

Wright State University
Foundation, Inc.
Financial Statements
June 30, 2006 and 2005

Wright State University Foundation, Inc.
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June 30, 2006 and 2005

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Report of Independent Auditors

To Audit Committee of the Board of Trustees
Wright State University Foundation:

In our opinion, the accompanying statements of financial position and the related statements of activities and cash flows present fairly, in all material respects, the financial position of Wright State University Foundation at June 30, 2006 and 2005, and the changes in net assets and cash flows for years then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

October 2, 2006
Dayton, Ohio

Wright State University Foundation, Inc.
Statements of Financial Position
June 30, 2006 and 2005

	2006	2005
Assets		
Cash and cash equivalents	\$ 294,258	\$ 2,246,678
Pledges receivable (net)	10,281,100	10,807,100
Gifts receivable from trusts held by others	1,315,500	1,547,800
Investment in securities	90,626,771	81,024,952
Other investments	158,414	163,833
Land held for development	650,000	650,000
Cash surrender value of life insurance policies	59,469	63,786
Annuity assets	1,243,024	594,365
Other assets	627,674	226,965
Total assets	\$ 105,256,210	\$ 97,325,479
Liabilities and Net Assets		
Liabilities		
Accounts payable		
Wright State University	\$ 454,158	\$ 1,288,630
Trade and other	36,719	25,992
Deposits held in custody for others	1,251,716	1,163,972
Annuities payable	664,600	319,900
Loan payable	900,000	1,000,000
Total liabilities	3,307,193	3,798,494
Net Assets		
Unrestricted		
Designated	1,272,735	1,203,435
Undesignated	1,796,195	948,940
Temporarily restricted	72,466,166	67,037,472
Permanently restricted	26,413,921	24,334,138
Total net assets	101,949,017	93,526,985
Total liabilities and net assets	\$ 105,256,210	\$ 97,325,479

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

Wright State University Foundation, Inc.
Statement of Activities
June 30, 2006

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Revenue and Other Support				
Gifts and contributions	\$ 76,833	\$ 4,324,101	\$ 889,803	\$ 5,290,737
Investment earnings				
Interest and dividends	673,730	3,836,289	-	4,510,019
Net realized and unrealized gains	367,500	2,748,467	-	3,115,967
Administrative fee charged to certain restricted accounts	662,415	(662,415)		-
Change in value of split interest agreements	(103,100)	19,900	(232,310)	(315,510)
Other income	36,580	(9,153)	5,751	33,178
Prior year gifts transferred from Wright State University	-	2,780,324	1,363,882	4,144,206
Net assets released from restrictions	7,556,162	(7,556,162)	-	-
Change in donor restrictions	-	(52,657)	52,657	-
Total revenue and other support	<u>9,270,120</u>	<u>5,428,694</u>	<u>2,079,783</u>	<u>16,778,597</u>
Expenses				
Program services				
Scholarships	1,711,966	-	-	1,711,966
University programs	5,055,359	-	-	5,055,359
Athletic programs	356,455	-	-	356,455
Research	550,275	-	-	550,275
Miscellaneous grants	45,031	-	-	45,031
Fund raising	326,470	-	-	326,470
Management and general	311,009	-	-	311,009
Total expenses	<u>8,356,565</u>	<u>-</u>	<u>-</u>	<u>8,356,565</u>
Changes in Net Assets	913,555	5,428,694	2,079,783	8,422,032
Net Assets				
Beginning of year	<u>2,155,375</u>	<u>67,037,472</u>	<u>24,334,138</u>	<u>93,526,985</u>
End of year	<u>\$ 3,068,930</u>	<u>\$ 72,466,166</u>	<u>\$ 26,413,921</u>	<u>\$ 101,949,017</u>

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

Wright State University Foundation, Inc.
Statement of Activities
June 30, 2005

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Revenue and Other Support				
Gifts and contributions	\$ 80,966	\$ 35,815,383	\$ 487,675	\$ 36,384,024
Investment earnings				
Interest and dividends	346,951	815,419	-	1,162,370
Net realized and unrealized gains	504,271	2,359,165	-	2,863,436
Administrative fee charged to certain restricted accounts	358,649	(358,649)	-	-
Change in value of split interest agreements	11,600	13,100	72,150	96,850
Other income	34,043	61,938	765,826	861,807
Net assets released from restrictions	5,047,818	(5,047,818)	-	-
Change in donor restrictions	(4,075)	(90,945)	95,020	-
Total revenue and other support	<u>6,380,223</u>	<u>33,567,593</u>	<u>1,420,671</u>	<u>41,368,487</u>
Expenses				
Program services				
Scholarships	1,596,851	-	-	1,596,851
University programs	2,508,238	-	-	2,508,238
Athletic programs	326,062	-	-	326,062
Research	735,051	-	-	735,051
Miscellaneous grants	53,425	-	-	53,425
Fund raising	358,563	-	-	358,563
Management and general	286,460	-	-	286,460
Total expenses	<u>5,864,650</u>	<u>-</u>	<u>-</u>	<u>5,864,650</u>
Changes in net assets	515,573	33,567,593	1,420,671	35,503,837
Net Assets				
Beginning of year	<u>1,639,802</u>	<u>33,469,879</u>	<u>22,913,467</u>	<u>58,023,148</u>
End of year	<u>\$ 2,155,375</u>	<u>\$ 67,037,472</u>	<u>\$ 24,334,138</u>	<u>\$ 93,526,985</u>

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

Wright State University Foundation, Inc.
Statement of Cash Flows
June 30, 2005

	2006	2005
Operating Activities		
Cash received from contributors	\$ 5,099,149	\$ 35,777,004
Less: Gifts and contributions received for permanently restricted accounts	(889,803)	(487,675)
Interest and dividends received	4,560,155	1,143,432
Deposits received for investment on behalf of others	-	29,919
Cash received from other revenue sources	21,165	835,738
Temporarily restricted gifts transferred from Wright State University	2,780,324	-
Cash paid to students, employees and suppliers	(9,130,440)	(5,343,787)
Interest paid	(49,870)	(34,696)
Custodial deposits returned	(10,000)	(15,000)
Net cash provided by operating activities	<u>2,380,680</u>	<u>31,904,935</u>
Investing Activities		
Cash paid for investments	(9,627,765)	(78,202,004)
Cash received from investments	3,140,980	46,677,132
Net cash used in investing activities	<u>(6,486,785)</u>	<u>(31,524,872)</u>
Financing Activities		
Gifts and contributions received for permanently restricted accounts	889,803	487,675
Permanently restricted gifts transferred from Wright State University	1,363,882	-
Payments on loan payable	(100,000)	(100,000)
Net cash provided by financing activities	<u>2,153,685</u>	<u>387,675</u>
(Decrease) increase in cash and equivalents	(1,952,420)	767,738
Cash and equivalents - Beginning of year	2,246,678	1,478,940
Cash and equivalents - End of year	<u>\$ 294,258</u>	<u>\$ 2,246,678</u>
Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities		
Change in net assets	\$ 8,422,032	\$ 35,503,837
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Net realized and unrealized gains	(3,115,967)	(2,863,436)
Gifts and contributions received for permanently restricted accounts	(889,803)	(487,675)
Permanently restricted prior year gifts transferred from Wright State University	(1,363,882)	-
Decrease (increase) in pledges receivable (net)	526,000	(611,100)
Decrease (increase) in gifts receivable from trusts held by others	232,300	(81,300)
Decrease (increase) in cash surrender value of life insurance policies	4,317	(2,280)
Increase in annuity assets	(648,659)	(18,991)
Increase in other assets	(394,357)	(72,587)
(Decrease) increase in accounts payable	(823,745)	429,434
Increase in deposits held in custody for others	87,744	99,233
Increase in annuities payable	344,700	9,800
Net cash provided by operating activities	<u>\$ 2,380,680</u>	<u>\$ 31,904,935</u>
Noncash transaction		
Miami Valley Venture Fund Return of Capital Receivable	\$ 6,352	\$ -

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

Wright State University Foundation, Inc.

Notes to the Financial Statements

June 30, 2006 and 2005

1. Organization and Operation

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

Governing direction is provided by a code of regulations most recently revised in May of 2006. Overall policy direction is provided by a board of 25 – 35 community leaders who serve as trustees of the Foundation. Trustees elect a chair and other officers from their number. The Foundation has no employees of its own, but several University employees provide staff support, including the University's vice president for university advancement who serves as president of the board (non-voting).

The 557-acre Wright State campus is located near Dayton, Ohio and was founded in 1964. Wright State is a four-year institution operating under the auspices of the State of Ohio's public university system. Financial statements for the University may be obtained from the Controllers Office, 301 University Hall, 3640 Colonel Glenn Highway, Dayton, Ohio 45435-0001.

2. Summary of Significant Accounting Policies

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

Cash and equivalents

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

Pledges Receivable

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

Gifts Receivable from Trusts Held by Others

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

Wright State University Foundation, Inc.
Notes to the Financial Statements
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Investment in Securities

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

Land Held for Development

Land owned by the Foundation consists primarily of lots adjacent to the University that are carried at historical cost.

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 gifts that have been designated as quasi-endowments 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.

Wright State University Foundation, Inc.
Notes to the Financial Statements
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Gifts and Contributions

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.

Investment Earnings

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

Net Assets Released from Restrictions

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.

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.

3. Business and Concentrations of Credit Risk

One donor accounted for 79% of total gifts and contributions for the year ended June 30, 2005. There were no individual donors that accounted for more than 10% of total gifts and contributions for the year ended June 30, 2006.

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

Investments are managed by 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.

Wright State University Foundation, Inc.
Notes to the Financial Statements
June 30, 2006 and 2005

4. Pledges Receivable

Pledges receivable at June 30, 2006 and 2005, by fund type, are as follows:

	2006			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Less than one year	\$ 33,213	\$ 2,461,360	\$ 1,061,620	\$ 3,556,193
One to five years	887	5,194,984	2,067,630	7,263,501
Gross pledges receivable	<u>34,100</u>	<u>7,656,344</u>	<u>3,129,250</u>	<u>10,819,694</u>
Present value discount	-	(409,044)	(113,550)	(522,594)
Allowance for uncollectible pledges	<u>(100)</u>	<u>(15,400)</u>	<u>(500)</u>	<u>(16,000)</u>
Pledges receivable (net)	<u>\$ 34,000</u>	<u>\$ 7,231,900</u>	<u>\$ 3,015,200</u>	<u>\$ 10,281,100</u>
	2005			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Less than one year	\$ 36,870	\$ 2,620,881	\$ 1,378,745	\$ 4,036,496
One to five years	<u>24,100</u>	<u>5,199,228</u>	<u>2,028,080</u>	<u>7,251,408</u>
Gross pledges receivable	60,970	7,820,109	3,406,825	11,287,904
Present value discount	(2,370)	(352,709)	(110,425)	(465,504)
Allowance for uncollectible pledges	<u>(200)</u>	<u>(14,800)</u>	<u>(300)</u>	<u>(15,300)</u>
Pledges receivable (net)	<u>\$ 58,400</u>	<u>\$ 7,452,600</u>	<u>\$ 3,296,100</u>	<u>\$ 10,807,100</u>

The fair value of pledges receivable was determined using discount rates applicable to the year in which the pledge was established. Rates ranged from 2.46% to 6.18%.

5. Gifts Receivable from Trusts Held by Others

The Foundation is a party to charitable gift trusts. Third party trustees maintain trust assets in irrevocable trusts for the benefit of the Foundation. The fair values of the trusts are estimated based upon the fair value of the assets contributed by the donor less the present value of the payment expected to be made to other beneficiaries. The present value is calculated using discount rates the year in which the trust was established, and range from 4.09% to 6.18%. The balances at June 30, 2006 and 2005, by fund type, are as follows:

	2006	2005
Unrestricted	\$ 141,400	\$ 244,500
Temporarily restricted	351,200	331,300
Permanently restricted	<u>822,900</u>	<u>972,000</u>
Totals	<u>\$ 1,315,500</u>	<u>\$ 1,547,800</u>

Wright State University Foundation, Inc.
Notes to the Financial Statements
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6. Investment in Securities

The cost and fair value of the Foundation's investments, at June 30, 2006 and 2005, are as follows:

	2006		2005	
	Cost	Fair Value	Cost	Fair Value
Mutual funds				
Equity	\$ 57,419,234	\$ 61,848,306	\$ 51,549,101	\$ 52,034,369
Fixed income	30,086,314	28,778,465	29,033,787	28,990,583
Totals	\$ 87,505,548	\$ 90,626,771	\$ 80,582,888	\$ 81,024,952

Net realized gains on sales of investments were \$2,681,645 and \$2,483,723 for the years ended June 30, 2006 and 2005, respectively. Calculation of net realized gains on sales of investments is based on original cost.

7. Other Assets

Other assets include payments receivable from the University's Lake Campus branch in the amount of \$271,704. This receivable amount represents payments on pledges made to the Lake Campus capital campaign that had not been transmitted to the Foundation as of June 30, 2006.

Also included in other assets are unrestricted funds set aside for a specific group of University students to invest in order to provide them experience in managing a "live" portfolio. The project is known as Raider Asset Management (RAM). As the funds are not under the direct control of the Foundation's investment management system, they have been separately classified from investments in securities. The balance at June 30, 2006 and 2005 was \$170,052 and \$158,039, respectively. Earnings generated from the project are included in other income. Total net returns for 2006 and 2005 amounted to \$12,013 and \$26,070, respectively.

8. Deposits Held in Custody for Others

Assets currently held by the Foundation in custody for others consist of resources deposited by the Western Ohio Education Foundation (WOEF), an educational Foundation that benefits the Lake Campus branch of Wright State University. As of June 30, 2006 and 2005, the balance of these deposits was \$1,251,716 and \$1,163,972, respectively.

9. Accounts Payable

Most of the Foundation's expenses are processed by the University Controller's Office. The Foundation reimburses the University monthly for those checks written on its behalf. At June 30, 2006 and 2005, the balance owed to the University was \$454,158 and \$1,288,630, respectively.

10. Loan Payable

The Foundation has a line-of-credit agreement with a bank that provides up to \$1.5 million of borrowings at the bank's prime rate or LIBOR, plus 0.75% (5.84% and 3.85% at June 30, 2006 and 2005, respectively). The line of credit expires December 31, 2009, with an option to extend. The line-of-credit is collateralized with a portion of the Foundation's investments. Outstanding

Wright State University Foundation, Inc.
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borrowings under the agreement totaled \$900,000 and \$1,000,000 at June 30, 2006 and 2005, respectively.

Borrowings under the line-of-credit were used to fund the \$1.5 million grant made in 1999 to the University for construction of the initial phase of a baseball stadium. The University has expressed intent to fundraise the total amount of the \$1.5 million grant and all associated costs (including interest and loan origination fees). The Foundation believes such a fundraising effort for this specific purpose may take 10 to 15 years. The Foundation may reduce the amount of its annual reimbursement to the University for administrative support in an amount equal to the annual fundraising shortfall. The annual fundraising shortfall is defined as the difference between the cumulative debt service payments incurred by the Foundation to finance the grant and the cumulative amount of funds raised by the University for the baseball stadium project.

11. Net Assets

Net assets, as June 30, 2006 and 2005, are available for the following purposes:

	2006			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Scholarships	\$ 483,557	\$ 16,460,512	\$ 10,827,894	\$ 27,771,963
University programs	-	53,181,016	15,246,698	68,427,714
Athletic programs	-	203,169	-	203,169
Research	-	2,570,607	339,329	2,909,936
Market stablization	789,178	-	-	789,178
Undesignated	1,796,195	50,862	-	1,847,057
Totals	<u>\$ 3,068,930</u>	<u>\$ 72,466,166</u>	<u>\$ 26,413,921</u>	<u>\$ 101,949,017</u>
	2005			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Scholarships	\$ 474,016	\$ 14,269,135	\$ 8,984,715	\$ 23,727,866
University programs	-	50,173,641	15,010,195	65,183,836
Athletic programs	-	253,562	-	253,562
Research	-	2,290,134	339,228	2,629,362
Market stablization	732,419	-	-	732,419
Undesignated	948,940	51,000	-	999,940
Totals	<u>\$ 2,155,375</u>	<u>\$ 67,037,472</u>	<u>\$ 24,334,138</u>	<u>\$ 93,526,985</u>

Wright State University Foundation, Inc.
Notes to the Financial Statements
June 30, 2006 and 2005

12. Functional Classification of Expenses

Total expenses, classified by both service areas and expense categories for the years ended June 30, 2006 and 2005, consist of the following:

Expense Category	2006							
	Program Services				Support Services			
	Scholarships	University Programs	Athletic Programs	Research	Miscellaneous Grants	Fund Raising	Management & General	Totals
Salaries and wages	\$ 35,163	\$ 1,265,572	\$ -	\$ 244,899	\$ -	\$ 178,576	\$ -	\$ 1,724,210
Employee benefits	399	290,563	-	57,362	-	31,921	-	380,245
Professional services	-	142,766	-	9,332	-	-	217,987	370,085
Supplies	1,556	146,566	17,550	117,698	178	4,978	425	288,951
Travel	9,749	298,854	104,614	5,320	7,330	17,918	10,498	454,283
Information and communications	15,289	168,941	85,590	33,894	36,724	92,827	6,103	439,368
Maintenance and repair	-	16,284	38,392	4,807	-	-	-	59,483
Student financial aid	1,653,868	81,351	-	8,698	-	-	-	1,743,917
Other	(4,058)	209,987	110,309	2,770	799	250	26,126	346,183
Capital outlay	-	2,434,475	-	65,495	-	-	-	2,499,970
Debt service	-	-	-	-	-	-	49,870	49,870
Totals	\$ 1,711,966	\$ 5,055,359	\$ 356,455	\$ 550,275	\$ 45,031	\$ 326,470	\$ 311,009	\$ 8,356,565

Expense Category	2005							
	Program Services				Support Services			
	Scholarships	University Programs	Athletic Programs	Research	Miscellaneous Grants	Fund Raising	Management & General	Totals
Salaries and wages	\$ 25,074	\$ 1,001,592	\$ -	\$ 381,857	\$ -	\$ 201,607	\$ -	\$ 1,610,130
Employee benefits	-	221,206	-	95,241	-	35,813	-	352,260
Professional services	76	257,634	33,614	2,165	1,500	-	217,911	512,900
Supplies	82	82,622	60,216	208,617	-	4,300	208	356,045
Travel	9,383	195,105	131,058	7,011	3,151	21,626	5,032	372,366
Information and communications	50,754	613,120	77,627	3,130	46,966	92,467	8,889	892,953
Maintenance and repair	-	3,761	-	21,770	-	-	-	25,531
Student financial aid	1,511,482	50,426	-	8,343	-	2,040	-	1,572,291
Other	-	5,188	23,547	246	1,808	710	19,724	51,223
Capital outlay	-	77,584	-	6,671	-	-	-	84,255
Debt service	-	-	-	-	-	-	34,696	34,696
Totals	\$ 1,596,851	\$ 2,508,238	\$ 326,062	\$ 735,051	\$ 53,425	\$ 358,563	\$ 286,460	\$ 5,864,650

Wright State University Foundation, Inc.
Notes to the Financial Statements
June 30, 2006 and 2005

13. Fund Raising Expenses

Fund raising expenses, for the years ended June 30, 2006 and 2005, consist of the following:

	2006	2005
Development operations support	\$ 130,725	\$ 143,694
Reimbursement for information services manager	53,660	78,475
In-college development officers	99,635	88,307
Capital campaign expense	42,450	48,087
	<u>326,470</u>	<u>358,563</u>
Totals	<u>\$ 326,470</u>	<u>\$ 358,563</u>

The Foundation partially supports the University's fund raising efforts by underwriting the costs of several of its development department functions including annual appeals, corporate and foundation relations, major donor cultivation and donor recognition events.

The salaries and benefits of development officers assigned to several of the University's colleges and schools are partially offset by the Foundation.

12. Management And General Expenses

Management and general expenses, for the years ended June 30, 2006 and 2005, consist of the following:

	2006	2005
Reimbursement for university staff support	\$ 198,130	\$ 175,304
Professional fees	19,857	42,607
Board/committee meetings	13,904	6,289
Loan interest	49,870	34,696
Change in reserve for uncollectible pledges	700	(5,200)
Other	28,548	32,764
	<u>311,009</u>	<u>286,460</u>
Totals	<u>\$ 311,009</u>	<u>\$ 286,460</u>

The Foundation has agreed to provide the University an annual allocation in the amount of 1% of certain assets as reimbursement for administrative staff support provided by various University employees. The amount of the reimbursement is subject to annual review and adjustment.