of Ecuador	47 074			22,149
Collaborative Research: Consumer Control of High-Productivity/Low-Nutrient Ecosystem	47 074			68,265
Computational Modeling of Nanoelectronic-based Gas Sensors	47 041			22,340
CRI:IAD Instrumentation of Measurement and Test System for Open Spectrum Wireless	47 070			6,084
Endocrine Activity and the Ontogeny of Social Interactions and Bonding	47 074			9,753
Genetic Drift Versus Genetic Draft in Holarctic Ducks	47 074			115,060
GOALI: A Modeling Base for Process Development of Electron Beam Manufacturing	47 041			24,881
High-Performance Computing to Evaluate Hierarchical Heterogeneity Paradigms	47 050			108,059
In the Footsteps of Katharine Wright: Promoting STEM Women through LEADER	47 076			421,859
Initial Treatment of Diffusion in Longitudinal Dispersion	47 050			33,543
New Algebraic Techniques for Constructing Sequences & Arrays with Good Correltn	47 070			37,597
REU Supplement - Biomedical, Industrial and Human Factors Engineering Design Proj.	47 041			9,035
REU Supplement: Collaborative Research: Putting the Lake Back Together	47 074			30,057
RI-Small: Exploiting Syntactic, Semantic and Lexical Regularities in Statistical Lang.	47 070			43,283
RUI: Aquaporins and Osmoregulation in a Freeze-Tolerant Amphibian	47 074			39,896
RUI: The Paradox of Cellular Ca Homeostasis During Vectorial Trans	47 074			16,084
SGER: III-SGER Spatio - Temporal - Thematic Queries of Semantic Web Data	47 070			25,887
Simulation of Coil Wedge Effects in Sheet Rolling	47 041			33,636
Two Problems in Statistical Inference	47 049			29,419
U.S. Egypt Science & Technology Program	47 049			3,294
Total National Science Foundation, Prime				2,122,299
National Science Foundation, Subcontract -				
A Learning Progression for Scientific Modeling	47 076	Northwestern University	0830 310 A600 1339	37,305
ARRA - Modeling Ultrasound Exfoliation of Graphene Nanoplatelets	47 082	Angstron Materials LLC		44,873
Electrical Activity of the ZnO Surface	47 049	Ohio State University	PO RF01123734/PROJ 60014920	75,912
Electroanalytical Inquiry-Based Modular Sensor Development	47 049	Ohio State University	PO RF01046299/PROJ 60004660	12,290
Embodiment Awareness: Mathematics and the Blind	47 070	Virginia Polytechnic Institute and State University	CR 19553-477271	28,911
Laser Machining of Terahertz Waveguide and Microscopy Components	47 041	Mound Laser and Photonics Center Inc.		10 808
Total National Science Foundation, Subcontract				210,099
Total National Science Foundation				2,332,398
U.S. Department of Agriculture, Prime -				
Research Synthesis and Coordination for the Forest Ungulate Research Network	10 001			11,500
U.S. Department of Agriculture, Subcontract -				
Characterization of the Mechanistic and Molecular Basis of Ash Resistance to EAB	10 025	Ohio State University		203
Phytochemical Basis of Inter- and Intra-Specific Variation in Resistance of Ash	10 025	Ohio State University	PO RF01076074/PROJ 60008439	1,808
Total U.S. Department of Agriculture, Subcontract				2,011
Total U.S. Department of Agriculture				13,511
U.S. Department of Veterans Administration, Prime -				
PA Services VAMC	64.103			6,896
Systems Engineering Analysis of the Surgery Consultation Process: Virtual Consultation	64.103			6,226
Total U.S. Department of Veterans Adminstration				13,122
U.S. Department of Justice, Subcontract -				
Ohio Methamphetamine Pilot Initiative	16 542	Ohio Office of the Attorney General		82,765
TOTAL RESEARCH AND DEVELOPMENT CLUSTER				**24,754,489**

See notes to the Schedule of Expenditures of Federal Awards.

(Continued)

WRIGHT STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

Federal Grant/Pass Through Grant/Program Title	Federal CFDA Number or Primary Grant Number	Pass-through Agency	Pass-through Agency Number	Expenditures
U.S. Department of Education Direct Programs -				
ARRA - Federal Stimulus Funds - Lake Campus	84 394	Ohio Board of Regents		$ 372,301
ARRA - Federal Stimulus Funds - Main Campus	84 394	Ohio Board of Regents		12,615,648
Capacity Building Faculty Support Grant FY08/09	84 048	Ohio Department of Education	VEPD-CB-09-063123	(86)
Capacity Building Faculty Support Grant FY09/10	84 048	Ohio Department of Education	VEPD-CB-10-063123	68,338
Child Care Subsidy and Promoting Positive Relationships Program	84 335	U.S. Department of Education	P335A 060393	101,504
China's Re-Emergence Educating Informing and Engaging Ohioans in the Asian Century	84 016	U.S. Department of Education	PO16A080070-09	63,031
Evaluation of the Springfield Students and Families Engaged (SSAFE) Program	84.184	Springfield City School District	Q184L050365	75,630
Evaluation of the Springfield Students and Families Engaged (SSAFE) Program	84.184	Springfield City School District		1,754
Implementing Lesson Study and Measuring ts Impact on Teacher Development	84 366	Ohio Department of Education	CI667-MSP-10-416/EDU01-5206	6,788
Lesson Study: Research on Teaching and Learning	84 367	Ohio Board of Regents - Title II	09-46	1,923
Life Sci and Physical Science Professional Development Project for Grades 6-12	84 367	Ohio Board of Regents - Title II	08-43	110,264
Life Sci, Physical Science and Mathematics Professional Development Grades 6-11	84 367	Ohio Board of Regents - Title II	GRANT 07-43	7,527
Partners in Integrated Earth Systems Science (P ES)	84 367	Ohio Board of Regents - Title II	08-42	81,046
Personal Assistance Station and Technology Center	84.126	Ohio Rehabilitation Services Commission	PO RSC01-0000004329	116,730
Physical Sci, Life Science and Math Professional Development Project for Grades 4-12	84 367	Ohio Board of Regents	09-44	7,034
Project KNOTtT: Strengthening Systems Capacity Collaboratively	84 035	Ohio State University	PO RF01097285/PROJ 60012518	44,357
Science and Math Academics for Teachers through EXCEL	84 366	Ohio Department of Education	CI667-OMAP-0909	81,757
Science Teaching for Ohio's New Economy (STONE)	84 367	Ohio Board of Regents - Title II	08-44	33,356
Teacher Leader Endorsement Program	84 367	Ohio Department of Education	EDU01-0000004400	55,526
The Wright Intervention	84 325	U.S. Department of Education	H325T080039	80,960
U.S. Brazil Consortia for Biomedical Sciences Exchange	84.116	Wake Forest University	WFUHS 11420	15,821
Upward Bound: Building Successful Futures	84 047	U.S. Department of Education	P047A070520-09	213,308
Total U.S. Department of Education Direct Programs				14,154,517
U.S. Department of Health and Human Services, Prime -				
Academic Administrative Units in Primary Care	93 884			192,836
ARRA - Scholarships for Disadvantaged Students	93.407			10,060
CCOE Dual Diagnosis M MR	93 958			2,200
Deaf Off Drugs and Alcohol e-Therapy Using Community Networks	93 243			513,305
Healthy Brothers - Healthy Sisters	93 243			391,028
MI/DD Consensus Best Practices	93 243			6,746
Nursing Institute Living Laboratory	93 887			91,152
Our Women's Health Promotion Project	93 243			204,605
PECE-PACT: Parents Early Childhood Education/Positive Action Choices Training	93 959			66,888
Professional Nurse Traineeship	93 358			71,769
Scholarships for Disadvantaged Students (SOPP)	93 925			22,410
Short-Term Training for Minority Students (STREAMS)/WSU	93 837			89,293
Sisters of Solidarity (SOS)	93 941			196,442
Testing and Demonstrations of the National Health Information Network Trial	93 978			64,582
The Community Health Initiative	93 243			232,423
The Mount Olive One-Stop Center	93 243			442,889
Total U.S. Department of Health and Human Services, Prime				2 598 628
U.S. Department of Health and Human Services, Subcontract -				
ACC Emergency Preparedness	93 889	Ohio Department of Health	Prev-30342/DOH01-00009938/9939	16,818
Acute Care Centers	93 889	Ohio Department of Health		(25)
CCOE Dual Diagnosis M /DD	93 630	Ohio Developmental Disabilities Council	10010HBS36/CAM2010G994902	17,847
CCOE Dual Diagnosis M MR	93 630	Ohio Developmental Disabilities Council	04-8/09	43,661
CCOE Dual Diagnosis M MR	93 958	Ohio Department of Mental Health	BG-10-420-14-001	73,396
Child Welfare Workforce Professional Education Program	93 658	Ohio Department of Job and Family Services	PO JFS01-0000003388	69,864
Child Welfare Workforce Professional Education Program	93 658	Ohio Department of Job and Family Services	PO JFS01-8492	61,598
Childrens Health Insurance Program Reauthorization Act Outreach and Enrollment	93.767	Dayton Public Schools	HHS-2009-CMS-CH PRA-0008	68,154
Consulting Services to Health Policy Institute of Ohio	93 061	Health Policy Institute of Ohio		5,740
Improving Ohio's Psychiatric Workforce through Collaboration with the WSU Dpt of Psy	93 958	Ohio Department of Mental Health	BG-10-130-14-001	122,631
Improving Ohio's Psychiatric Workforce through Collaboration with the WSU Dpt of Psy	93 958	Ohio Department of Mental Health	MDO-133-09-01	1
Kinship Navigator Consortium	93.130	Montgomery County Children Services	CE000028	64,009
Kinship Navigator Consortium	93.130	Montgomery County Children Services	CE90014	62,047
MI/DD Coordinating Center of Excellence	93 243	Ohio Department of Mental Health	TSG2-09-126-14-001	49,948
Neighborhood Emergency Help Centers and Acute Care Center Maintenance	93 889	Ohio Department of Health	DOH01-0000014965 CSP901510	628,077
Prevention for Positives	93 941	Public Health Dayton and Montgomery County		27,855
Regional Healthcare Preparedness Grant	93 889	Greater Dayton Area Health Information Network (GDAHIN)	05760052RP0310	177,200
Ryan White Planning & Evaluation	93 994	Public Health Dayton and Montgomery County	09-271	1,500
Ryan White Planning & Evaluation FY10	93 994	Lucas County Regional Health District		1,500
The Paths to Recovery Project	93 243	Greater Cincinnati Behavioral Health Services		12 664
Total U.S. Department of Health and Human Services, Subcontract				1,504,485
Total U.S. Department of Health and Human Services				4,103,113

See notes to the Schedule of Expenditures of Federal Awards.

(Continued)

WRIGHT STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

Federal Grant/Pass Through Grant/Program Title	Federal CFDA Number or Primary Grant Number	Pass-through Agency	Pass-through Agency Number	Expenditures
U.S. Department of Homeland Security, Prime -				
FEMA Category B Damage from Hurricane Ike in 2008	97 036			$ (3,707)
FEMA Category E Equipment Damage from Hurricane Ike in 2008	97 036			21,615
FY07 State Homeland Security Program (SHSP)	97 067			249,198
Total U.S. Department of Homeland Security, Prime				267,106
U.S. Department of Defense, Prime -				
15th International Symposium on Aviation Psychology	12 800			19 200
U.S. Department of Defense, Subcontract -				
Science, Mathematics and Research for Transformation (SMART) Defense Scholarship	12 800	American Society for Engineering Education		29,006
Total U.S. Department of Defense				48,206
U.S. Department of Labor, Prime -				
Western Ohio Training Consortium	17 269			83,076
U.S. Department of Labor, Subcontract -				
Community Based JobTraining Grant: The Skills Trac at Edison Community College	17 269	Edison Community College	PO024180	2,154
Total U.S. Department of Labor				85,230
U.S. Department of Housing and Urban Development, Prime -				
Analysis of Impediments to Fair Housing for Montgomery County, Dayton and Kettering	14 218			1,717
National Aeronautics and Space Administration, Prime -				
Aerospace Medicine Training for the Era of Moon, Mars and Beyond	43 001			599,117
An Elementary Outreach Program to Expose Students to STEM Disciplines	43 001			1,006
Ohio Space Grant Consortium Campus Allocation	43 001			2,882
The Wright Girls Ready to Explore Engineering Now Project (The Wright GREEN Project	43 001			509
Total National Aeronautics and Space Administration, Prime				603,514
National Aeronautics and Space Administration, Subcontract -				
An Early Career Intervention Project to Increase Awareness of High School Students	43 001	Ohio Space Grant Consortium	REF 057584	2,000
Ohio Space Grant Consortium Campus Allocation	43 001	Ohio Space Grant Consortium		6,640
Ohio Space Grant Consortium Scholarship and Fellowship Program	43 001	Ohio Space Grant Consortium		37,666
Student BalloonSat Program	43 001	Ohio Space Grant Consortium	OSGC REF NO 051326	75
Total National Aeronautics and Space Administration, Subcontract				46,381
Total National Aeronautics and Space Administration				649,895
National Endowment for the Humanities Institute of Museum and Library Services, Prime -				
Digital Fluency for Disadvantaged Youth with Limited Access to Technology	45 310			119
Libraries Connect Ohio Resources Sharing Project	45 310			350,000
Total National Endowment for the Humanities: Institute of Museum and Library Services, Prime				350 119
National Endowment for the Humanities Institute of Museum and Library Services, Subcontract -				
Libraries Connect Ohio Resources Sharing Project	45 310	State Library of Ohio		1,093,304
Total National Endowment for the Humanities Institute of Museum and Library Services				1,443,423
National Science Foundation, Prime -				
Enhancing Integrated Technology and Interdisciplinary Based Engineering Education	47 076			42,439
Evolvable Wireless Laboratory Design and Implementation	47 076			63,852
IGERT: An Interdisciplinary Initiative on Technology Based Learning with Disability	47 076			569,185
RDE-RAD: Collaborative Research: Ohio's STEM Ability Alliance (OSAA)	47 076			183,974
STEP: Gateway into First-year STEM Curricula: A Community College/University Collab	47 076			364,940
Total National Science Foundation, Prime				1 224 390

See notes to the Schedule of Expenditures of Federal Awards.

(Continued)

WRIGHT STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

Federal Grant/Pass Through Grant/Program Title	Federal CFDA Number or Primary Grant Number	Pass-through Agency	Pass-through Agency Number	Expenditures
National Science Foundation, Subcontract -				
Computational Science Educational Materials	47 041	Capital University	0618252	$ 4,978
Delivering On-Line Professional Development Courses to a New Population of K-12	47 050	Institute for Global Environmental Strategies Inc. (The)	PO 07 035	12,516
Total National Science Foundation, Subcontract				17 494
Total National Science Foundation				1,241,884
Small Business Administration, Subcontract -				
Small Business Development Center FY09-SBA	59 037	Ohio Department of Development	EDD 09-175	146,183
Small Business Development Center FY10-SBA	59 037	Ohio Department of Development	EDD 10-166	165 185
Total Small Business Administration				311,368
U.S. Department of Transportation, Prime -				
Public and Social Service Transportation Curriculum and Internship Program	20 215			5,605
U.S. Department of Veterans Administration, Prime -				
Critical Thinking and Six Stop Problem Solving	64.103			1,764
Highly Interactive Customized Programs for the Dayton Veterans Affairs Medical Ctr	64.115			20,690
Leadership Skills for VA Supervisors	64 018			29,930
VISN 10 Caregiver Assistance Pilot Project	64.115			209
Women Veteran's Health Strategic Health Care Group	64.103			7,734
Total U.S. Department of Veterans Administration				60,327
U.S. Department of Interior, Prime -				
Ohio National Archery in the Schools Program	15 812			3 126
U.S. Department of Justice, Subcontract -				
Justice for All Women Collaboration Team	16 529	Montgomery County Family and Children First Council	RESOLUTION 10-0438	3,068
Montgomery County Ohio Justice for All Women	16 529	Montgomery County Family and Children First Council	CE900479 RES. NO. 10-0024	55,001
Revitalize the Dayton East Third Street Corridor and Southeast Dayton Weed and Seed	16 595	Montgomery County Sunrise Center	PO 905974	6,711
Southeast Weed & Seed Safe Haven Programming	16 542	Montgomery County Sunrise Center		5,000
Wright State University Police Department Taser Project	16.738	Ohio Governor's Office of Criminal Justice Services	2009-JG-LLE-5338	5,933
Total U.S. Department of Justice				75,713
U.S. Office of Personnel Management, Subcontract -				
USAF Security Professional Certification Program	27 001	Global Skills Exchange, Inc.		196,988
Social Security Administration, Prime -				
ARRA - Authorized Release of Med Info through Integration with Nationwide Health Info	96 021			48 948
Other Federal Agencies, Subcontract -				
Great Cities Great Service Consortium	94 005	Otterbein College		5,237
Projects for a Stronger Community: Additional Projects	94 005	Otterbein College		4,970
WSU Student Philanthropy Project	94 005	Ohio Campus Compact		450
Total Other Federal Agencies				10,657
TOTAL EXPENDITURES OF FEDERAL AWARDS				**$ 219,554,554**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

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, 2010.

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

- Direct federal awards
- Federal Family Education Loans and Federal Direct Student Loans processed by the University
- Outstanding Balances of federal loan programs administered by the University
- 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 AND FEDERAL DIRECT STUDENT LOANS

Wright State University participated in the Federal Family Education Loans (Federal CFDA Number 84.032) during the year ended June 30, 2010. In addition, the University switched to the Federal Direct Student Loan program (Federal CFDA Number 84.268) and in May 2010 began to process these loans. The University is responsible only for the performance of certain administrative duties with respect to both the Federal Family Education Loan and Federal Direct Student Loan programs.

C. FEDERAL LOAN PROGRAMS

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

	CFDA Number	Disbursements
Loans to Disadvantaged Students	93.342	$ 192,190
Nursing Student Loan Program	93.364	160,296
Primary Care Loan Program	93.342	117,573

D. Subrecipients

Of the federal expenditures presented in the Schedule, the University provided federal awards to subrecipients as follows:

Subrecipient Name	CFDA No.	Program Title		Expenditures
Air Force Institute of Technology (AFIT)	47.076	In the Footsteps of Katharine Wright: Promoting STEM	$	26,958
Air Force Institute of Technology (AFIT)	81.049	Performance Enhancement of Second Generation Coated		(198)
Air Force Institute of Technology (AFIT)				**26,760**
California Baptist University	47.076	A National Model for Engineering Mathematics Education		(661)
California Baptist University				**(661)**
California State University, Long Beach	47.076	A National Model for Engineering Mathematics Education		54,603
California State University, Long Beach				**54,603**
Center for Alcoholism & Drug Addiction	93.243	Healthy Brothers - Healthy Sisters		11,423
Center for Alcoholism & Drug Addiction		The Mount Olive One-Stop Center		3,766
Center for Alcoholism & Drug Addiction Services				**15,189**
Central State University	47.076	In the Footsteps of Katharine Wright: Promoting STEM		37,572
Central State University				**37,572**
CSD of Ohio, Inc	93.243	Deaf Off Drugs and Alcohol e-Therapy		100,265
CSD of Ohio, Inc				**100,265**
daytaOhio	12.800	Collaborative Research on Multisensory Interaction		57,100
daytaOhio				**57,100**
Dayton Urban League	93.243	The Mount Olive One-Stop Center		30,000
Dayton Urban League				**30,000**
Dayton/Miami Valley Entrepreneurs Center	59.037	Small Business Development Center FY10-SBA		24,000
Dayton/Miami Valley Entrepreneurs Center Inc				**24,000**
Deaf Community Resource Center, Inc	93.243	Deaf Off Drugs and Alcohol e-Therapy		16,178
Deaf Community Resource Center, Inc				**16,178**
Emory University	93.853	Functional Assemblies of Motor Units		50,937
Emory University		Loss of Muscle Excitability in Acute Quadriplegic Myopathy		40,723
Emory University		Synaptic Function: Effects of the Nerve, Injury, Repair		25,857
Emory University				**117,517**
EMTEC	59.037	Small Business Development Center FY09-SBA		4,554
EMTEC		Small Business Development Center FY10-SBA		1,000
EMTEC				**5,554**
Georgia Tech Research Corporation	93.853	Functional Assemblies of Motor Units		5,900
Georgia Tech Research Corporation				**5,900**
Interpreters of the Deaf, LLC	93.243	Deaf Off Drugs and Alcohol e-Therapy		101,795
Interpreters of the Deaf, LLC				**101,795**
Kenyon College	47.074	RUI: The Paradox of Cellular Ca Homeostasis		13,272
Kenyon College				**13,272**
Maryhaven Inc.	93.701	ARRA - Comparing Acute and Continuous Drug Abuse		116,515
Maryhaven Inc.				**116,515**
McGill University	47.074	Collaborative Research: High-Productivity/Low-Nutrient Eco		1,842
McGill University				**1,842**
Miami University	84.366	Implementing Lesson Study and Measuring Its Impact		4,998
Miami University	93.121	Genetic Architecture of the Human Dentognathic Complex		57,269
Miami University				**62,267**
Middendorf Scientific Services Inc	12.800	Collaborative Research on Multisensory Interaction		25,235
Middendorf Scientific Services Inc				**25,235**
Mini University Inc.	84.335	Child Care Subsidy and Promoting Positive Relationships		(77,563)
Mini University Inc.				**(77,563)**

D. Subrecipients (Continued)

Subrecipient Name	CFDA No.	Program Title	Expenditures
Missouri Univ of Science and Technology	12.431	Multimodal Image-Based State Assessment	35,944
Missouri Univ of Science and Tech			**35,944**
Ohio SBDC at Edison State	59.037	Small Business Development Center FY09-SBA	28,471
Ohio SBDC at Edison State		Small Business Development Center FY10-SBA	22,272
Ohio SBDC at Edison State			**50,743**
Ohio SBDC at The Entrepeneurs Ctr	59.037	Small Business Development Center FY09-SBA	22,500
Ohio SBDC at The Entrepeneurs Ctr			**22,500**
Oklahoma Christian University	47.076	A National Model for Engineering Mathematics Education	21,139
Oklahoma Christian University			**21,139**
Oklahoma State University	47.076	A National Model for Engineering Mathematics Education	10,601
Oklahoma State University			**10,601**
Photon-X, Inc.	12.431	Multimodal Image-Based State Assessment	30,151
Photon-X, Inc.			**30,151**
Public Health Dayton and Mont. Cty	93.243	Healthy Brothers - Healthy Sisters	4,939
Public Health Dayton and Mont. Cty		The Community Health Initiative	20,905
Public Health Dayton and Mont. Cty		The Mount Olive One-Stop Center	2,663
Public Health Dayton and Mont. Cty	93.941	Sisters of Solidarity (SOS)	30,964
Public Health Dayton and Mont. Cty			**59,471**
Rehabilitation Institute of Chicago	84.133	RRTC on Substance Abuse, Disability, and Employment	65,975
Rehabilitation Institute of Chicago			**65,975**
San Antonio College	47.076	A National Model for Engineering Mathematics Education	12,854
San Antonio College			**12,854**
Sinclair Community College	47.076	RDE-RAD: Collaborative Research: OSAA	6,486
Sinclair Community College		STEP: Gateway into First-year STEM Curricula	48,910
Sinclair Community College			**55,396**
Southern Illinois University	12.800	A Molecular Modeling Approach to Predicting	16,445
Southern Illinois University			**16,445**
Southwest Foundation for Biomed. Rsrch	93.121	Genetic Architecture of the Human Dentognathic Complex	180,639
Southwest Foundation for Biomed. Rsrch	93.846	Genetic Analysis of Osteoporosis Risk Factors	112,542
Southwest Foundation for Biomed. Rsrch	93.848	Genetic Regulation of Adiposity and Associated CVD Risks	24,256
Southwest Foundation for Biomed. Rsrc			**317,437**
Springfield SBDC Inc	59.037	Small Business Development Center FY09-SBA	49,968
Springfield SBDC Inc		Small Business Development Center FY10-SBA	31,380
Springfield SBDC Inc			**81,348**
Stanford University	93.837	Semantics and Services Enabled Problem Solving Environ.	131,014
Stanford University			**131,014**
Texas A&M University	47.076	A National Model for Engineering Mathematics Education	30,409
Texas A&M University			**30,409**
The Ohio State University	47.076	STEP: Gateway into First-year STEM Curricula	1,355
The Ohio State University	84.133	RRTC on Substance Abuse, Disability, and Employment	15,318
The Ohio State University	93.958	CCOE Dual Diagnosis MIMR	32,927
The Ohio State University			**49,600**
The University of Texas at El Paso	47.076	A National Model for Engineering Mathematics Education	26,048
The University of Texas at El Paso			**26,048**
The University of Texas at San Antonio	47.076	A National Model for Engineering Mathematics Education	20,507
The University of Texas at San Antonio			**20,507**
Trustees of Dartmouth College	84.133	RRTC on Substance Abuse, Disability, and Employment	4,448
Trustees of Dartmouth College			**4,448**
University Medical Services Assoc.	84.133	RRTC on Substance Abuse, Disability, and Employment	4,695
University Medical Services Assoc.			**4,695**

D. Subrecipients (Continued)

Subrecipient Name	CFDA No.	Program Title	Expenditures
University of Alaska Fairbanks	47.074	Genetic Drift Versus Genetic Draft in Holarctic Ducks	18,105
University of Alaska Fairbanks			**18,105**
University of Arkansas	93.701	ARRA - Comparing Acute and Continuous Drug Abuse	12,668
University of Arkansas			**12,668**
University of Cincinnati	47.076	A National Model for Engineering Mathematics Education	37,972
University of Cincinnati			**37,972**
University of Dayton	47.074	RUI: Aquaporins and Osmoreg in Freeze-Tolerant Amphib	324
University of Dayton	47.076	In the Footsteps of Katharine Wright: Promoting STEM	91,250
University of Dayton			**91,574**
University of Georgia	93.837	Semantics and Services Enabled Problem Solving Environ.	107,830
University of Georgia			**107,830**
University of Maryland	47.076	A National Model for Engineering Mathematics Education	9,276
University of Maryland			**9,276**
University of Minnesota	93.848	Visceral Adiposity: Genetic and Environmental Influences	4,369
University of Minnesota			**4,369**
University of San Diego	47.076	A National Model for Engineering Mathematics Education	20,383
University of San Diego			**20,383**
University of South Florida	93.838	Intracellular pH Responses of Central Chemoreceptors	89,211
University of South Florida			**89,211**
University of Toledo	47.076	A National Model for Engineering Mathematics Education	41,665
University of Toledo			**41,665**
University of Tulsa	47.076	A National Model for Engineering Mathematics Education	54,011
University of Tulsa			**54,011**
Washington State University	47.076	A National Model for Engineering Mathematics Education	34,009
Washington State University			**34,009**
Western Michigan University	47.076	A National Model for Engineering Mathematics Education	24,990
Western Michigan University			**24,990**
Wright State Physicians	93.243	Healthy Brothers - Healthy Sisters	7,902
Wright State Physicians			**7,902**
Grand Total			**$ 2,334,030**

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Crowe Horwath LLP
Independent Member Crowe Horwath International

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited the financial statements of Wright State University as of and for the year ended June 30, 2010, and have issued our report thereon dated the same date as this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected on a timely basis.

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

Compliance and Other Matters

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

(Continued)

We noted certain matters that we reported to management of Wright State University in a separate letter dated October 15, 2010.

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

Crowe Horwath LLP

Crowe Horwath LLP

Columbus, Ohio
October 15, 2010

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of Wright State University (the "University") with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the University's major programs for the year ended June 30, 2010. 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 its major federal programs are the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 of the University's compliance with those requirements.

In our opinion, the University complied, in all material respects, with the requirements referred to above that have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the University's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

(Continued)

Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance*, is a deficiency, or combination of deficiencies, internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of finding and questioned costs as item 2010-01. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

We noted certain other matters that we have reported to management in a separate letter dated October 15, 2010.

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

Crowe Horwath LLP

Crowe Horwath LLP

Columbus, Ohio
October 15, 2010

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified	
Internal control over financial reporting:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes	X None Reported
Noncompliance material to financial statements noted?	____ Yes	X No

Federal Awards

Internal Control over major programs:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiencies identified not considered to be material weaknesses?	X Yes	____ None Reported
Type of auditor's report issued on compliance for major programs:		Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?	X Yes	____ No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
	Research and Development Cluster
84.394 – ARRA	State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act (Education Stabilization Fund)
	Student Financial Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B programs:		$1,423,869
Auditee qualified as low-risk auditee?	X Yes	____ No

(Continued)

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings

FINDING 2010-01

Federal program information:	Student Financial Assistance Cluster
Criteria:	34 CFR 668.22 - Treatment of Title IV funds when a student withdraws.
Condition:	In our testing sample of 60 withdrawals, we noted that the University did not appropriately prepare one return of Title IV funds calculation.
Cause:	The University did not use the correct date in preparation of the return of Title IV funds calculation.
Questioned costs:	None.
Recommendation:	We recommend that management re-evaluate their current processes and procedures to ensure that the proper withdraw dates are properly included in the calculations. In addition, we recommend that the Title IV funds calculation be reviewed to ensure appropriate adjustments are made.
Management's response:	The University concurs with the Finding.
Corrective actions taken or to be taken:	The Office of Financial Aid has updated its procedures to involve more individuals in the return of funds calculations. In addition, an additional review process of the calculations has been created and more training provided for all individuals involved in the process. The use of the incorrect withdrawal date did not result in any calculation or remittance errors.

(Continued)

Section IV - Prior Year Findings and Questioned Costs

FINDING 09-01

Federal program information:	CFDA No. 93.243: Substance Abuse and Mental Health Services-Projects of Regional and National Significance (B)
Criteria:	The grant award documents indicate that Financial Status Report, Standard Form 269 (FSR 269) is due within 90 days after expiration of the budget period and 90 days after the expiration of the project period.
Condition:	The major program consists of seven grants from Department of Health and Human Services, Substance Abuse and Mental Health Services Administration (SAMHSA). For the budget period expired on September 28, 2008, the University did not file, on a timely basis, the required FSR 269 report for two of the seven grants under the major program.
Status:	Resolved.

Wright State University

Changing Lives

Office of the Controller

3640 Colonel Glenn Hwy.

Dayton, OH 45435

www.wright.edu/controller

WRIGHT STATE UNIVERSITY
INTERCOLLEGIATE ATHLETICS DEPARTMENT

Report of Independent Accountants on
Applying Agreed-Upon Procedures
June 30, 2010

WRIGHT STATE UNIVERSITY
INTERCOLLEGIATE ATHLETICS DEPARTMENT
Dayton, Ohio

AGREED UPON PROCEDURES
REQUIRED BY THE NCAA
June 30, 2010

CONTENTS

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

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

We have performed the procedures enumerated below, which were agreed to by management of Wright State University (the "University"), solely to assist the University in evaluating whether the accompanying Statement of Revenues and Expenses of the University is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 6.2.3.1 for the year ended June 30, 2010. Management of the University is responsible for the Statement of Revenues and Expenses (the "Statement") and the Statement's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accounts. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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

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

<u>Procedures Related to the Accounting Records</u>

1. We obtained the Statement of Revenues and Expenses (the "Statement") of the Intercollegiate Athletics Department (the "Athletics Department") for the year ended June 30, 2010, as prepared by management and as shown on page 5. Additionally, we obtained the supporting worksheets, recalculated totals, and agreed each of the revenue and expense amounts on the Statement to management's worksheets, noting no exceptions.

2. We agreed all amounts on management's worksheets to the University's June 30, 2010 general ledger, noting no exceptions.

3. We compared revenues and expenses appearing on the Statement to budgeted amounts and prior year amounts and obtained explanations for all variances greater than $50,000 and 10 percent. All variances were explained by management. We have read the schedule and explanations provided by management at the Athletic Department and the University's Controller's Office of the 28 items that met the criteria.

4. We scanned the supporting schedules provided by the University and did not identify any contributions of cash, services or goods which were received directly by the University's Athletics Department and that constituted 10 percent or greater of all contributions received by the University's Athletics Department. We then haphazardly selected a sample of 10 contributions and agreed to check copies or other supporting documentation maintained by the University, noting no exceptions.

(Continued)

5. We haphazardly selected a sample of 10 operating revenue receipts and agreed the revenue receipts to check copies and/or other supporting documentation maintained by the University, noting no exceptions.

6. We haphazardly selected one home men’s basketball game and one home women’s basketball game and recalculated revenue totals related to tickets sold and agreed the ticket revenue to the general ledger, noting no exceptions. We recalculated totals of complimentary tickets and unsold tickets appearing on the ticket office sales reports, noting no exceptions.

7. We selected all away games including guarantees and haphazardly selected a sample of 5 home games and agreed all related revenues and expenditures to the signed agreements, settlement reports and other supporting documentation, and the Statement, noting no exceptions.

8. We agreed the Federal Work Study support recorded by the Athletics Department with federal appropriations and/or other supporting documentation, noting no exceptions.

9. We agreed the University’s direct support recorded by the Athletics Department to the University’s authorizations, noting no exceptions.

10. We obtained and inspected 10 agreements related to the University’s participation in revenues from tournaments during the year ended June 30, 2010 to gain an understanding of the relevant terms and conditions. We agreed the related tournament revenues to the check copies as well as to the general ledger and Statement, noting no exceptions.

11. We obtained and inspected the agreements related to the University’s participation in revenues from advertisements and sponsorships. We haphazardly selected 10 revenue transactions and agreed them to the check copies, where applicable, as well as the total to the Statement, noting no exceptions.

12. There was no information provided by the University to perform the agreed-upon procedures on sports camp contracts between the University and external parties. Management indicated all sports camps are conducted by the coaches employed by the University. We haphazardly selected 10 sports-camp participant cash receipts and agreed the revenue to check copies, noting no exceptions.

13. We haphazardly selected 10 sports-camp expenses and agreed the expense to the supporting documentation (for example, invoices) and agreed that the expense was for camp related activity, noting no exceptions.

14. We haphazardly selected a sample of 10 student athletes who received institutional financial aid during the fiscal year ended June 30, 2010 and agreed the award amount per the student’s account detail to the related award letter, noting no exceptions.

15. We obtained a listing of coaches employed by the University. We haphazardly selected coaches for men’s and women’s basketball and a selection of five other coaches and obtained the related contracts. We agreed the financial terms and conditions to the related coaches’ salaries, benefits and bonuses to the amounts recorded by the University in the Statement, noting no exceptions.

16. We obtained the W-2’s for the coaches selected above and agreed amounts appearing in the W-2’s to the related expenses in the Statement. Because the W-2’s are for the year ended December 31, 2009, and the salaries and benefit expense per the Statement are for the fiscal year ended June 30, 2010, the total compensation per the W-2’s did not agree with the salaries and benefits expense per the Statement.

(Continued)

17. We obtained a listing of administrative employees of the Athletics Department and other third parties that are not included in the University's general ledger. We haphazardly selected 10 administrative employees of the Athletics Department and obtained the W-2's for the employees selected and agreed the amounts appearing in the W-2's to the related expenses in the Statement. Because the W-2's are for the year ended December 31, 2009, and the salaries and benefit expense per the Statement are for the fiscal year ended June 30, 2010, the total compensation per the W-2's did not agree with the salaries and benefits expense per the Statement.

18. We agreed the salaries, benefits and bonuses paid by the University for the administrative employees selected above to the related expense recorded by the University in the Statement noting no exceptions. Management indicated there were no other third party administrative employees.

19. We haphazardly selected a sample of 3 employees receiving severance payments during the reporting period and agreed the related expense recorded by the University to termination notices and payroll records, noting no exceptions.

20. We obtained copies of the University's recruiting and travel policies. We read the policies and agreed them to the NCAA policies, noting no inconsistencies.

21. We haphazardly selected a sample of 10 program sales, concessions, novelty sales and parking revenue transactions and agreed to supporting documentation maintained by the University, noting no exceptions.

22. We haphazardly selected a sample of 10 equipment, uniform and/or supplies expense transactions and agreed the expense transaction to supporting documentation maintained by the University, noting no exceptions.

23. We reviewed contracts for fundraising, marketing and promotional activities for the Athletics Department. We haphazardly selected a sample of 10 fundraising, marketing and/or promotion expense transactions and agreed them to supporting documentation, noting no exceptions.

24. We haphazardly selected a sample of 10 medical and medical insurance expense transactions and agreed them to supporting documentation, noting no exceptions.

25. We haphazardly selected a sample of 10 memberships and dues expense transactions and agreed them to supporting documentation, noting no exceptions.

26. We haphazardly selected a sample of 10 other operating expense transactions and agreed the expense to supporting documentation maintained by the University, noting no exceptions.

27. There was no information provided by the University to perform the agreed-upon procedures on student fees, compensation and benefits provided by a third-party, indirect facilities and administrative support, endowment or investment, coaches employed by third parties, or participation in revenues from broadcast, television, radio and internet rights. Management indicated there were no such transactions during the reporting period.

28. For the remaining operating expense category reported in the Statement and not individually listed above, we haphazardly selected a sample of 10 transactions from the supporting schedules provided by the University and agreed to related supporting documentation, noting no exceptions.

(Continued)

Procedures Related to the Internal Accounting Controls

29. We obtained an understanding of the University's procedures for gathering information on the nature and extent of the affiliated and outside organization's activities for or on behalf of the University's intercollegiate athletic programs. We found that the University receives internal reports of the outside organization's activities on a monthly basis and an external audited report on an annual basis.

Procedures Related to the Wright State University Foundation

30. We obtained the list of outside programs and related financial activities for the year ended June 30, 2010, which is included on page 6 and 7 of this report.

31. We confirmed with the athletic business manager that the information referred to in step 30 above is a complete list of programs outside the University's financial reporting system, which conducted financial transactions for or on behalf of the University's intercollegiate athletic programs during the year ended June 30, 2010.

32. We confirmed directly with officers of the Foundation that the data to be contained in step 30 above represented a complete and accurate summary of all business transacted for or on behalf of the University's intercollegiate athletic programs during the year ended June 30, 2010.

Procedures Related to the Athletics Assets

33. We obtained a schedule of intercollegiate athletics capitalized assets, additions and improvements of facilities summarized by type.

34. We agreed the schedule to the institution's general ledger.

35. We identified one capitalized addition which was made by the University during the reporting period and that constituted 10 percent or greater of total capital additions by the University's Athletics Department. We agreed the capitalized addition to supporting documentation, noting no exceptions.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance of the accompanying statement of revenues and expenses of Wright State University intercollegiate athletics operations with the NCAA Bylaw 6.2.3.1. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Crowe Horwath LLP

Crowe Horwath LLP

Columbus, Ohio
December 15, 2010

Wright State University
Intercollegiate Athletics Department
Statement of Revenue and Expenses
For the Year Ended June 30, 2010 (Unaudited)

	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	Total
Revenues					
Ticket Sales	$ 284,037	$ 2,848	$ 6,208	$	$ 293,093
Guarantees	145,000	22,000	14,100		181,100
Contributions	163,559	3,366	101,561	212,853	481,339
Direct State/Other Governments Support		4,668		26,587	31,255
Direct Institutional Support	1,147,266	629,121	3,899,229	1,703,952	7,379,568
NCAA/Conference Distributions Including all Tournament Revenues		5,000		447,013	452,013
Program Sales, Concessions, Novelty Sales & Parking	6,515	70	61,573	161,061	229,219
Royalties, Licensing, Advertisements & Sponsorships	114,250	113,250		22,158	249,658
Sports Camp Revenues	31,719	20,289	29,710		81,718
Other			23,710	695	24,405
Total Operating Revenue	1,892,346	800,612	4,136,091	2,574,319	9,403,368
Expenses					
Athletics Student Aid	332,478	221,460	2,191,576	52,678	2,798,192
Guarantees	60,662	1,000	1,200		62,862
Coaching Salaries, Benefits & Bonuses Paid by the University & Related Entities	696,476	194,728	912,523		1,803,727
Support-Staff/Administrative Salaries, Benefits & Bonuses Paid by the University and Related Entities	141,552	90,942	23,667	1,734,000	1,990,161
Severance Payments	24,344	31,575		77,422	133,341
Recruiting	92,928	33,800	61,067		187,795
Team Travel	198,647	105,274	542,439		846,360
Equipment, Uniforms & Supplies	24,136	13,588	144,990	13,968	196,682
Game Expenses	59,708	23,828	55,649		139,185
Fundraising, Marketing & Promotion	91,477	12,415	15,209	83,349	202,450
Sport Camp Expenses	4,241	5,667	5,831		15,739
Direct Facilities, Maintenance & Rental	102,555	22,416	100,830	632,194	857,995
Spirit Groups	3,374	1,079	206	95,035	99,694
Medical Expenses and Medical Insurance	1,142	-	172	103,361	104,675
Membership and Dues	740	725	3,943	4,402	9,810
Other Operating Expenses	57,886	42,115	76,789	234,728	411,518
Total Operating Expenses	1,892,346	800,612	4,136,091	3,031,137	9,860,186
Excess (Deficiency) of Revenues over (under) Expenses	$ -	$ -	$ -	$ (456,818)	$ (456,818)

Wright State University
Intercollegiate Athletics Department
Statement of Revenue and Expenses
For the Year Ended June 30, 2010 (Unaudited)

Gift Accounts	**Beginning Fund Balance**	**Increase in Funds**	**Expenses for or on Behalf of Program**	**Transfers & Others**	**Ending Fund Balance**
Nischwitz Gregg Scholarship	$ 11,535	$	$ (11,534)	$ 9,850	$ 9,851
Athletics General Fund		81,119	(81,119)		
Volleyball		1,442	(754)		688
Heider James/Timothy Best Memorial Scholarship	461			420	881
Baseball		19,680	(14,680)		5,000
Basketball-Women's	2,180	1,186	(3,366)		
Basketball-Men's	10,000	73,578	(110,930)	37,352	10,000
Cross Country-Men's		300	(300)		
Soccer-Men's		1,650	(185)		1,465
Softball		1,485	(374)		1,111
Swimming-Women's		3,268	(1,100)		2,168
Swimming-Men's		3,373	(1,019)		2,354
Tennis-Women's	508	425	(933)		
Tennis-Men's	488	925	(1,413)		
Cheerleading		83	(83)		
Golf		50,878	(50,729)	(149)	
Women's Soccer		181	(181)		
Emerald Jazz		820	(820)		
Soccer Dugout	857				857
Wynkoop, Peggy L. Scholarship		205			205
Baseball Facility Project	60				60
Basketball-Premium Seats		105,830	(105,830)		
Cross Country-Women's		300	(300)		
Track Team-Women's		200	(200)		
Wright State University Pavilion	47				47
ADC Platinum Charter Fund		37,500	(148)	(37,352)	
Harden Dennis C. Memorial Athletic Scholarship				2,455	2,455
Coaches Corner-Men's Basketball		52,500	(52,481)		19
Graduate Assistant-Baseball	2,516		(17,860)		(15,344)
Training Table Meals		25,000	(25,000)		
	$ 28,652	$ 461,928	$ (481,339)	$ 12,576	$ 21,817
Endowment Income Accounts					
Nischwitz Gregg Scholarship	$ 147,740	$	$	$	$ 147,740
Heider James/Timothy Best Memorial Scholarship	2,758	300			3,058
Harden Dennis C. Memorial Athletic Scholarship	32,882				32,882
Indoor/Outdoor Practice Facility	720				720
Nischwitz Gregg Scholarship	7,073	30,313	(1,548)	(9,850)	25,988
Heider James/Timothy Best Memorial Scholarship	4,523	1,484	(76)	(420)	5,511
Harden Dennis C. Memorial Athletic Scholarship	(7,906)	4,890	(240)	(2,455)	(5,711)
	187,790	36,987	(1,864)	(12,725)	210,188
Total Wright State Foundation, Inc.	$ 216,442	$ 498,915	$ (483,203)	$ (149)	$ 232,005

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
FEBRUARY 15, 2011

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