

WRIGHT STATE UNIVERSITY

**A COMPONENT UNIT OF THE STATE OF OHIO
GREENE COUNTY, OHIO**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2025



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

We have reviewed the *Independent Auditor's Report* of Wright State University, Greene County, prepared by Forvis Mazars, LLP, for the audit period July 1, 2024 through June 30, 2025. 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. Wright State University is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

March 23, 2026

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WRIGHT STATE UNIVERSITY

A Component Unit of the State of Ohio

ANNUAL REPORT AND SINGLE AUDIT REPORTS FOR FEDERAL AWARDS

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Independent Auditor's Report

Board of Trustees
Wright State University
Dayton, Ohio

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of Wright State University (University), collectively a component unit of the State of Ohio, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the University, as of June 30, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2025, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Forvis Mazars, LLP

Cincinnati, Ohio
October 15, 2025

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Wright State University

A Component Unit of the State of Ohio

Management's Discussion and Analysis

Fiscal Years Ended June 30, 2025 and 2024

The following discussion and analysis provide an overview of the financial position and activities of Wright State University (University) as of and for the years ended June 30, 2025 and 2024 with selected comparative information for the year ended June 30, 2023. The discussion contains highly summarized information and should be read in conjunction with the accompanying financial statements and footnotes, which follow this section.

Using the Annual Report

This annual report includes three financial statements: the Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position, and the Statements of Cash Flows. These financial statements were prepared by management in accordance with principles established by the Governmental Accounting Standards Board (GASB). In conformance with those principles, the Wright State University Foundation (the Foundation) has been determined to be a component unit of the University. The statements and selected notes for the Foundation are discretely (separately) presented with the University's financial statements. Management's Discussion and Analysis relates only to the University and not to the Foundation unless specifically noted.

The Statements of Net Position present the financial position of the University as of June 30th by reporting all assets, liabilities, deferred inflows of resources and deferred outflows of resources of the University. The University's net position is the residual after subtracting liabilities and deferred inflows of resources from the sum of assets and deferred outflows of resources. Net position is one indicator of the overall financial condition of the University.

The Statements of Revenues, Expenses and Changes in Net Position present the total revenues earned and expenses incurred by the University during the fiscal year, along with the increase or decrease in net position. These statements depict the University's revenue streams, along with the categories of expenses supported by that revenue. Changes in net position are an indication of the change in the University's overall financial condition.

The Statements of Cash Flows present detailed information about cash inflows and cash outflows during the fiscal year. The statements report the major sources and uses of cash and is useful in the assessment of the University's ability to meet cash obligations when due.

Financial Highlights for Fiscal Year Ended June 30, 2025

- The fiscal health of Ohio's public colleges and universities is monitored through a Senate Bill 6 (SB6) composite score, which is calculated using a standardized methodology applied to year-end audited financial statements. The Ohio Department of Higher Education (ODHE) publishes these scores annually. Composite scores range from 0 to 5.0, with institutions scoring 1.75 or below for two consecutive years subject to fiscal watch. In April 2025, ODHE released the University's SB6 score of 5.0 for fiscal year 2024.
- The University's net position improved \$41.8 million during fiscal year 2025. Of that amount, \$27.3 million is attributable to improvements in operations and \$14.5 million is attributable to the effects of GASB 68 & 75, pension and other postemployment benefits (OPEB).
- Overall operating revenues increased 7.4% or \$12.9 million in 2025 vs. 2024. Tuition and fee revenue (net) increased \$5.8 million, consistent with an increase in overall headcount.

- Operating expenses increased \$16.2 million in 2025 over 2024. Spend across the University increased \$13.3 million, net of an increase of \$2.9 million attributable to pension and OPEB adjustments. Results are a decrease in overall operating performance of \$3.3 million in 2025 vs. 2024.

Financial Highlights for Fiscal Year Ended June 30, 2024

- On July 1, 2023, the University adopted new accounting standard GASB No. 101, *Compensated Absences*. Beginning net position was decreased by \$2.965 million reflecting the impact upon adoption.
- As prescribed by NACUBO Advisory AR 2023-01, the University used Method A for purposes of calculating the scholarship allowance, a change from the Alternate Method for prior years. Data included herein, from Fiscal Year 2023, has not been restated for this change because 2023 financial statements are not presented in the basic financial statements.
- Each public university in Ohio is evaluated by the Ohio Department of Higher Education (ODHE) with regard to their financial strength and health with a calculated Senate Bill 6 (SB6) composite score. The lowest composite score is 0 and a university with a composite score equal to or lower than 1.75 for two consecutive fiscal years would be placed on fiscal watch. The highest attainable composite score is 5.0. In April 2024, the ODHE shared the University's Senate Bill 6 (SB6) score of 5.0 for fiscal year 2023.
- The University's net position improved \$39.3 million during fiscal year 2024. Of that amount, \$21.8 million is attributable to improvements in operations and \$17.5 million is attributable to the effects of GASB 68 & 75, pension and other postemployment benefits (OPEB).
- Overall operating revenues increased 10.3% or \$16.4 million in 2024 vs. 2023. Tuition and fee revenue (net) increased \$7.5 million, reflecting an increase in overall headcount.
- Operating expenses increased \$11.6 million in 2024 over 2023. Spend across the University increased \$15.8 million, offset by a decrease of \$4.2 million attributable to pension and OPEB adjustments. Results are an increase in overall operating performance of \$4.8 million in 2024 vs. 2023.

Statement of Net Position

A summary of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30 is as follows:

	2025	2024	2023
	(All dollar amounts in thousands)		
Current assets	\$ 141,461	\$ 145,909	\$ 126,914
Noncurrent assets:			
Capital assets, net	300,496	307,794	313,395
Lease assets, net	3,861	4,111	8,283
Subscription assets, net	4,390	3,871	5,246
Other	130,881	90,150	83,390
Deferred outflows of resources	27,750	34,805	49,085
Total assets and deferred outflows	<u>608,839</u>	<u>586,640</u>	<u>586,313</u>
Current liabilities	74,637	68,812	60,476
Noncurrent liabilities	158,773	178,037	217,009
Deferred inflows of resources	29,094	35,229	40,579
Total liabilities and deferred inflows	<u>262,504</u>	<u>282,078</u>	<u>318,064</u>
Net position:			
Net investment in capital assets	266,061	268,218	267,445
Restricted	15,605	12,843	15,131
Unrestricted (deficit)	64,669	23,501	(14,328)
Total net position	<u>\$ 346,335</u>	<u>\$ 304,562</u>	<u>\$ 268,249</u>

Assets and Deferred Outflows of Resources

Current assets, comprised primarily of cash and cash equivalents, short-term investments, student and sponsor receivables, prepaid expenses, and advanced charges decreased \$4.4 million in 2025, which is primarily the result of decreases in cash and cash equivalents of \$3.6 million, short-term investments of \$2.1 million, prepaid expenses of \$0.1 million, and loans receivable of \$0.3 million offset by an increase in accounts receivable of \$1.3 million and advanced charges of \$0.4 million. In 2024, current assets increased \$19.0 million, which is primarily the result of increases in cash and cash equivalents of \$20.2 million, accounts receivable of \$0.5 million, and prepaid expenses of \$0.1 million offset by a decrease in short-term investments of \$0.5 million, loans receivable of \$0.3 million and advanced charges of \$1.0 million.

Capital assets, net of depreciation decreased \$7.3 million in 2025 to \$300.5 million. Additions of \$10.6 million were offset by \$17.8 million in depreciation, less net retirements of \$0.1 million. In 2024, capital assets decreased \$5.6 million to \$307.8 million. Additions in 2024 included \$1.4 million of land improvements and infrastructure projects and \$8.4 million of building and leasehold improvements. Routine moveable equipment and library acquisitions were also made during both years.

Lease assets, net of amortization decreased \$0.3 million in 2025 to \$3.8 million due to the amortization of lease assets in the amount of \$0.7 million, offset by additions of \$0.4 million. In 2024, lease assets decreased \$4.2 million to \$4.1 million.

Subscription assets, net of amortization increased \$0.5 million in 2025 to \$4.4 million due to additions of \$3.2 million, offset by \$2.7 million in amortization. In 2024, subscription assets, net of amortization totaled \$3.9 million. 2024 included \$1.3 million in additions and amortization of \$2.7 million.

Other noncurrent assets are comprised of long-term investments, noncurrent student loans receivable, other assets, and other postemployment benefit assets. Other noncurrent assets increased \$40.7 million in 2025 due to increases in other long-term investments of \$37.4 million, net other postemployment benefits

asset of \$2.8 million and other assets of \$0.8 million, offset by a \$0.3 million decrease in loans receivable. In 2024, other noncurrent assets increased \$6.8 million due to increases in other long-term investments of \$8.8 million and other assets of \$0.4 million, offset by a \$1.8 million decrease in net other postemployment benefits asset and a \$0.6 million decrease in loans receivable

Deferred outflows of resources represent consumption of resources that do not require a further exchange of goods and services and is applicable to a future reporting period. For 2025, deferred outflows decreased \$7.0 million driven by the change in pension and OPEB related balances from \$34.8 million to \$27.8 million. In 2024 deferred outflows decreased \$14.3 million driven by the change in pension and OPEB related balances from \$49.1 million to \$34.8 million.

Total assets and deferred outflows of resources increased \$22.2 million in 2025 as compared to an increase of \$0.3 million in 2024.

Liabilities and Deferred Inflow of Resources

Current liabilities are comprised of accounts payable, accrued and other liabilities, unearned revenues from both student fees and advance payments for contracts and grants, refunds, and the current portion of noncurrent liabilities. Current liabilities increased \$5.8 million in 2025 to \$74.6 million. Increases included \$5.3 million in unearned revenue, \$0.3 million current portion of noncurrent liabilities, \$1.0 million in accounts payable trade and other, offset by a decrease of \$0.7 million in accrued liabilities.

In 2024, these balances increased \$8.3 million in 2024 to \$68.8 million. Increases included \$5.5 million in unearned revenue, \$0.5 million current portion of noncurrent liabilities, \$0.7 million in accrued liabilities, \$1.1 million in accounts payable trade and other, and \$0.5 million in refunds and other liabilities.

Noncurrent liabilities are comprised of unearned revenue, net pension liability, refundable advances for Federal Perkins loans, noncurrent portion of leases, and other noncurrent liabilities including compensated absences and the noncurrent portion of University debt. Noncurrent liabilities decreased by \$19.3 million in 2025 compared to 2024. This is driven largely by a decrease of \$11.9 million in pension liability and \$0.3 million in refundable advances for Federal Perkins loans. The decrease in the pension liability was primarily due to investment performance with the Ohio Public Employees Retirement System (OPERS) and State Teachers Retirement System of Ohio (STRS) plans. The decline in other noncurrent liabilities includes \$6.3 million in bonds and notes payable, \$0.3 million in compensated absences and \$0.3 million in lease obligations, offset by an increase of \$0.4 million in subscription obligations.

In 2024, these balances decreased by \$39 million to \$178 million at June 30, 2024. This decrease was primarily attributable to a decrease of \$26.7 million in pension liabilities due to investment performance with the Ohio Public Employees Retirement System (OPERS) and State Teachers Retirement System of Ohio (STRS) plans. The decline in other noncurrent liabilities includes \$6.3 million in bonds and notes payable, \$1.2 million in subscription obligations, and \$4.2 million in lease obligations, offset by an increase of \$1.2 million in compensated absences.

Deferred inflows of resources represent an acquisition of resources that does not require a further exchange of goods and services and is applicable to a future reporting period. In 2025, deferred inflows for pensions decreased \$4.4 million, OPEB contributed a \$2.4 million decrease, and bond refunding decreased \$0.2 million, offset by an increase of \$0.9 million of lease related deferred inflows of resources.

In 2024, the deferred inflows of resources related to pension decreased \$1.7 million from \$27.5 million at June 30, 2023 to \$25.8 million at June 30, 2024. OPEB changes resulted in a \$3.6 million decrease to deferred inflows.

Net Position

Net position represents the remaining balance of the University's assets after adding deferred outflows of resources and deducting liabilities and deferred inflows of resources. The University's net position improved \$41.8 million in 2025 over 2024. The improvement during the year is attributed to \$27.3 million in operational improvements and \$14.5 million to pension and OPEB adjustments.

The University's net position improved \$39.3 million in 2024 over 2023, with \$21.8 million in operational improvements and \$17.5 million from pension and OPEB adjustments.

A more detailed summary of the University's net position as of June 30 is as follows:

	2025	2024	2023
	(All dollar amounts in thousands)		
Net investment in capital assets	\$ 266,061	\$ 268,218	\$ 267,445
Restricted expendable	15,605	12,843	15,131
Unrestricted:			
Designated	(23,411)	(50,345)	(80,906)
Undesignated	88,080	73,846	66,579
Total net position	<u>\$ 346,335</u>	<u>\$ 304,562</u>	<u>\$ 268,249</u>

Net investment in capital assets represents the University's capital, lease, and subscription assets after subtracting accumulated depreciation and amortization, and lease and subscription liabilities and the principal amount of outstanding debt attributable to the acquisition, construction or improvement of those assets. The decrease of \$2.2 million in 2025 occurred across all asset categories, except land as depreciation expense nearly outpaced capital improvements. In 2024, net investment in capital assets increased \$0.8 million.

Restricted expendable net position represents funds externally restricted to specific purposes, such as student loans or sponsored projects. The majority of the restricted expendable balance, excluding the OPEB assets, represents funds restricted for student loans. The increase of \$2.8 million in 2025 is the result of a \$2.8 million increase in other postemployment benefits. The decrease of \$2.3 million in 2024 is the result of a decrease of \$1.8 million in other postemployment benefits, and a decrease of \$0.5 million in student loan funds.

Unrestricted net position represents the portion of net position that is not subject to external restrictions. The University may designate these funds internally for various academic, research, student aid, and capital purposes. Unrestricted net position increased \$41.2 million in 2025 over 2024 and increased \$37.8 million in 2024 vs. 2023.

GASB Nos. 68 and 75 have had a significant effect on the University's unrestricted net position. The cumulative impact of the implementation of the pension and OPEB standards is (\$120.2) million and (\$131.9) million for 2025 and 2024, respectively, as presented in the following table:

	2025	2024	2023
	(All dollar amounts in thousands)		
Unrestricted net position			
Balance before reporting for pensions & OPEB	\$ 184,613	\$ 155,400	\$ 136,817
Impact of implementation of pension & OPEB standards			
Deferred outflows of resources - pensions & OPEB	27,750	34,805	49,085
Net pension and OPEB liability	(121,364)	(133,322)	(161,508)
Deferred inflows of resources - pensions & OPEB	(26,550)	(33,382)	(38,722)
Net impact of implementation of pension & OPEB	<u>(120,164)</u>	<u>(131,899)</u>	<u>(151,145)</u>
Total unrestricted net position	<u>\$ 64,449</u>	<u>\$ 23,501</u>	<u>\$ (14,328)</u>

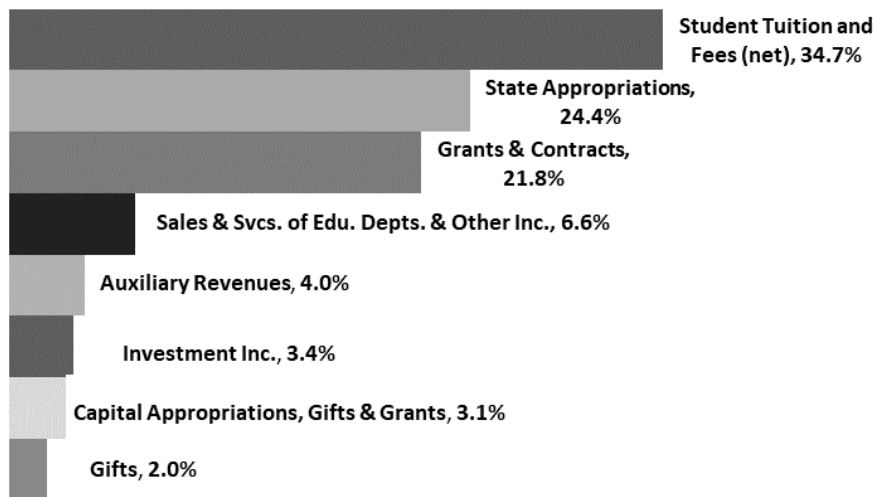
Additionally, the cumulative impact of the OPEB standards has resulted in \$11.9 million and \$9.2 million of other postemployment benefits assets, which is reflected in the University's restricted net position, for 2025 and 2024, respectively.

Statements of Revenues, Expenses and Changes in Net Position

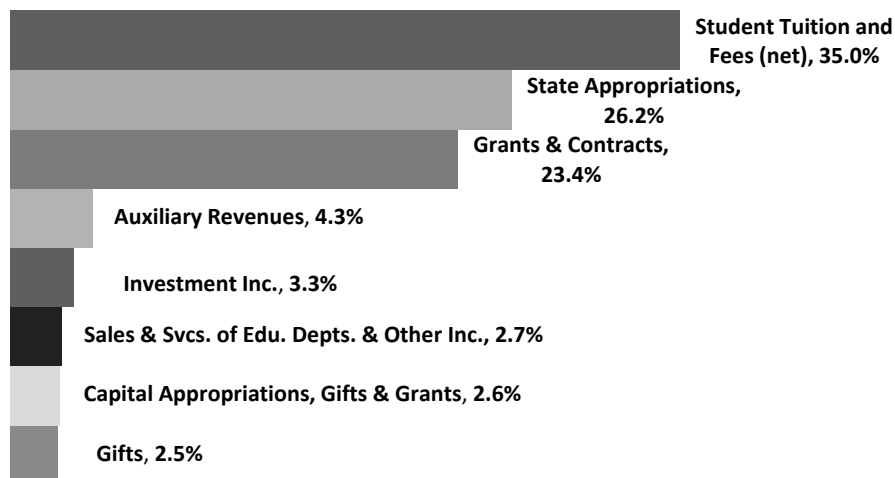
The Statement of Revenues, Expenses and Changes in Net Position presents the results of operations for the University. A summary of the University's revenues, expenses and changes in net position for the years ended June 30 is as follows:

	2025	2024	2023
	(All dollar amounts in thousands)		
Operating revenues:			
Student tuition & fees - net	\$ 111,743	\$ 105,946	\$ 98,482
Grants and contracts	42,709	48,611	47,442
Sales and services	3,775	4,047	3,972
Auxiliary enterprises	12,932	13,125	7,846
Other	17,563	4,038	1,665
Total	188,722	175,767	159,407
Operating expenses	278,877	262,661	251,085
Operating loss	(90,155)	(86,894)	(91,678)
Nonoperating revenues (expenses):			
State appropriations	78,678	79,091	82,049
Federal grants	19,491	16,197	20,965
State grants	8,227	6,047	3,670
Gifts	6,378	7,674	8,032
Investment income	10,778	9,859	4,007
Interest expense	(656)	(821)	(881)
Other revenue (loss)	(1,092)	346	(33)
Capital appropriations	7,907	6,293	6,308
Capital grants and gifts	2,217	1,486	2,533
Total	131,928	126,172	126,650
Increase in net position	41,773	39,278	34,972
Net position - beginning of year	304,562	265,284	233,277
Net position - end of year	\$ 346,335	\$ 304,562	\$ 268,249

Revenues by source for the year ended June 30, 2025.



Revenues by source for the year ended June 30, 2024.



Operating Revenues

Overall operating revenues increased \$12.9 million or 7.4% in 2025 vs. 2024, from \$175.8 million to \$188.7 million. The 2025 increase is attributed to \$13.5 million increase in other operating revenues and \$5.8 million in student tuition and fees (net), offset by a \$5.9 million decrease in grants and contracts, \$0.2 million decrease in auxiliary enterprises sales (net), and \$0.3 million in sales and services. Student headcount for Fall 2024 increased by 786 from Fall 2023 (11,036 to 11,822). Headcount enrollment was 10,798 in Fall 2022.

Student tuition and fees, net, were \$111.7 million and \$105.9 million, in 2025 and 2024, respectively, which resulted in a 5.5% increase from 2024 to 2025 and a 7.6% increase from 2023 to 2024. Fee rates for continuing resident undergraduate students remained the same in fiscal 2025 vs. 2024. The tuition rate for the new Wright Guarantee Cohort (Cohort 7) increased by 3% over the rate for Cohort 6 and will remain unchanged for four years. Undergraduate non-resident fees increased in fiscal 2025 by 3% vs. 2024. Graduate fee rates did not increase for fiscal 2025. A tuition differential fee for the MACC and Social & Applied Econ – MS was added at \$100 per credit hour. A tuition differential fee for all MS and PHD Programs in the College of Engineering and Computer Science, Nursing – MS, Counseling – MS, and Social Work – MASW was added at \$50 per credit hour. A tuition differential fee for Pharmacology & Toxicology - MS was added at \$75 per credit hour. Tuition increased 5% for both resident and non-resident tuition for the School of Professional Psychology and Doctor of Nursing Practice in fiscal 2025 vs. 2024. Tuition increased 5% for residential tuition and 7% for non-resident Boonshoft School of Medicine in fiscal 2025 vs. 2024. Tuition revenue before the application of scholarships (financial aid applied to students' bills) in 2025 was up \$14.1 million, or 9.6%, from 2024 and in 2024 was up \$10.2 million, or 7.5%, from 2023.

Grants and contracts totaled \$42.7 million in 2025 vs. \$48.6 million in 2024. Operating grants and contracts income fluctuates as individual awards begin and end, as well as the extent to which awards include capital expenditures displayed as nonoperating revenues. Combined operating and nonoperating grants and contracts income as a percent of total income decreased 1.6% from 23.4% in 2024 to 21.8% in 2025.

Sales and services, which are primarily revenues generated from specific departmental sales activities to organizations external to the University, were \$3.8 million and \$4.0 million for the years ended June 30, 2025 and 2024, respectively. More than 70% of these revenues in 2025 were generated by the Boonshoft School of Medicine and telecommunications.

Auxiliary revenues were \$12.9 million and \$13.1 million, for the years ended June 30, 2025 and 2024, respectively. Auxiliary enterprises are comprised of residence life and housing, bookstores, hospitality (dining and catering) services, vending, parking and transportation, intercollegiate athletics, the Student Union, and the Nutter Center.

Other operating revenues, which include mission support payments, rebates, administrative fees, and other miscellaneous revenues, increased substantially in fiscal year 2025 compared to 2024. The year-over-year change was primarily driven by an increase in mission support received under an enhanced affiliation agreement with Premier Health. The support is unrestricted and not tied to specific performance obligations; accordingly, the revenue is recognized as received in accordance with GASB standards. While the support payments have strengthened the University's financial position, management anticipates that a portion of these funds will be expended in future periods to support strategic and operational initiatives. As those investments occur, operating results may reflect the planned use of prior-year resources rather than a structural change in the University's underlying financial performance.

Nonoperating Revenues

State appropriations declined \$0.4 million to \$78.7 million from 2024 to 2025. State appropriations declined \$2.9 million to \$79.1 million in 2024. Although the accounting standards classify state appropriations as a nonoperating revenue source in the financial statements, the University continues to manage state funding as an operating revenue item because it is intended to support instructional activities.

Investment income increased \$0.9 million to \$10.8 million in 2025 from \$9.9 million in 2024. The \$0.9 million increase in 2025 resulted from realized and unrealized gains in the University's bond and equity holdings and private equity portfolio.

Federal grants and state grants increased \$5.5 million from 2024 to 2025. Federal and state grants have been primarily composed of restricted funding for Pell, SEOG (Supplemental Educational Opportunity Grant), and OCOG (Ohio College Opportunity Grants) programs. Pell Grants increased \$3.3 million and Ohio Opportunity Grants increased \$2.2 million from 2023 to 2024, respectively.

Gifts revenues, all of which are received through the Foundation, decreased \$1.3 million from \$7.7 million in 2024 to \$6.4 million in 2025.

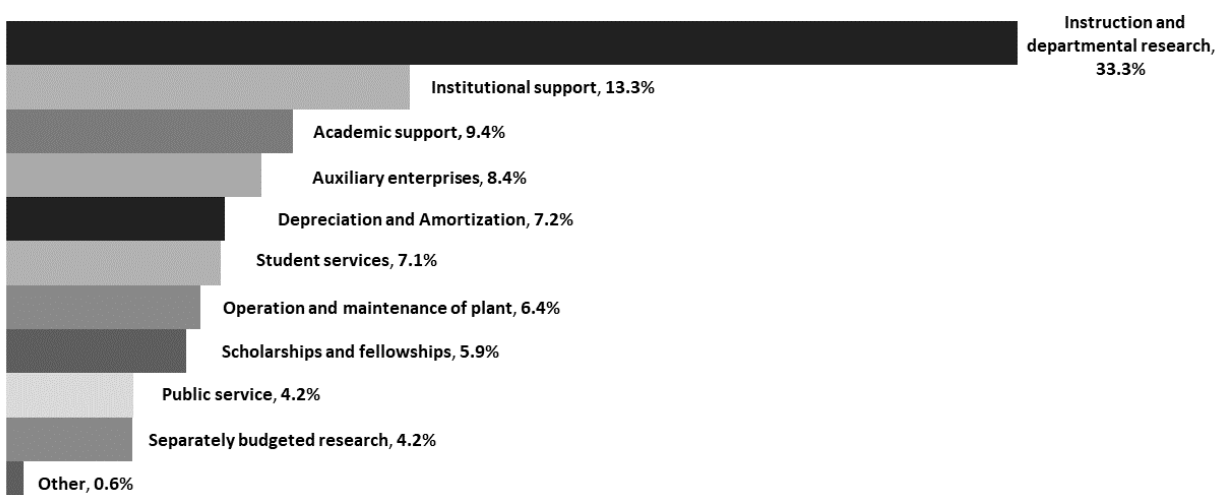
Capital Appropriations, Gifts and Grants were \$10.1 million in 2025 vs. \$7.8 million in 2024. The change in capital appropriations is dependent on the level of authorized construction activity. Large projects in 2025 included envelope repairs (\$1.0 million), campus energy efficiency and controls (\$2.1 million), Career Services (\$1.1 million), Allyn Hangar (\$.3 million), and infrastructure (\$1.3 million). Capital Gifts and Grants increased \$0.7 million from 2024 to 2025.

Expenses

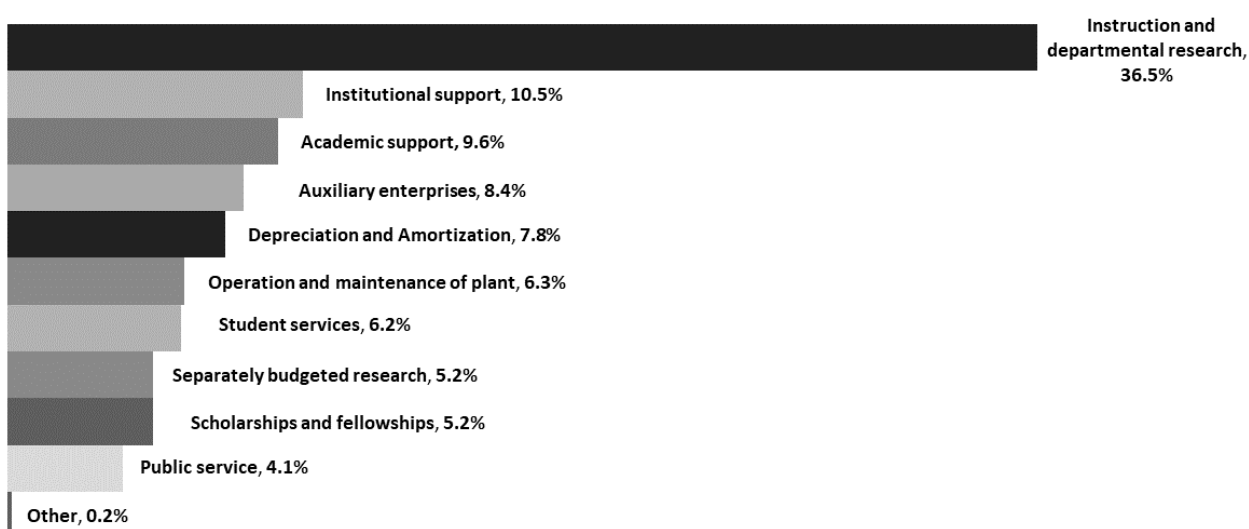
A summary of the University's expenses for the years ended June 30 is as follows:

	2025	2024	2023
	(All dollar amounts in thousands)		
Operating expenses			
Instruction and departmental research	\$ 98,261	\$ 102,441	\$ 102,790
Separately budgeted research	12,321	14,523	17,784
Public service	12,344	11,567	10,674
Academic support	27,851	26,958	27,562
Student services	20,833	17,272	17,045
Institutional support	39,183	29,640	23,506
Operation and maintenance of plant	18,901	17,666	15,485
Scholarships and fellowships	17,510	14,551	8,305
Auxiliary enterprises	24,946	23,741	19,739
Pension and OPEB	(14,512)	(17,458)	(13,259)
Depreciation and amortization	21,239	21,760	21,454
Total operating expenses	<u>278,877</u>	<u>262,661</u>	<u>251,085</u>
Nonoperating expenses			
Interest on capital asset-related debt	656	821	881
Other nonoperating (revenues)/expenses	1,092	(346)	33
Total nonoperating expenses	<u>1,748</u>	<u>475</u>	<u>914</u>
Total expenses	<u>\$ 280,625</u>	<u>\$ 263,136</u>	<u>\$ 251,999</u>

The following is a graphical illustration of expenses by function, excluding pension and OPEB, for the year ended June 30, 2025.



The following is a graphical illustration of expenses, excluding pension and OPEB, by function for the year ended June 30, 2024.



Total expenses were \$280.6 million in 2025 vs. \$263.1 million in 2024. Operating expenses increased \$16.2 million in 2025 over 2024, of which \$13.3 million is attributed to an increase in operations and \$2.9 million is attributable to pension and OPEB adjustments. The \$11.6 million increase in 2024 was a combination of a \$15.8 million increase in operations, offset by a \$4.2 million decrease attributable to pension and OPEB adjustments. Salaries and wages represent the largest part of the University's expenses at 47% of 2025 and 49% of 2024 total operating expenses, excluding the impact of pension and OPEB adjustment.

Nonoperating expenses, net of nonoperating revenue, chiefly relate to capital, lease, and subscription assets including interest expense on capital assets-related debt and gains/losses on the disposition of capital assets. Nonoperating expenses were \$1.7 million in 2025 and \$0.5 million in 2024.

Statements of Cash Flows

The Statement of Cash Flows also provides information about the University's financial health by reporting the cash receipts (inflows) and cash payments (outflows) of the University during the year.

A summary of the Statements of Cash Flows is as follows:

	2025	2024	2023
	(All dollar amounts in thousands)		
Cash provided (used) by:			
Operating activities	\$ (77,521)	\$ (73,721)	\$ (87,678)
Noncapital financing activities	112,071	108,600	114,618
Capital and related financing activities	(13,211)	(16,789)	(14,467)
Investing activities	<u>(24,996)</u>	<u>2,067</u>	<u>4,067</u>
Net increase in cash and cash equivalents	(3,657)	20,157	16,540
Cash and cash equivalents-beginning of year	105,379	85,222	68,682
Cash and cash equivalents-end of year	<u>\$ 101,722</u>	<u>\$ 105,379</u>	<u>\$ 85,222</u>

Total cash and cash equivalents decreased \$3.7 million in 2025 as compared to a \$20.2 million increase in 2024. Net cash outflow for operating activities increased by \$3.8 million from \$73.7 million in 2024 to \$77.5 million in 2025. Cash inflows from operating revenues decreased \$1.7 million due to a decrease in grant and contract revenue of \$7.0 million, sales and service of \$2.5 million, and auxiliary enterprise sales of \$0.6 million, partially offset by a increase in student tuition and fees of \$8.4 million. Cash payments for salaries and benefits decreased \$4.2 million while payments to suppliers increased by \$0.2 million. Cash payments for scholarships and fellowships increased by \$5.6 million. Cash inflow for noncapital financing activities increased by \$3.5 million, due to increases in direct lending disbursements, Perkins loans, and grant funding for noncapital purposes. Cash outflow for capital and related financing activities decreased \$3.6 million. Cash inflows provided by investing activities decreased \$27.1 million related to the change in purchase of investments with funds from the cash pool.

Capital Assets and Debt

Capital Assets The University's investment in capital assets was \$300.5 million, net of accumulated depreciation at June 30, 2025, as compared to \$307.8 million at June 30, 2024. Depreciation expense for the years ended June 30, 2025 and 2024 was \$17.8 million and \$18.2 million, respectively.

A summary of net capital assets at June 30 is as follows:

	2025	2024	2023
	(All dollar amounts in thousands)		
Land, land improvements and infrastructure	\$ 40,704	\$ 40,772	\$ 41,677
Buildings	241,198	247,269	250,270
Machinery and equipment	13,039	13,184	13,689
Library books and publications	<u>5,555</u>	<u>6,569</u>	<u>7,759</u>
Total capital assets - net	<u>\$ 300,496</u>	<u>\$ 307,794</u>	<u>\$ 313,395</u>

Depreciation expense and retirement of assets has exceeded the growth in assets over the last three years. During 2025, major projects included \$1.0 million of envelope repairs, \$2.1 million of campus energy efficiency and controls, \$1.1 million for Career Services, \$0.3 million for Allyn Hangar, and \$1.3 million of infrastructure. During 2024, major projects included \$0.6 million for lake campus infrastructure, \$2.6 million for campus energy efficiency and controls, \$1.1 million for the University safety initiative, and \$1.3 million for the health college renovation.

Debt As of June 30, 2025, bonds and notes payable totaled \$32.2 million vs. \$38.4 million as of June 30, 2024. The 2025 balance was comprised of \$26.6 million of general obligation bonds and \$5.6 million in outstanding notes. The 2024 balance was comprised of \$31.0 million of general obligation bonds and \$7.4 million in outstanding notes.

Leases

Leases are comprised of lease assets including equipment and space the University has contracted for the right-to-use and leases receivable where the University has contracted with others for use of University assets. As of June 30, 2025, and 2024, the lease assets were \$3,860,802 and \$4,111,116, respectively. In addition, lease receivables were \$1,538,661 and \$746,413 as of June 30, 2025 and 2024, respectively.

A summary of right-to-use lease assets for the years ended June 30 is as follows:

	Balance 7/1/2024	Additions	Retirements	Balance 6/30/2025
Buildings and leasehold improvements	\$ 5,731,875	\$ -	\$ -	\$ 5,731,875
Equipment	987,859	433,429	-	1,421,288
Total right-to-use lease assets	<u>6,719,734</u>	<u>433,429</u>	<u>-</u>	<u>7,153,163</u>
Less accumulated amortization:				
Buildings and leasehold improvements	1,735,702	471,843	-	2,207,544
Equipment	872,916	211,901	-	1,084,817
Total accumulated amortization	<u>2,608,618</u>	<u>683,743</u>	<u>-</u>	<u>3,292,361</u>
Right-to-use lease assets, net	<u>\$ 4,111,116</u>	<u>\$ (250,314)</u>	<u>\$ -</u>	<u>\$ 3,860,802</u>
	Balance 7/1/2023	Additions	Retirements	Balance 6/30/2024
Buildings and leasehold improvements	\$ 10,897,400	\$ 501,222	\$ (5,666,747)	\$ 5,731,875
Equipment	987,859	-	-	987,859
Total right-to-use lease assets	<u>11,885,259</u>	<u>501,222</u>	<u>(5,666,747)</u>	<u>6,719,734</u>
Less accumulated amortization:				
Buildings and leasehold improvements	2,940,711	675,536	(1,880,545)	1,735,702
Equipment	661,081	211,836	-	872,916
Total accumulated amortization	<u>3,601,792</u>	<u>887,372</u>	<u>(1,880,545)</u>	<u>2,608,618</u>
Right-to-use lease assets, net	<u>\$ 8,283,467</u>	<u>\$ (386,150)</u>	<u>\$ (3,786,202)</u>	<u>\$ 4,111,116</u>

Subscriptions

Subscriptions are comprised of subscription-based information technology arrangements (SBITAs) the University has contracted for the right-to-use. As of June 30, 2025 and 2024, the subscription assets were \$4,390,034 and \$3,871,321, respectively.

A summary of right-to-use subscription assets for the year ended June 30 is as follows:

	Balance 7/1/2024	Additions	Disposals	Balance 6/30/2025
Subscription assets	\$ 9,162,294	\$ 3,253,463	\$ -	\$ 12,415,757
Less accumulated amortization	(5,290,973)	(2,734,750)	-	(8,025,723)
Subscription assets, net	<u>\$ 3,871,321</u>	<u>\$ 518,713</u>	<u>\$ -</u>	<u>\$ 4,390,034</u>

	Balance 7/1/2023	Additions	Disposals	Balance 6/30/2024
Subscription assets	\$ 7,845,094	\$ 1,317,200	\$ -	\$ 9,162,294
Less accumulated amortization	(2,598,728)	(2,692,245)	-	(5,290,973)
Subscription assets, net	<u>\$ 5,246,366</u>	<u>\$ (1,375,045)</u>	<u>\$ -</u>	<u>\$ 3,871,321</u>

Future Economic Factors / Concluding Thoughts

Tuition and fees, together with the State Share of Instruction, remain Wright State University's largest revenue sources and continue to be closely tied to student enrollment and student success. Similar to other public institutions in Ohio, the University faces demographic pressures and heightened questions regarding the value of higher education. At the same time, measurable progress is evident in reinforcing affordability and quality while aligning programs with the needs of today's workforce.

During fiscal year 2025, Wright State achieved several notable distinctions. Lake Campus was ranked the best value among Ohio's public universities, underscoring the institution's commitment to affordability and strong return on investment. The University also reaffirmed its Carnegie Research 2 classification, reflecting the continuing strength of faculty and the research enterprise. In addition, a transformative 30-year partnership with Premier Health was announced to expand medical education, clinical opportunities, and workforce pipelines across the Dayton region. Collectively, these accomplishments reinforce Wright State's role as both an educational institution and an anchor for regional economic vitality.

The University also expanded its longstanding collaboration with Wright-Patterson Air Force Base. Agreements now provide Air Force Research Laboratory and WPAFB personnel with greater access to campus laboratories, classrooms, office space, and housing. These partnerships create opportunities for research, experiential learning, and innovation that serve both national defense priorities and regional workforce needs. In support of the military community, an Active-Duty Military Undergraduate Scholarship was also established to reduce financial and administrative barriers for active-duty personnel, reservists, and members of the National Guard.

The governance environment continues to evolve for Ohio's public universities. Wright State is adapting institutional governance and policy structures in response to recently enacted state legislation. These

actions are being undertaken with careful planning and transparency to ensure compliance while maintaining a focus on student success, academic quality, and institutional effectiveness.

Institutional quality and efficiency also remain priorities. The Higher Learning Commission, through its 2023 focused visit, acknowledged significant progress in assessment, planning, and institutional effectiveness, resulting in a return to full compliance. Affordability and efficiency initiatives—including expanded transfer pathways through Wright Path and Ohio Transfer 36, reductions in textbook costs through price-match and scholarship programs, and workforce-aligned initiatives such as the Clearance Ready Program and the Aerospace Medicine & Human Performance Center—are producing meaningful benefits for students and the state. New academic programs, including aviation degree pathways in partnership with First Flight Aviation, further highlight responsiveness to workforce demand and alignment with strategic priorities of the Board of Trustees.

Looking forward, Wright State will remain focused on enhancing enrollment and retention, ensuring affordability, and aligning academic programs with evolving workforce needs. These priorities will be pursued within the framework of careful financial stewardship and ongoing preparations for the Higher Learning Commission's comprehensive review in 2026. Guided by its mission—to empower all students to excel through integrated learning, research, innovation, and experience—the University is positioned not only to endure but to thrive in the years ahead.

WRIGHT STATE UNIVERSITY
A Component Unit of the State of Ohio
Statements of Net Position
June 30, 2025 and 2024

	2025	2024
Current assets:		
Cash and cash equivalents	\$ 101,721,202	\$ 105,378,505
Short-term investments	9,058,869	11,229,235
Accounts receivable (net of allowance for doubtful accounts of \$1,719,000 in 2025 and \$1,668,000 in 2024)	26,335,418	25,005,609
Loans receivable (net of allowance for doubtful loans of \$803,000 in 2025 and \$867,000 in 2024)	802,983	1,102,115
Inventories	43,011	60,754
Prepaid expenses	1,292,193	1,374,348
Advanced charges	2,207,173	1,758,802
Total current assets	141,460,849	145,909,368
Noncurrent assets:		
Loans receivable (net of allowance for doubtful loans of \$16,000 in 2025 and \$19,000 in 2024)	1,617,760	1,875,351
Net other postemployment benefits asset	11,938,627	9,160,668
Other assets	3,121,558	2,266,147
Long-term investments	114,203,675	76,848,012
Capital assets, net	300,495,708	307,793,663
Lease assets, net	3,860,802	4,111,116
Subscription assets, net	4,390,034	3,871,321
Total noncurrent assets	439,628,164	405,926,278
Total assets	581,089,013	551,835,646
Deferred outflows of resources:		
Pension related	26,181,937	31,678,826
Other postemployment benefits related	1,567,760	3,125,649
Total assets and deferred outflows of resources	\$ 608,838,710	\$ 586,640,121
Current liabilities:		
Accounts payable trade and other	\$ 12,915,456	\$ 11,885,552
Accrued liabilities	8,491,636	9,257,412
Unearned revenue	34,487,112	29,211,318
Refunds and other liabilities	1,110,206	1,147,720
Current portion of noncurrent liabilities (other than unearned revenue)	17,632,186	17,310,802
Total current liabilities	74,636,596	68,812,804
Noncurrent liabilities:		
Refundable advances for Federal Perkins loans	856,395	1,202,603
Net pension liability	121,363,747	133,322,141
Other noncurrent liabilities	36,553,231	43,511,785
Total noncurrent liabilities	158,773,373	178,036,529
Deferred inflows of resources:		
Pension related	21,401,182	25,790,019
Other postemployment benefits related	5,149,738	7,591,788
Lease related	1,601,286	723,318
Bond refunding	941,336	1,123,657
Total liabilities and deferred inflows of resources	262,503,511	282,078,115
Net Position:		
Net investment in capital assets	266,060,921	268,218,372
Restricted - expendable:		
Separately budgeted research	-	3,795
Institutional support	-	(19)
Loans	3,666,222	3,678,246
Other postemployment benefits - STRS and OPERS	11,938,627	9,160,668
Unrestricted	64,669,429	23,500,944
Total net position	346,335,199	304,562,006
Total liabilities and deferred inflows of resources and net position	\$ 608,838,710	\$ 586,640,121

WRIGHT STATE UNIVERSITY
A Component Unit of the State of Ohio
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
OPERATING REVENUES		
Student tuition and fees (net of scholarship allowances of \$48,740,000 in 2025 and \$40,476,000 in 2024)	\$ 111,742,826	\$ 105,945,879
Federal grants and contracts	16,626,156	20,842,442
State grants and contracts	6,017,914	5,184,277
Local grants and contracts	226,341	50,509
Nongovernmental grants and contracts	19,838,801	22,533,273
Sales and services	3,775,335	4,047,266
Auxiliary enterprises sales (net of scholarship allowances of \$289,000 in 2025 and \$188,000 in 2024)	12,931,771	13,125,264
Other operating revenues	17,563,104	4,038,614
Total operating revenues	<u>188,722,248</u>	<u>175,767,524</u>
OPERATING EXPENSES		
Educational and general:		
Instruction and departmental research	98,260,765	102,441,381
Separately budgeted research	12,320,657	14,522,509
Public service	12,344,145	11,567,302
Academic support	27,851,081	26,958,436
Student services	20,832,911	17,271,917
Institutional support	39,183,626	29,640,178
Operation and maintenance of plant	18,901,577	17,665,710
Scholarships and fellowships	17,510,383	14,550,814
Total educational and general	<u>247,205,145</u>	<u>234,618,247</u>
Auxiliary enterprises	24,945,783	23,741,109
Pension and OPEB	(14,512,462)	(17,458,197)
Depreciation and amortization	21,238,855	21,759,785
Total operating expenses	<u>278,877,321</u>	<u>262,660,944</u>
Operating loss	<u>(90,155,073)</u>	<u>(86,893,420)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations	78,677,761	79,090,930
Federal grants	19,490,866	16,197,739
State grants	8,227,010	6,046,961
Gifts	6,377,583	7,674,101
Investment income (net of investment expenses of \$42,000 in 2025 and \$40,000 in 2024)	10,778,365	9,858,927
Interest on capital, lease, and subscription asset-related debt	(656,059)	(821,433)
Other nonoperating (expenses)/revenues	(1,091,464)	346,236
Net nonoperating revenues	<u>121,804,062</u>	<u>118,393,461</u>
Income before other revenues, expenses, gains or losses	31,648,989	31,500,041
Capital appropriations from the State of Ohio	7,906,766	6,292,791
Capital grants and gifts	<u>2,217,438</u>	<u>1,485,572</u>
Increase in net position	<u>41,773,193</u>	<u>39,278,404</u>
NET POSITION		
Net position - beginning of year	304,562,006	265,283,602
Net position - end of year	<u>\$ 346,335,199</u>	<u>\$ 304,562,006</u>

WRIGHT STATE UNIVERSITY
A Component Unit of the State of Ohio
Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

CASH FLOWS FROM OPERATING ACTIVITIES	2025	2024
Student tuition and fees	\$ 113,454,117	\$ 105,079,471
Federal, state, local, and nongovernmental grants and contracts	46,653,111	53,682,867
Sales and services of educational and other departmental activities	2,628,449	5,091,772
Payments to employees	(138,761,259)	(139,785,401)
Payments for benefits	(37,244,417)	(40,382,506)
Payments to suppliers	(56,206,359)	(56,055,145)
Payments for scholarships and fellowships	(21,517,781)	(15,882,007)
Student loans issued	(192,436)	(263,331)
Student loans collected	819,982	1,388,633
Student loan interest and fees collected	243,468	219,127
Auxiliary enterprise sales	12,601,999	13,185,794
Net cash (used) by operating activities	(77,521,126)	(73,720,726)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	78,677,761	79,090,930
Direct lending receipts	62,386,462	65,424,848
Direct lending disbursements	(62,902,710)	(64,836,381)
Federal nonexchange grant - Perkins loans	(651,550)	(721,027)
Grants for noncapital purposes	27,715,676	22,260,508
Gifts	6,845,392	7,381,029
Net cash provided by noncapital financing activities	112,071,031	108,599,907
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital grants and gifts received	2,217,438	1,485,572
Purchases of capital assets	(4,252,902)	(8,515,129)
Payments on subscription contracts	(2,834,152)	(2,539,561)
Proceeds from sales of capital assets	-	519,980
Principal paid on capital debt	(5,250,169)	(5,236,001)
Interest paid on capital debt	(1,608,947)	(1,821,443)
Bond interest subsidy	241,550	253,910
Principal received on leases receivable	150,910	85,447
Interest received on leases receivable	25,604	21,948
Principal paid on leases payable	(722,286)	(643,726)
Interest paid on leases payable	(92,393)	(102,113)
Interest paid on subscription liability	(119,977)	(159,199)
Other uses	(965,987)	(138,688)
Net cash (used) by capital and related financing activities	(13,211,311)	(16,789,003)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	25,075,336	15,345,896
Interest and dividends on investments	8,699,173	9,034,702
Purchase of investments	(58,770,406)	(22,314,018)
Net cash (used)/provided by investing activities	(24,995,897)	2,066,580
Net (decrease)/increase in Cash and Cash Equivalents	(3,657,303)	20,156,758
Cash and Cash Equivalents - Beginning of Year	105,378,505	85,221,747
Cash and Cash Equivalents - End of Year	\$ 101,721,202	\$ 105,378,505

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

WRIGHT STATE UNIVERSITY
A Component Unit of the State of Ohio
Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

**Reconciliation of operating loss to
net cash (used) by operating activities:**

	2025	2024
Operating loss	\$ (90,155,073)	\$ (86,893,420)
Depreciation and amortization	21,238,855	21,759,785
Provision for doubtful accounts	975,342	1,112,584
Collections on doubtful loans	450	229,770
Changes in assets and liabilities:		
Accounts receivable	(2,072,603)	(1,850,050)
Inventories	17,743	12,982
Prepaid expenses	107,155	(24,417)
Advanced charges	278,414	1,177,280
Other assets	(855,411)	(425,208)
Net other postemployment benefits asset	(2,777,959)	1,786,546
Deferred outflows of resources - pensions and OPEB	7,054,778	14,280,810
Accounts payable	1,778,895	1,867,336
Accrued liabilities	(765,776)	712,434
Unearned revenue	5,275,794	5,548,460
Compensated absences	(300,000)	435,000
Refundable advances for Federal Perkins loans	70,824	191,661
Voluntary retirement incentive	-	(1,459,909)
Refunds and other liabilities	(37,514)	467,140
Loans to students and employees	556,273	703,871
Net liabilities - pensions and OPEB	(11,958,394)	(28,185,530)
Deferred inflows of resources - pensions, OPEB and leases	(5,952,919)	(5,167,851)
Net cash (used) by operating activities	\$ (77,521,126)	\$ (73,720,726)

Noncash investing, capital, and financing activities:

Net unrealized gain in fair value of investments	\$ 56,212	\$ 568,969
Purchases of capital assets in accounts payable	\$ 1,386,580	\$ 1,500,038
Lease receivables recognized	\$ 943,158	\$ 266,482
SBITAs recognized	\$ 3,253,463	\$ 1,317,200
Lease terminations	\$ -	\$ 3,786,201
Capital appropriations from the State of Ohio	\$ 7,700,352	\$ 5,845,721
Lease assets and liabilities recognized	\$ 433,429	\$ 501,222
Amortization of bond premiums	\$ 982,937	\$ 1,079,003

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 1,919,615	\$ 1,877,147
Pledges receivable (net)	3,532,119	3,784,800
Gifts receivable from trusts held by others	1,751,400	1,753,800
Investment in securities	181,786,962	161,669,058
Other investments	32,764	91,214
Interest and dividends receivable	530,313	472,902
Capital assets (net)	1,488,054	1,607,830
Annuity assets	896,992	856,162
Other assets	623,583	529,434
TOTAL ASSETS	<u>\$ 192,561,802</u>	<u>\$ 172,642,347</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable:		
Wright State University	\$ -	\$ 467,808
Trade and other	393,557	295,411
Deposits held in custody for others	2,830,527	2,514,830
Annuities payable	254,222	311,800
TOTAL LIABILITIES	<u>3,478,306</u>	<u>3,589,849</u>
NET ASSETS:		
Without donor restrictions		
Designated by Board	7,263,897	3,905,714
Undesignated	11,544,991	11,337,164
With donor restrictions		
Purpose/time restricted	107,206,191	95,830,935
Perpetually restricted	63,068,417	57,978,685
TOTAL NET ASSETS	<u>189,083,496</u>	<u>169,052,498</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 192,561,802</u>	<u>\$ 172,642,347</u>

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

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025 WITH COMPARATIVE 2024 TOTALS

	Without Donor <u>Restriction</u>	With Donor <u>Restriction</u>	Total <u>2025</u>	Total <u>2024</u>
REVENUE AND OTHER SUPPORT:				
Gifts and contributions	\$ 50,786	\$ 8,429,676	\$ 8,480,462	\$ 5,168,920
Gift fee charged to certain restricted gifts	67,117	(67,117)	-	-
Investment earnings:				
Interest and dividends	3,061,884	8,503,067	11,564,950	7,183,903
Net realized and unrealized gains/(losses)	1,618,841	6,443,027	8,061,869	9,176,824
Administrative fee charged to certain restricted accounts	1,600,847	(1,600,847)	-	-
Change in value of split interest agreements	-	(2,400)	(2,400)	208,017
Other income (loss)	194,000	669,964	863,964	551,695
Net assets released from restrictions	5,918,581	(5,918,581)	-	-
	<u>12,512,056</u>	<u>16,456,788</u>	<u>28,968,845</u>	<u>22,289,359</u>
Total revenue and other support				
EXPENSES AND LOSSES:				
Program services:				
Scholarships	3,624,847	-	3,624,847	3,335,408
University programs	2,262,480	-	2,262,480	3,094,380
Athletic programs	494,523	-	494,523	643,141
Research	178,956	-	178,956	146,125
Miscellaneous grants	104,915	-	104,915	67,498
Other program expenses and losses (gains)	33,035	(8,200)	24,835	22,232
Fund raising	690,327	-	690,327	551,704
Management and general	1,556,964	-	1,556,964	1,585,826
	<u>8,946,047</u>	<u>(8,200)</u>	<u>8,937,847</u>	<u>9,446,314</u>
Total expenses				
CHANGE IN NET ASSETS	3,566,009	16,464,988	20,030,998	12,843,045
NET ASSETS				
Beginning of year	15,242,878	153,809,620	169,052,498	156,209,453
End of year	<u>\$ 18,808,887</u>	<u>\$ 170,274,608</u>	<u>\$ 189,083,496</u>	<u>\$ 169,052,498</u>

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

WRIGHT STATE UNIVERSITY FOUNDATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

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

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

WRIGHT STATE UNIVERSITY
A Component Unit of the State of Ohio
Notes to Financial Statements
Years Ended June 30, 2025 and 2024

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

Organization

Wright State University (the University) is a state-assisted institution of higher education created in 1967. The University currently operates five colleges, two schools, and other individual departments on its Dayton and Lake Campuses. The University's Board of Trustees consists of nine voting members and two student members, who have been appointed by the governor of the State of Ohio and five National Trustees, who have been invited as ex officio members. Ex officio members of the Board (Student / National Trustee) have voting privileges only on committees and may serve as a committee chair. The Board of Trustees approves the policies and procedures by which the University is governed.

Basis of Presentation

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 Annual Comprehensive Financial Report in accordance with GASB Statement No. 14, and amended by GASB Statement Nos. 39, 61 and 80. Under the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, the University reports certain entities as discretely presented component units. Component units are legally separate organizations which have a fiscal dependency and financial benefit or burden relationship with the primary government and other organizations for which the significance of their relationship with the primary government are such that exclusion would cause the financial statements to be misleading or incomplete.

Wright State University Foundation (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. The Foundation is exempt for federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Complete financial statements for the Foundation can be obtained by sending a request to the Wright State University Foundation Bldg., 3640 Colonel Glenn Highway, Dayton, OH 45435.

The Foundation is a private nonprofit organization that reports under Financial Accounting Standards Board (FASB) standards that have been codified in Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the University's financial reporting entity for these differences. The Foundation has a separate and independent governing board. The University's Board of Trustees does not provide governance or administrative oversight for the discretely presented component unit. Further description and selected disclosures of the Foundation may be found in footnote 12.

Double Bowler Properties Corp. (Double Bowler) operates and maintains certain real property used by the University. Wright State University Alumni Association (Alumni Association) engages alumni in supporting the University. The University has determined that although both entities meet the definition of a component unit in accordance with GASB Statement No. 61, they are individually

and, in the aggregate, immaterial to the financial statements. Accordingly balances with these organizations, including lease assets and liabilities, have not been eliminated.

Basis of Accounting

The University's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB). 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.

Net position

The University's financial resources are classified for accounting and reporting purposes into the following net position categories:

- Net investment in capital assets comprises total investment in capital, lease, and subscription assets, net of accumulated depreciation and amortization, reduced by lease and subscription liabilities and the outstanding balances of bonds, mortgages, leases, notes, and other borrowings that are attributable to the acquisition, construction, or improvement of those assets and deferred inflows of resources attributable to bonds, and related debt.
- Restricted net position consists of restricted assets, deferred outflows of resources, liabilities, and deferred inflows of resources related to those assets. Expendable restricted net position is available for purposes as determined by external entities that have placed time or purpose restrictions on the use of the assets.
- Unrestricted net position represents the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. This net position is not subject to external restrictions. Management or the Board of Trustees designates most of the unrestricted net position 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 net position and unrestricted net position are available.

Cash and Cash Equivalents

Cash and cash equivalents include amounts held in the State Treasury Asset Reserve of Ohio (STAROhio). In addition, external investment managers may maintain balances 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.

Accounts and Loans Receivable

Accounts and loans receivable are recorded net of allowances for uncollectible accounts and loans. These allowances are based on management's judgment of potential uncollectible amounts, based on historical experience and type of receivable. Accounts receivable primarily include tuition and fee charges to students, charges to grant sponsors, amounts due from the State, and charges for auxiliary enterprise services provided to students, faculty and staff. Loans receivable are mainly funds borrowed by students under various federal and other loan programs.

Investments

All investments are stated at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Investments of publicly traded securities 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. 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.

Alternative investments are generally less liquid than publicly traded securities and include private equity, investments in real assets, and other strategies. These alternative investments are intended to reduce market risk, credit risk and interest rate risk. The University believes the carrying amounts of these holdings (net asset values) are reasonable estimates of the fair values as of year-end. Because these investments are not readily marketable, the estimated value is subject to uncertainty, and therefore, may differ from the value that would have been used had a ready market for the investment existed. Such difference could be material.

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, software, library books, publications and construction in progress. They are recorded at cost at the date of acquisition, or acquisition 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 moveable 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. The capitalization threshold for the purchase of moveable equipment may be waived when the acquisition is related to a major project. Moveable equipment items attributable to a major project may be capitalized and depreciated over a 5 year useful life. A major project is defined as a project in which: (1) the total construction cost (building improvement, land improvement, infrastructure, etc.) is anticipated to be \$100,000 or more and the moveable capital equipment expenditures are expected to be at least \$100,000; or (2) although the construction costs are anticipated to be less than \$100,000, the total project costs, including moveable equipment, are anticipated to be at least \$200,000.

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any incentives received at or before the commencement of the contract, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying asset.

Capital, Lease and Subscription Asset Impairment

The University evaluates capital, lease, and subscription assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service of a capital, lease, or subscription asset has occurred. No impairment losses were recognized during the years ended June 30, 2025 and 2024, respectively.

Perkins Loan Program

Funds provided by the United States government under the Federal Perkins Loan program are loaned to qualified students and re-loaned after collection. The Federal Perkins Loan program expired on September 30, 2017. These funds could not be re-loaned after June 30, 2018 and are ultimately refundable to the government. A liability has been recorded, accordingly, in the accompanying Statement of Net Position, as prescribed by National Association of College and University Business Officers (NACUBO).

Compensated Absences

Compensated absences are comprised of vacation and sick leave benefits and calculated under GASB Statement 101, *Compensated Absences*. A liability is accrued as benefits are earned if the employee's right to receive compensation is attributable to service already rendered, it accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled. Salary related payments like the employer share of Medicare taxes are also now considered.

Unearned Revenue

Unearned revenue primarily consists 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.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent the consumption of resources that are applicable to a future reporting period but do not require any further exchange of goods or services. Deferred outflows of resources in the University's financial statements consist of pension and OPEB related balances.

Deferred inflows of resources represent an acquisition of resources that apply to a future period and will not be recognized as revenue until that time. Deferred inflows in the University's financial statements are related to the unamortized deferred refunding balance, leases receivable, and pension and OPEB related balances.

Revenues and Expenses

Revenues and expenses are classified as operating or nonoperating. Operating revenues are resources primarily from exchange transaction activities. These include payments received for services, such as tuition and fees, and most grants and contracts. Nonoperating revenues are from non-programmatic sources and have the characteristics of nonexchange transactions. They include state appropriations, 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 asset-related debt.

State Support

The University is a state-assisted institution of higher education which receives a student subsidy from the State of Ohio primarily based upon the number of successful degree and course

completions. This subsidy is calculated annually by the Ohio Department of Higher Education, Ohio's higher education advising and coordinating board.

In addition to student 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 Department of Higher Education. Costs incurred during construction are included in construction in progress and recognized as capital appropriations. Upon completion of a facility, the Ohio Department of Higher Education 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.

Cost-Sharing Defined Benefit Pension Plans

The University participates in two cost-sharing, multiple-employer defined benefit pension plans, the Ohio Public Employees Retirement System (OPERS) and the State Teachers Retirement system of Ohio (STRS) (the Plans).

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from their fiduciary net positions have been determined on the same basis as reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Cost-Sharing Defined Benefit Other Postemployment Benefit Plans

The Plans also provide other postemployment benefits (OPEB) in addition to pension benefits. For purposes of measuring the net OPEB asset, liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plans and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by the OPEB Plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Scholarship Allowances

Scholarship allowances represent aid awarded to the student in the form of reduced tuition and are computed and reported under Method A as prescribed by NACUBO Advisory AR 2023-01. 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 Federal Direct 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, liabilities, and deferred inflows and outflows of resources 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.

Recent Accounting Pronouncements

In fiscal year 2025, the University adopted GASB Statement No. 102, *Certain Risk Disclosures*. Management evaluated concentrations and constraints through June 30, 2025 and identified no matters meeting the disclosure criteria; accordingly, no additional note disclosures were required.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*, effective for the University's fiscal year ending June 30, 2026. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Changes will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. The University is currently evaluating the effects of this statement on its financial statements.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, effective for the University's fiscal year ending June 30, 2026. The objective of this statement is to improve transparency by requiring a separate disclosure of certain intangible capital assets and additional disclosures for capital assets held for sale. The University is currently evaluating the effects of this statement on its financial statements.

(2) Cash, Cash Equivalents and Investments

The classifications of cash, cash equivalents and investments in the financial statements are based on criteria set forth by GASB. Cash equivalents are defined to include investments with original maturities of three months or less. Consistent with this definition, University funds on deposit in STAROhio are classified as cash equivalents in the Statements of Net Position. However, for disclosure purposes (see below), the funds in STAROhio 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, 2025 and 2024, the University's bank balances are \$3,339,850 and \$3,418,281, respectively. Of these balances, \$1,925,366 and \$2,611,715, 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:

	<u>2024</u>	<u>2024</u>
Petty cash	\$ 51,868	\$ 40,983
Demand deposits	(964,530)	1,690,208
Money market funds	<u>914,485</u>	<u>306,566</u>
Total	<u>\$ 1,823</u>	<u>\$ 2,037,757</u>

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

Investments - Fair Value

The University utilizes a discretionary model in which a fiduciary manager is responsible for investing the University's portfolio utilizing a fund of funds approach. This Investment Policy provides for the prudent investment of the University's assets in a manner which will meet three main objectives: safety, liquidity and return on investment. The Investment Policy parallels state law which requires an amount equal to at least twenty-five percent of the University's investment portfolio 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 University categorizes its investments within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be received for an asset or paid to transfer a liability (an exit price) on the measurement date in the University's principal or most advantageous market. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Some investments are valued at net asset value (NAV) and are therefore not subject to the hierarchy classification.

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

			2025		
	Totals	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV
Investment in securities:					
Stocks and traded securities	\$ 2,910,001	\$ 2,910,001	\$ -	\$ -	\$ -
Bonds	60,485,171	-	60,485,171	-	-
Mutual funds:					
Fixed income	53,759,315	53,759,315	-	-	-
Alternative assets:					
Private equity partnerships	6,104,857	-	-	-	6,104,857
Total investments in securities	123,259,344	56,669,316	60,485,171	-	6,104,857
Other investments:					
Real estate	3,200	-	-	3,200	-
Total other investments	3,200	-	-	3,200	-
Total investments	<u>\$ 123,262,544</u>	<u>\$ 56,669,316</u>	<u>\$ 60,485,171</u>	<u>\$ 3,200</u>	<u>\$ 6,104,857</u>

2024					
	Totals	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV
Investment in securities:					
Stocks and traded securities	\$ 2,633,954	\$ 2,633,954	\$ -	\$ -	\$ -
Bonds	28,681,770	-	28,681,770	-	-
Mutual funds:					
Fixed income	50,348,088	50,348,088	-	-	-
Alternative assets:					
Private equity partnerships	6,410,234	-	-	-	6,410,234
Total investments in securities	88,074,047	52,982,042	28,681,770	-	6,410,234
Other investments:					
Real estate	3,200	-	-	3,200	-
Total other investments	3,200	-	-	3,200	-
Total investments	\$ 88,077,247	\$ 52,982,042	\$ 28,681,770	\$ 3,200	\$ 6,410,234

The following presents a reconciliation of the fair value of investments reported above to the investments reported on the Statement of Net Position:

	Year Ended June 30	
	2025	2024
Included in the Statements of Net Position		
Short-term investments	\$ 9,058,869	\$ 11,229,235
Long-term investments	114,203,675	76,848,012
Total	\$ 123,262,544	\$ 88,077,247

Because alternative investments - hedge funds, private equity, distressed debt and private real estate – have no active market, they are valued using NAV which is based on information such as historical and current performance of the underlying assets; cash flow projections; liquidity and credit premiums required by a market participant; and financial trend analysis with respect to the individual fund manager. Furthermore, the liquidity of these investments may be impacted by the lack of a present market for the interest in the funds, lock-up periods, redemption notice periods and limits to the frequency of redemptions.

The following table provides additional information for those assets valued using NAV:

	Fair Value June 30		Redemption Frequency	Redemption Notice Period	Unfunded Commitment
	2025	2024			
Alternative assets:					
Private equity	\$ 6,104,857	\$ 6,410,234	not liquid	not liquid	\$ 1,613,142

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

Approximately 67% of the University's private equity fund partnership is structured as a domestic partnership in which the University is a limited partner. The investment's objective is to achieve an attractive risk-adjusted return relative to other asset class alternatives through the identification and selection of a set of private assets managers across a broad spectrum of private equity, real estate, infrastructure and real assets whose stated terms are 5 to 7 years.

The remaining 33% of the University's private equity partnership is a domestic partnership for the purpose of making private equity investments. The partnership is typically invested in venture capital, growth equity and buyout funds focusing on oil and gas exploration, technology, healthcare and telecom sectors. The investments consist of nonmarketable limited partnership interests in a select group of nonregistered private investment partnerships for long term capital appreciation.

Investments Risk

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 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. The Investment Policy has established asset allocations and permissible asset classes in order to minimize the various risks and the probability of loss. The Investment Policy provides for a portfolio comprised of mutual funds managed in accordance with the diversification and industry concentration restrictions set forth in the Investment Company Act of 1940 which provides, among other things, protection in terms of concentration of risk for issuers and for industry sectors.

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 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.

The maturities of the University's interest-bearing investments at June 30 are as follows:

2025 Investment Maturities (in years)				
Investment Type	Fair Value	Less		
		Than 1	1-5	6-10
Bonds	\$ 60,485,171	\$ 9,058,869	\$ 51,426,302	\$ -
Fixed income mutual funds	53,759,315	-	53,759,315	-
2024 Investment Maturities (in years)				
Investment Type	Fair Value	Less		
		Than 1	1-5	6-10
Bonds	\$ 28,681,770	\$11,302,789	\$ 17,378,981	\$ -
Fixed income mutual funds	50,348,088	-	50,348,088	-

Credit Risk

Credit risk is the risk the issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. Credit quality information, commonly expressed in terms of credit ratings issued by nationally recognized rating organizations such as Moody's Investors Service; Standard & Poor's; or Fitch Ratings, provides a current depiction of potential variable cash flows and credit risk. The vast majority of portfolio mutual fund holdings are required to invest in investment grade funds. Credit quality, as commonly expressed in terms of credit ratings issued by nationally recognized statistical rating organizations such as Moody's Investors Service, Standard & Poor's, or Fitch Ratings, provides a current depiction of potential variable cash flows and credit risk.

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

Investment Type	Total	2025 Credit Ratings		A	BBB/Baa	BB/Ba
		AAA/Aaa	AA/Aa			
State Treasury Asset Reserve (STAROhio)	\$ 101,719,379	\$ 101,719,379	\$ -	\$ -	\$ -	\$ -
Bonds and fixed income mutual funds	114,244,486	494,890	101,803,574	6,027,252	5,794,489	124,281
Total	<u>\$ 215,963,865</u>	<u>\$ 102,214,269</u>	<u>\$ 101,803,574</u>	<u>\$ 6,027,252</u>	<u>\$ 5,794,489</u>	<u>\$ 124,281</u>

Investment Type	Total	2024 Credit Ratings		A	BBB/Baa	BB/Ba
		AAA/Aaa	AA/Aa			
State Treasury Asset Reserve (STAROhio)	\$ 103,340,749	\$ 103,340,749	\$ -	\$ -	\$ -	\$ -
Bonds and fixed income mutual funds	79,029,858	13,132,885	53,024,185	8,378,118	4,323,295	171,375
Total	<u>\$ 182,370,607</u>	<u>\$ 116,473,633</u>	<u>\$ 53,024,185</u>	<u>\$ 8,378,118</u>	<u>\$ 4,323,295</u>	<u>\$ 171,375</u>

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investments or collateral securities in the possession of an outside party. As of June 30, 2025 and 2024, none of the University's investments were exposed to custodial, counterparty credit risk. The University's Investment Policy minimizes custodial credit risk through the use of mutual funds and other pooled asset portfolios transacted through national reputable brokerage firms protected by the Securities Investor Protection 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. Investments are diversified within asset classes with the intent to minimize the risk of losses to the portfolio. As previously mentioned, concentration of credit risk is managed at the mutual fund level as required by the Investment Company Act of 1940. As of June 30, 2025 and 2024, the University has no reportable concentration of credit risk as no one single issuer constitutes more than five percent of the University's investment portfolio.

Foreign Currency Risk

Foreign currency risk relates to the possible adverse changes that exchange rates can have on the fair value of investments. The University's Investment Policy allows the fiduciary manager to invest in stocks, traded securities, and mutual funds with foreign investments as part of its Global Equity, Global Fixed Income, and Cash Equivalent Reserve asset classes. Private equity partnerships and equity mutual funds are subject to foreign currency exposures.

Investment Income

The composition of investment income is as follows:

	Year Ended June 30	
	2025	2024
Net interest and dividend income	\$ 9,288,797	\$ 8,550,554
Realized gains on sales	1,433,356	739,404
Unrealized gains in fair value	56,212	568,969
Total	<u>\$ 10,778,365</u>	<u>\$ 9,858,927</u>

(3) Accounts and Loans Receivable

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

	<u>2025</u>	<u>2024</u>
Sponsor receivables	\$ 5,885,177	\$ 6,330,667
Student and student-related accounts	15,401,089	14,512,205
Wright State University Foundation	-	467,808
Interest receivable	384,777	456,950
State appropriations	1,575,567	1,369,153
Lease receivable, current	150,910	85,447
Other, primarily departmental sales and services	<u>4,656,898</u>	<u>3,451,379</u>
 Total	 28,054,418	 26,673,609
Less: Allowance for doubtful accounts	<u>1,719,000</u>	<u>1,668,000</u>
 Net accounts receivable	 <u>\$ 26,335,418</u>	 <u>\$ 25,005,609</u>

Loans receivable consist primarily of Perkins loans and are net of an allowance for doubtful loans of \$819,000 and \$886,000 at June 30, 2025 and 2024, respectively. Federal capital contributions to the Perkins loan programs represent advances which are ultimately refundable to the federal government.

(4) Capital Assets

Capital assets activity for the years ended June 30, 2025 and 2024 is summarized as follows:

	Balance 7/1/2024	Additions	Retirements	Balance 6/30/2025
Land	\$ 4,553,975	\$ -	\$ -	\$ 4,553,975
Land improvements and infrastructure	74,472,810	2,688,240	(611,924)	76,549,126
Buildings	515,786,659	5,875,007	(505,871)	521,155,795
Machinery and equipment	80,838,788	3,128,845	(4,448,016)	79,519,617
Library books and publications	56,251,124	147,708	(465,694)	55,933,138
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total	 731,903,356	 11,839,800	 (6,031,505)	 737,711,651
 Less accumulated depreciation:				
Land improvements and infrastructure	38,254,834	2,144,220	-	40,399,054
Buildings	268,518,053	11,440,074	-	279,958,127
Machinery and equipment	67,654,563	3,074,810	(4,248,419)	66,480,954
Library books and publications	49,682,243	1,161,258	(465,693)	50,377,808
Total accumulated depreciation	<u>424,109,693</u>	<u>17,820,362</u>	<u>(4,714,112)</u>	<u>437,215,943</u>
 Capital assets, net	 <u>\$ 307,793,663</u>	 <u>\$ (5,980,562)</u>	 <u>\$ (1,317,393)</u>	 <u>\$ 300,495,708</u>

No impairments were identified for the year ended June 30, 2025.

	Balance 7/1/2023	Additions	Retirements	Balance 6/30/2024
Land	\$ 4,750,973	\$ -	(196,998)	\$ 4,553,975
Land improvements and infrastructure	73,034,918	1,437,892	-	74,472,810
Buildings	507,408,643	8,378,016	-	515,786,659
Machinery and equipment	78,579,761	3,038,432	(779,405)	80,838,788
Library books and publications	56,313,505	126,167	(188,548)	56,251,124
Total	720,087,800	12,980,507	(1,164,951)	731,903,356
Less accumulated depreciation:				
Land improvements and infrastructure	36,108,577	2,146,257	-	38,254,834
Buildings	257,138,816	11,379,237	-	268,518,053
Machinery and equipment	64,891,060	3,360,176	(596,673)	67,654,563
Library books and publications	48,554,291	1,316,498	(188,548)	49,682,241
Total accumulated depreciation	406,692,744	18,202,168	(785,221)	424,109,691
Capital assets, net	\$ 313,395,056	\$ (5,221,661)	\$ (379,730)	\$ 307,793,663

No impairments were identified for the year ended June 30, 2024.

(5) Noncurrent Liabilities

Activity for noncurrent liabilities for the years ended June 30, 2025 and 2024 is summarized as follows:

	07/01/2024	Additions	Reductions	Balance 06/30/2025	Current Portion
Bonds and notes payable:					
General obligation bonds	\$ 26,910,005	\$ -	\$ 3,430,000	\$ 23,480,005	\$ 3,610,000
Bond Premium	4,110,201	-	982,934	3,127,267	862,999
Notes payable	7,383,978	-	1,820,169	5,563,809	1,837,278
Total bond and notes payable	38,404,184	-	6,233,103	32,171,081	6,310,277
Other liabilities:					
Compensated absences	13,900,000	-	300,000	13,600,000	8,500,000
Refundable advances for Federal Perkins loans	1,838,864	55,532	636,261	1,258,135	401,743
Unearned revenue	29,211,318	114,558,469	109,282,670	34,487,112	34,487,112
Lease liabilities	4,093,991	433,429	722,288	3,805,132	497,686
Subscription liabilities	3,788,154	3,253,463	2,834,152	4,207,465	1,922,481
Net pension liability	133,322,141	-	11,958,394	121,363,747	-
Total other liabilities	186,154,468	118,300,893	125,733,765	178,721,591	45,809,022
Total noncurrent liabilities	\$ 224,558,652	\$ 118,300,893	\$ 131,966,868	\$ 210,892,672	\$ 52,119,299

	07/01/2023	Additions	Reductions	Balance 06/30/2024	Current Portion
Bonds and notes payable:					
General obligation bonds	\$ 30,350,003	\$ -	\$ 3,440,000	\$ 26,910,005	\$ 3,430,000
Bond Premium	5,189,204	-	1,079,003	4,110,203	982,934
Notes payable	9,179,979	-	1,796,001	7,383,978	1,820,169
Total bond and notes payable	44,719,186	-	6,315,004	38,404,186	6,233,103
Other liabilities:					
Compensated absences	13,465,000	435,000	-	13,900,000	8,000,000
Refundable advances for Federal Perkins loans	2,368,230	155,672	685,039	1,838,864	636,261
Unearned revenue	23,662,858	144,614,759	139,066,300	29,211,318	29,211,318
Lease liabilities	8,261,014	501,222	4,668,245	4,093,991	644,894
Subscription liabilities	5,010,515	1,317,200	2,539,561	3,788,154	1,796,545
Net pension liability	160,068,574	-	26,746,433	133,322,141	-
Net OPEB liability	1,439,097	-	1,439,097	-	-
Voluntary retirement incentive	1,459,908	-	1,459,908	-	-
Total other liabilities	215,735,196	147,023,853	176,604,583	186,154,468	40,289,018
Total noncurrent liabilities	\$ 260,454,382	\$ 147,023,853	\$ 182,919,587	\$ 224,558,651	\$ 46,522,120

Unearned revenue received in advance from grant and contract sponsors and for tuition and fees were \$13.1 million and \$20.7 million, respectively, for the year ended June 30, 2025 and \$10.1 million and \$18.1 million, respectively, for the year ended June 30, 2024.

The University recognized a liability in the amount of \$1,258,135 and \$1,838,864 for the refundable advances associated with the Federal Perkins Loan program expiration at June 30, 2025 and 2024, respectively. This amount reflects the federal portion of the loans due to be returned to the federal government.

Bonds payable on June 30, 2025 and 2024 consist of Series 2021 and 2022 General Obligation Serial bonds.

The maturity dates, interest rates, and the outstanding principal balances at June 30, 2025 are as follows:

Description	Maturity Dates	Interest Rates	Outstanding Principal	Unamortized Premium	Total
Bonds payable:					
Series 2021A	2022-2031	4.00% - 5.00%	\$17,530,000	\$2,434,511	\$19,964,511
Series 2022A	2022-2032	5.00%	5,950,000	692,761	6,642,761
Total bonds payable			\$23,480,000	\$3,127,272	\$26,607,272
Notes payable:					
Ohio Air Quality Development: Series B	2024-2028	4.16%	5,563,809	-	5,563,809
Total notes payable			5,563,809	-	5,563,809
Total			\$29,043,809	\$3,127,272	\$32,171,081

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

Year Ended June 30	Principal	Interest	Total
2026	\$ 5,447,278	\$ 1,405,454	\$ 6,852,732
2027	5,639,549	1,148,524	6,788,073
2028	5,846,982	882,124	6,729,106
2029	4,185,000	605,500	4,790,500
2030	3,615,000	396,250	4,011,250
2031-2032	<u>4,310,000</u>	<u>241,750</u>	<u>4,551,750</u>
Total	<u>\$ 29,043,809</u>	<u>\$ 4,679,602</u>	<u>\$ 33,723,411</u>

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

Year Ended June 30	Principal	Interest	Total
2026	\$ 497,686	\$ 80,153	\$ 577,839
2027	449,667	69,375	519,042
2028	452,524	59,017	511,541
2029	455,208	48,549	503,757
2030	412,775	38,552	451,326
2031-2035	<u>1,537,272</u>	<u>69,222</u>	<u>1,606,494</u>
Total	<u>\$ 3,805,132</u>	<u>\$ 364,867</u>	<u>\$ 4,169,999</u>

The scheduled maturities of subscription liabilities for the next three years are as follows:

Year Ended June 30	Principal	Interest	Total
2026	\$ 1,922,481	\$ 80,845	\$ 2,003,326
2027	1,579,641	29,484	1,609,125
2028	339,608	13,522	353,130
2029	<u>365,734</u>	<u>1,046</u>	<u>366,780</u>
Total	<u>\$ 4,207,465</u>	<u>\$ 124,896</u>	<u>\$ 4,332,361</u>

Interest expense incurred on indebtedness for the years ended June 30, 2025 and 2024 was \$656,059 and \$821,433, respectively.

All general receipts of the University, except for state appropriations, are pledged for payment of the General Obligation Bonds. Available receipts have been pledged for the Series B notes payable. The notes payable are subordinated to the University's obligations to pay debt service on all General Obligation Bonds.

The Series 2013B Note is related to an Ohio Air Quality Development Authority Qualified Energy Conservation Bond (QECB) which is eligible for a 70% federal rebate based on the Qualified Tax Credit Rate as of the bond sale date (4.6%). The benefit of this rebate has been assigned to the University. The rebates for the 2013B Note were \$112,106 and \$127,702 for the years ended June 30, 2025 and 2024, respectively. The rebates were reported as Other Nonoperating Revenues and do 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 rebates anticipated for future years. The University expects to receive approximately \$359,000 in future federal rebates.

The outstanding bonds and notes payable contain provisions, that in an event of default, all principal and interest payments may become due immediately.

Related to the notes payable, in the event of (1) an acceleration of payment (2) a determination of QECB Disqualification or (3) enactment of legislation reversing the tax-exempt treatment of interest on the underlying tax-exempt bond issuances, the notes payable will be redeemed at 102%.

(6) Leases

University as Lessor:

The University leases portions of its property to Mini University, Wright State Physicians, CareX Behavioral Health, and the State of Ohio the terms of which expire 2027, 2038, 2027 and 2031, respectively. The payments of each are fixed for the duration of the lease.

Revenue recognized under lease contracts during the years ended June 30, 2025 and 2024 was \$194,115 and \$94,310, respectively which includes both lease revenue and interest.

University as Lessee:

Right-to-use asset activity for the years ended June 30, 2025 and 2024 is summarized as follows:

	Balance 7/1/2024	Additions	Retirements	Balance 6/30/2025
Buildings and leasehold improvements	\$ 5,731,875	\$ -	\$ -	\$ 5,731,875
Equipment	987,859	433,429	-	1,421,288
Total right-to-use lease assets	6,719,734	433,429	-	7,153,163
Less accumulated amortization:				
Buildings and leasehold improvements	1,735,702	471,843	-	2,207,544
Equipment	872,916	211,901	-	1,084,817
Total accumulated amortization	2,608,618	683,743	-	3,292,361
Right-to-use lease assets, net	\$ 4,111,116	\$ (250,314)	\$ -	\$ 3,860,802

	Balance 7/1/2023	Additions	Retirements	Balance 6/30/2024
Buildings and leasehold improvements	\$ 10,897,400	\$ 501,222	\$ (5,666,747)	\$ 5,731,875
Equipment	987,859	-	-	987,859
Total right-to-use lease assets	11,885,259	501,222	(5,666,747)	6,719,734
Less accumulated amortization:				
Buildings and leasehold improvements	2,940,711	675,536	(1,880,545)	1,735,702
Equipment	661,080	211,836	-	872,916
Total accumulated amortization	3,601,791	887,372	(1,880,545)	2,608,618
Right-to-use lease assets, net	\$ 8,283,467	\$ (386,150)	\$ (3,786,202)	\$ 4,111,116

The University leases equipment from Comdoc, Ricoh, Rumpke, and Caldwell & Gregory the terms of which expire in 2025, 2029, 2026, and 2031, respectively. The leases are all measured

using the University's incremental borrowing rate at commencement.

The University leases space from Double Bowler Properties Corp., Auglaize/Mercer YMCA, YMCA of Greater Dayton, and WOEF, the terms of which expire in 2034, 2025, 2033 and 2025, respectively. The leases are all measured using the University's incremental borrowing rate at commencement of the lease amortization with the exception of the Double Bowler lease which includes an explicit rate.

During the years ending June 30, 2025 and 2024, the University recognized amortization expense of \$683,743 and \$887,372 for these right-to-use lease assets.

(7) Subscription-based information technology arrangements

Subscription assets activity for the years ended June 30, 2025 and 2024 is summarized as follows:

	Balance 7/1/2024	Additions	Disposals	Balance 6/30/2025
Subscription assets	\$ 9,162,294	\$ 3,253,463	\$ -	\$ 12,415,757
Less accumulated amortization	(5,290,973)	(2,734,750)	-	(8,025,723)
Subscription assets, net	<u>\$ 3,871,321</u>	<u>\$ 518,713</u>	<u>\$ -</u>	<u>\$ 4,390,034</u>

	Balance 7/1/2023	Additions	Disposals	Balance 6/30/2024
Subscription assets	\$ 7,845,094	\$ 1,317,200	\$ -	\$ 9,162,294
Less accumulated amortization	(2,598,728)	(2,692,245)	-	(5,290,973)
Subscription assets, net	<u>\$ 5,246,366</u>	<u>\$ (1,375,045)</u>	<u>\$ -</u>	<u>\$ 3,871,321</u>

The University has subscription-based information technology arrangements which expire in various years through 2029. The arrangements are all measured using the University's incremental borrowing rate at commencement.

During the year ended June 30, 2025 and 2024 the University recognized amortization expense of \$2,734,750 and \$2,692,245, respectively, for these subscription assets.

(8) Pension Plans

Pensions and Net Pension Liability

Pensions are a component of exchange transactions - between an employer and its employees - of salaries and benefits for employee services. Pensions are provided to an employee - on a deferred payment basis - as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that have occurred already.

GASB No. 68 requires governmental employers to report a net pension liability on the Statement of Net Position. The net pension liability represents the University's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past

periods of service, net of each pension plan's fiduciary net position (assets available to pay the pension benefits). The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

GASB 68 assumes the net pension liability for each plan is solely the obligation of the employers because (1) the employer's benefit from the employee services, and (2) state statute requires all funding to come from these employers. The University cannot control benefit terms or the manner in which pensions are financed; however, the University does receive the benefit of employee services in exchange for compensation including pension.

Plan Descriptions

University faculty are provided pensions through the State Teachers Retirement System of Ohio (STRS). Substantially all other University employees are provided pensions through the Ohio Public Employees Retirement System (OPERS). Both OPERS and STRS are statewide cost-sharing multiple employer defined benefit pension plans. Authority to establish and amend benefits for OPERS and STRS are authorized by Chapters 145 and 3307, respectively, of the Ohio Revised Code. Both OPERS and STRS issue publicly available financial reports. The OPERS report can be obtained at <https://www.opers.org/financial/reports.shtml>. The STRS report can be obtained at <https://www.strsoh.org/employer/publications.html#other>.

Effective January 1, 2024, OPERS consolidated its Combined Plan into the Traditional Pension Plan as a separate division pursuant to Ohio Revised Code §145.196. This administrative change did not alter existing Combined Plan benefit provisions; participants continue under prior terms, but the Combined Plan is now reported within the Traditional Pension Plan framework. The Combined Plan has been closed to new members since January 1, 2022.

OPERS and STRS historically offered three separate retirement plans. Today, a defined benefit plan and a defined contribution plan are available to new members; the Combined Plan remains only for legacy participants (closed to new members since January 1, 2022). Effective January 1, 2024, OPERS administers the Combined division within the Traditional Pension Plan.

Defined Benefit Plans pay service retirement benefits using a fixed formula based on age, years of service and salary. In addition to service retirement, participants are eligible for disability and survivor benefits.

Defined Contribution Plans are member-directed, optional retirement plans available to new members. Participants allocate both member and employer contributions in investment choices provided by the plans. Retirement benefits are based on the member's account value.

Legacy Combined Plans offer features of both a defined benefit plan and a member-directed, defined contribution plan. In the combined plans, employee contributions are invested in self-directed investments, and the employer contribution is used to fund a reduced defined benefit in addition to disability and survivor benefits.

Benefits Provided

OPERS and STRS defined benefit plans provide retirement, disability, annual cost-of-living adjustments, and survivor benefits for plan members and beneficiaries. The benefit provisions stated in the following paragraphs are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not yet receiving them are bound by the provisions in effect at the time they last terminated their public service.

OPERS Benefits

Under OPERS, retirement benefits are specific to each plan and members must meet the eligibility requirements based on their age and years of service within the plan. Retirement eligibility also varies by division and transition group.

Defined Benefit members who were eligible to retire before January 7, 2023 under law in effect prior to SB 343 are included in transition Groups A and B. Group C includes those members who are not in either of the other groups and members who were hired on or after January 7, 2013. University members in transition Group A are eligible for full retirement benefits at any age with 30 years of service or at age 65 with 5 years of service. Group B members are eligible for full benefits at age 52 with 31 years of service, at any age with 32 years of service, or at age 66 with 5 years of service. Group C members are eligible for full benefits at age 55 with 32 years of service or at age 67 with 5 years of service. Members in Groups A and B are eligible for retirement with reduced benefits at age 60 with 5 years of service credit or at age 55 with 25 or more years of service credit. Members of Group C are eligible for reduced retirement benefits at age 57 with 25 years of service or at age 62 with 5 years of service.

Under the Traditional Plan (the defined benefit plan), the annual benefit for Groups A and B is based on 2.2% of final average salary (FAS) multiplied by the actual years of service for the first 30 years of service credit and 2.5% for years of service in excess of 30 years. For Group C, the annual benefit applies a factor of 2.2% for the first 35 years and a factor of 2.5% for the years of service in excess of 35. FAS represents the average of the three highest years of earnings over a member's career for Groups A and B. FAS for Group C is based on the average of the five highest years of earnings over a member's career.

The OPERS law enforcement program consists of two separate divisions: Law Enforcement and Public Safety. Both groups of members are eligible for special retirement options under the Traditional Pension Plan and are not eligible to participate in the Member-Directed Defined Contribution or Combined plans. Public Safety Group members of Groups A and B may file an application for full retirement benefits at age 48 or older with 25 or more years of credited service or at age 52 or older with 15 or more years of credited service. Public Safety Group C is eligible for benefits at age 52 or older with 25 years or at age 56 or older with 15 years. Those members classified as Law Enforcement officers are eligible for full retirement as follows: for Group A, at age 52 or older with 15 or more years of credited service; for Group B, at age 48 or older with 25 years or at age 52 or older with 15 years of service; and for Group C, at age 48 or older with 25 years of service or at age 56 with 15 years of service. Annual benefits under both divisions are calculated by multiplying 2.5% of FAS by the actual years of service for the first 25 years of service credit, and 2.1% of FAS for each year of service over 25 years.

In the Combined Plan, the benefit formula for the defined benefit component of the plan for University members in transition Groups A and B applies a factor of 1% to the member's FAS for the first 30 years of service. A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1% to the member's FAS for the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. These options also permit early retirement with a reduced benefit as early as age 48 under qualifying circumstances.

Members of the Defined Benefit and Combined Plans who become disabled at any age with 60 contributing months will be eligible for disability benefits until a determined age. Law enforcement officers are immediately eligible for disability benefits if disabled by an on-duty illness or injury. Members participating in the Defined Contribution Plan are not eligible for disability benefits. Disability benefits are determined in the same manner as retirement benefits.

After a benefit recipient retiring under the Traditional Pension Plan has received benefits for 12 months, an annual cost-of-living adjustment of 3% is provided on the member's base benefit. Members retiring under the Combined Plan receive an annual cost-of-living adjustment of 3% on the defined benefit portion of their benefit.

STRS Benefits

Members of the Defined Benefit plan are eligible for full retirement benefits at any age with 30 years of service or at age 65 with five years of service. Age and service requirements for full retirement benefits increased effective August 1, 2015 and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026. Employees are eligible to retire with reduced benefits at age 60 with five years of qualifying service

credit, at age 55 with 25 years of service, or with 30 years of service regardless of age. Age and service requirements for reduced retirement benefits increased effective August 1, 2015 and will continue to increase periodically until age 55 with 29 years of service on August 1, 2021.

Prior to August 1, 2015, benefits under the Defined Benefit Plan benefits were based on 2.2% of FAS for the three highest years of earnings, multiplied by years of total Ohio service credit and the percentage increased if the member has 35 or more years of contributing service credit. Effective August 1, 2015, benefits are now based on an annual amount equal to 2.2% of FAS for the five highest years of earnings, multiplied by all years of service. Under the Combined Plan, benefits are based on the balance in the member's defined contribution account plus an annual amount equal to 1% of FAS for the three highest paid years multiplied by years of total Ohio service credit. Effective August 1, 2015, FAS is the average of the member's five highest salary years.

A Defined Benefit Plan or Combined Plan member with five or more years of credited service who is determined to be disabled (illness or injury preventing the individual's ability to perform regular job duties for at least 12 months) may receive a disability benefit. New members on or after July 1, 2013, must have at least 10 years of qualifying service credit to apply for disability benefits. Disability benefits are determined in the same manner as retirement benefits.

Under the Defined Benefit Plan, members will receive an annual cost of living adjustment of 2% beginning on the fifth anniversary of retirement. Under the Combined Plan, a cost of living adjustment is not available on the service retirement benefit. For disability and survivor benefits, the basic benefit is increased each year by 2% of the original base benefit.

Contributions

Ohio Revised Code Chapters 145 and 3307 set the rates for employer and employee contributions for OPERS and STRS, respectively. Contribution rates can only be modified by the state legislature.

OPERS Contributions

Under OPERS, the employee contribution rate for the plan years ended December 31, 2024 and 2023 was 10% for all employees with the exception of law enforcement and public safety, which are 13% and 12%, respectively. The employer contribution rate is 14% for all employees with the exception of law enforcement and public safety, whose rate is 18.1%.

For Member-Directed Plans, for the fiscal years ended June 30, 2025 and 2024, 11.76% was paid into the member's member-directed account and the remaining 2.24% was paid to OPERS to cover unfunded liabilities, as required by state legislation. The University's contribution to OPERS was \$6,416,018 and \$5,979,484 for the fiscal years ended June 30, 2025 and 2024, respectively. The University's contributions were equal to the required contributions as set by state statute.

STRS Contributions

Under STRS plans, the employee contribution rate was 14% for the years ended June 30, 2025 and 2024. Under the Combined Plan, 2.0% of the employee contributions were used to fund the defined benefit for the years ended June 30, 2025 and 2024. The employer contribution rate is 14%. Under the Defined Contribution Plan, 2.91% of the employer contribution is used to amortize the unfunded actuarial accrued liability of the defined benefit plan. The University's contribution to STRS for the years ended June 30, 2025 and 2024 was \$6,656,449 and \$6,938,036, respectively. The University's contributions were equal to the required contributions as set by state statute.

Pension Liabilities, Pension Expense/(Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025 and 2024 the University reported liabilities of \$121,363,747 and \$133,322,141, respectively for its proportionate share of the OPERS and STRS net pension liabilities which were measured as of December 31, 2024 and 2023 and June 30, 2024 and 2023, respectively. The total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of those respective dates. The University's proportion of the net pension liabilities for STRS as well as the OPERS Combined Plan were based on the University's share of contributions

to each plan relative to the total employer contributions received from all participating employers of each plan. The calculation of proportionate share for the Member-Directed Plan is based on employer contributions to the plan as contributions specific to purchased defined benefit annuities are identifiable only to retirees purchasing the annuities. The University's proportion of the net pension liability for the OPERS Traditional Plan was based on the combined University employer and member contributions relative to the total combined employer and member contributions received from all participating employers and members of the plan.

Information for each plan's proportionate share and pension expense/(revenue) for the years ended June 30, 2025 and 2024 is as follows:

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
<u>Fiscal Year Ended 6/30/2025:</u>			
Measurement date	December 31, 2024	June 30, 2024	
Proportionate share of the net pension liability	\$ 52,927,550	\$ 68,436,197	\$ 121,363,747
Proportion of the net pension liability	0.21602796%	0.35566762%	
Pension expense / (revenue)	\$ 265,497	\$ (11,115,839)	\$ (10,850,342)
<u>Fiscal Year Ended 6/30/2024:</u>			
Measurement date	December 31, 2023	June 30, 2023	
Proportionate share of the net pension liability	\$ 54,164,109	\$ 79,158,032	\$ 133,322,141
Proportion of the net pension liability	0.20943614%	0.36757957%	
Pension expense / (revenue)	\$ (1,695,766)	\$ (14,450,595)	\$ (16,146,361)

At June 30, 2025 and 2024 the University reports deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ended 6/30/2025:			
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 1,073,716	\$ 4,309,690	\$ 5,383,406
Net effect of changes in assumptions	589	3,153,916	3,154,505
Net difference between projected and actual earnings on pension plan investments	6,249,536	-	6,249,536
University Contributions subsequent to the measurement date	3,030,855	6,656,449	9,687,303
Net effect of change in proportionate share	1,707,187	-	1,707,187
	<u>1,707,187</u>	<u>-</u>	<u>1,707,187</u>
Total	<u>\$ 12,061,882</u>	<u>\$ 14,120,055</u>	<u>\$ 26,181,937</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ -	\$ (37,475)	\$ (37,475)
Net effect of changes in assumptions	-	(2,373,992)	(2,373,992)
Net difference between projected and actual earnings on pension plan investments	-	(5,884,121)	(5,884,121)
Net effect of change in proportionate share	(584,916)	(12,520,678)	(13,105,594)
	<u>(584,916)</u>	<u>(12,520,678)</u>	<u>(13,105,594)</u>
Total	<u>\$ (584,916)</u>	<u>\$ (20,816,266)</u>	<u>\$ (21,401,182)</u>

	OPERS	STRS	Total
Fiscal Year Ended 6/30/2024:			
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 972,413	\$ 2,885,935	\$ 3,858,348
Net effect of changes in assumptions	24,697	6,519,093	6,543,790
Net difference between projected and actual earnings on pension plan investments	11,176,144	-	11,176,144
University Contributions subsequent to the measurement date	2,831,242	6,938,036	9,769,278
Net effect of change in proportionate share	331,265	-	331,265
Total	\$ 15,335,762	\$ 16,343,064	\$ 31,678,826

Deferred Inflows of Resources

Differences between expected and actual experience	\$ (63,672)	\$ (175,655)	\$ (239,327)
Net effect of changes in assumptions	-	(4,907,003)	(4,907,003)
Net difference between projected and actual earnings on pension plan investments	-	(237,239)	(237,239)
Net effect of change in proportionate share	(2,293,067)	(18,113,382)	(20,406,449)
Total	\$ (2,356,740)	\$ (23,433,279)	\$ (25,790,019)

As of June 30, 2025 and 2024, the University reported \$3,030,855 and \$2,831,242, respectively as deferred outflows of resources related to pensions resulting from University contributions to OPERS made subsequent to the measurement date. As of June 30, 2025 and 2024, the University reported deferred outflows of resources related to pensions of \$6,656,449 and \$6,938,036, respectively resulting from University contributions to STRS made subsequent to the measurement date. These contributions will be/(were) recognized as reductions of the net pension liabilities in the years ending June 30, 2026 and 2025, respectively.

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	OPERS	STRS	Total
2026	3,793,921	(10,449,088)	(6,655,166)
2027	7,224,093	3,482,831	10,706,924
2028	(2,266,586)	(4,535,680)	(6,802,266)
2029	(648,835)	(1,850,723)	(2,499,558)
2030	131,893	-	131,893
Thereafter	211,626	-	211,626
Total	\$ 8,446,112	\$ (13,352,660)	\$ (4,906,549)

Actuarial Assumptions

OPERS

The total pension liabilities in the December 31, 2024 and 2023 actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement:

2024:

Inflation	2.75%
Salary increases	2.75% – 10.75%, including inflation
Investment rate of return	6.9%, net of pension plan investment expense, including inflation

2023:

Inflation	2.75%
Salary increases	2.75% – 10.75%, including inflation
Investment rate of return	6.9%, net of pension plan investment expense, including inflation

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The OPERS Board of Trustees sets target allocations as well as minimum and maximum allowable allocations, or ranges, surrounding each asset class target. The purpose of these ranges is to appropriately and cost-effectively balance the Board's investment policy with the investment strategies pursued over shorter time periods. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class for the plan years ended December 31, 2024 and 2023 are summarized in the following table:

OPERS Asset Class	2024		2023	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	24%	2.42%	24%	2.85%
Domestic Equity	21%	5.70%	21%	4.27%
International Equity	20%	6.10%	20%	5.16%
Real Estate	13%	4.17%	13%	4.46%
Private Equity	15%	8.40%	15%	7.52%
Other Investments	5%	2.54%	5%	3.46%
Risk Parity	2%	4.40%	2%	4.38%
Total	100%		100%	

STRS

The total pension liabilities in the June 30, 2024 and 2023 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

2024:

Inflation	2.50%
Salary increases	Varies by service from 2.5% to 8.5%
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

2023:

Inflation	2.50%
Salary increases	Varies by service from 2.5% to 8.5%
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

The actuarial assumptions used in the June 30, 2024 and 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021.

The long-term expected rate of return on pension plan investments was determined by STRS's investment consultant by developing best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class. The STRS Board of Trustees sets target allocations as well as minimum and maximum allowable allocations, or ranges, surrounding each asset class target. The purpose of these ranges is to appropriately and cost-effectively balance the Board's investment policy with the investment strategies pursued over shorter time periods. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of geometric real rates of return for each major asset class for the plan years ended June 30, 2024 and 2023 are summarized in the following table:

STRS Asset Class	2024		2023	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	26%	6.90%	26%	6.60%
International Equity	22%	7.70%	22%	6.80%
Alternatives	19%	9.10%	19%	7.38%
Fixed Income	22%	4.50%	22%	1.75%
Real Estate	10%	5.10%	10%	5.75%
Liquidity Reserves	1%	2.40%	1%	1.00%
Total	100%		100%	

Discount Rates

The discount rate used to measure the total pension liabilities for OPERS was 6.9% for the plan years ended December 31, 2024 and 2023. The discount rate used to measure the total pension liabilities for STRS was 7.00% for plan years ended June 30, 2024 and 2023. The projection of cash flows used to determine the discount rates assumed employee and University contributions will be made at the statutorily required rates, as actuarially determined. Based on those assumptions, the pension plans' fiduciary net positions were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the respective long-term expected rates of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liabilities.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Net pension liability is sensitive to changes in the discount rate. To illustrate the potential impact, the University's proportionate share of the net pension liabilities calculated using the discount rate of 6.9% for OPERS, and 7.0% for STRS, is compared to what the University's proportionate share of the net pension liabilities would be if calculated using a discount rate 1 percentage point lower (5.9% for OPERS and 6.0% for STRS) or 1 percentage point higher (7.9% for OPERS and 8.0% for STRS) than the current rate.

The following table provides the results of the sensitivity analysis at June 30:

	2025		
	1% Decrease	Current Discount Rate	1% Increase
OPERS Range	-5.90%	-6.90%	-7.90%
STRS Range	-6.00%	-7.00%	-8.00%
University's proportionate share:			
OPERS net pension liability/(asset)	\$ 86,630,249	\$ 52,927,550	\$ 24,920,505
STRS net pension liability	110,399,578	68,436,197	32,942,385
Total	\$ 197,029,828	\$ 121,363,747	\$ 57,862,890

	2024		
	1% Decrease	Current Discount Rate	1% Increase
OPERS Range	-5.90%	-6.90%	-7.90%
STRS Range	-6.00%	-7.00%	-8.00%
University's proportionate share:			
OPERS net pension liability/(asset)	\$ 85,903,745	\$ 54,164,109	\$ 27,775,984
STRS net pension liability	121,727,532	79,158,032	43,155,882
Total	\$ 207,631,277	\$ 133,322,141	\$ 70,931,867

Pension Plan Fiduciary Net Position

Detailed information about OPERS and STRS fiduciary net position is available in the separately issued financial reports. Financial reports for OPERS may be obtained online at www.opers.org or by writing to Ohio Public Employees Retirement System, Director-Finance, 277 East Town Street, Columbus, Ohio 43215-4642. Financial reports for STRS may be obtained at www.strsoh.org or by writing to State Teachers Retirement System of Ohio, Attn: Chief Financial Officer, 275 E. Broad St., Columbus, OH 43215-3771.

Alternative Retirement Plan (ARP) Contributions

Certain full-time University staff and faculty have the option to choose the ARP in place of OPERS or STRS. 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 for employees who would otherwise participate in OPERS was 10% of the employees' covered compensation for the years ended June 30, 2025 and 2024. The required rate for plan participants who would otherwise participate in STRS was 14% for the years ended June 30, 2025 and 2024. Effective June 1, 2022, the University's contributions to a participating faculty member's account and to STRS are 11.09% and 2.91%, respectively. From July 1, 2017 through June 30, 2022, the University's contributions to a participating faculty member's account and to STRS were 9.53% and 4.47% of a participant's compensation, respectively. Prior to July 1, 2017, those rates were 9.5% and 4.5%, respectively. The University's contributions to a participating staff member's account and to OPERS were 13.23% and 0.77% of a participant's compensation, respectively through December 31, 2016. Effective July 1, 2017, the contribution rates to a participating staff member's account and to OPERS are 11.56% and 2.44%, respectively. Plan participants' contributions amounted to \$5,668,021 and \$5,960,100, and the University's contributions to the plan amounted to \$5,094,718 and \$5,284,313 for the years ended June 30, 2025 and 2024, respectively.

In addition, the amount contributed to STRS by the University on behalf of ARP participants was

\$761,018 and \$925,100 for the years ended June 30, 2025 and 2024, respectively. The amount contributed to OPERS by the University on behalf of ARP participants was \$364,520 and \$341,051 for the years ended June 30, 2025 and 2024, respectively.

Payables to the Pension Plans

At June 30, 2025 and 2024 the University reported payables of \$497,000 and \$488,800 to OPERS and \$958,171 and \$946,511 to STRS Ohio for the outstanding amounts of contributions to the pension plans required for the years ended June 30, 2025 and 2024, respectively.

(9) Other Postemployment Benefits (OPEB)

Plan Descriptions

The University contributes to the Ohio Public Employees Retirement System (OPERS) and the State Teachers Retirement System of Ohio (STRS). STRS and OPERS are statewide cost-sharing multiple-employer retirement plans that offer pension and other postemployment benefits (OPEB) covering substantially all faculty and staff. Both OPERS and STRS are administered by each plan's board of trustees appointed by the governor of Ohio or by plan member elections. The legislature of the state of Ohio maintains the authority to establish and amend benefits for both plans as authorized by Chapters 145 and 3307 of the Ohio Revised Code. Both STRS and OPERS issue publicly available financial reports. The OPERS report can be obtained at <https://www.opers.org/financial/reports.shtml>. The STRS report can be obtained at <https://www.strsoh.org/employer/publications.html#other>.

Benefits Provided

OPERS Benefits

OPERS provides post-employment health care benefits to eligible members of the Traditional and Combined pension plans with OPEB funding assets accumulated in a single health care trust (the 115 Trust.) Coverage under the current program includes hospitalization, medical expenses, and prescription drugs. Prior to January 1, 2015, 10 or more years of service were required to qualify for health care coverage. Beginning January 1, 2015, generally, members must be at least age 60 with 20 years of qualifying service credit to qualify for health care coverage or 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefits is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB to its eligible members and beneficiaries.

Beginning in 2016, OPERS Traditional Pension Plan and Combined Plan retirees enrolled in Medicare A and B were eligible to participate in the OPERS Medicare Connector (Connector). The Connector, a vendor selected by OPERS, assists eligible retirees in the selection and purchase of Medicare supplemental coverage through the Medicare market. Retirees that purchase supplemental coverage through the Connector may receive a monthly allowance in their Health Reimbursement Account (HRA) that can be used to reimburse eligible health care expenses.

STRS Benefits

STRS provides access to health care coverage to eligible retirees who participated in the Traditional or Combined Plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees and prescription drugs and reimbursement of a portion of the Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2021. Pursuant to the Ohio Revised Code, the STRS Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by the plan.

All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Additionally, Medicare Part D is a federal program to help cover the costs of prescription drugs for Medicare beneficiaries. This program allows OPERS and STRS Ohio to recover part of the cost for providing prescription coverage since all eligible health care plans include creditable prescription drug coverage.

Contributions

The Ohio state legislature as authorized by Chapters 145 and 3307 of the Ohio Revised Code has the authority to establish and amend the contribution requirements of the University for OPERS and STRS. Under Ohio law, funds to pay health care costs are permitted but not mandated to be deducted from employer contributions.

OPERS has not allocated any contributions of covered payroll to health care for the plan years ended December 31, 2024 and 2023. Similarly, STRS has not allocated any contributions of covered payroll to health care for the plan years ended June 30, 2024 and 2023.

OPEB Liabilities/(Assets), OPEB Expense/(Revenue) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025 and 2024, the University reported assets of \$5,192,292 and \$2,011,753 for its proportionate share of the OPERS net OPEB asset measured as of December 31, 2024 and 2023, respectively. At June 30, 2025 and 2024, the University reported an asset of \$6,746,335 and \$7,148,915 for its proportionate share of the STRS net OPEB asset measured as of June 30, 2024 and 2023, respectively. The total OPEB asset used to calculate the net OPEB asset was determined by actuarial valuations as of those respective dates. The University's proportions of the net OPEB asset for OPERS and STRS were based on actual University employer contributions to the Plans during the respective measurement periods in relation to total employer contributions to the Plans for the same periods.

Information for each plan's proportionate share and pension expense/(revenue) for the years ended June 30, 2025 and 2024 is as follows:

	OPERS	STRS	Total
Fiscal Year Ended 6/30/2025:			
Measurement date	December 31, 2024	June 30, 2024	
Proportionate share of the net OPEB (asset)	\$ (5,192,292)	\$ (6,746,335)	\$ (11,938,627)
Proportion of the net OPEB asset	0.221492%	0.35566762%	
OPEB expense / (revenue)	\$ (1,702,250)	\$ (1,959,870)	\$ (3,662,120)
	OPERS	STRS	Total
Fiscal Year Ended 6/30/2024:			
Measurement date	December 31, 2023	June 30, 2023	
Proportionate share of the net OPEB (asset)	\$ (2,011,753)	\$ (7,148,915)	\$ (9,160,668)
Proportion of the net OPEB asset	0.222903%	0.36757957%	
OPEB expense / (revenue)	\$ (440,640)	\$ (871,196)	\$ (1,311,836)

At June 30, 2025 and 2024, the University reports deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	STRS	Total
<u>Fiscal Year Ended 6/30/2025:</u>			
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ -	\$ 293,000	\$ 293,000
Net effect of changes in assumptions	-	830,000	830,000
Net difference between projected and actual earnings on OPEB plan investments	106,915	-	106,915
Net effect of change in proportionate share	21,930	315,915	337,844
Total	\$ 128,845	\$ 1,438,915	\$ 1,567,760

Deferred Inflows of Resources

Differences between expected and actual experience	\$ (252,719)	\$ (727,000)	\$ (979,719)
Net effect of changes in assumptions	(749,201)	(3,043,000)	(3,792,201)
Net difference between projected and actual earnings on OPEB plan investments	-	(290,000)	(290,000)
Net effect of change in proportionate share	-	(87,818)	(87,818)
Total	\$ (1,001,920)	\$ (4,147,818)	\$ (5,149,738)

	OPERS	STRS	Total
<u>Fiscal Year Ended 6/30/2024:</u>			
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ -	\$ 11,000	\$ 11,000
Net effect of changes in assumptions	517,926	1,053,000	1,570,926
Net difference between projected and actual earnings on OPEB plan investments	1,208,172	13,000	1,221,172
Net effect of change in proportionate share	33,449	289,102	322,551
Total	\$ 1,759,547	\$ 1,366,102	\$ 3,125,649

Deferred Inflows of Resources

Differences between expected and actual experience	\$ (286,330)	\$ (1,090,000)	\$ (1,376,330)
Net effect of changes in assumptions	(864,792)	(4,717,000)	(5,581,792)
Net effect of change in proportionate share	(3,210)	(630,455)	(633,665)
Total	\$ (1,154,333)	\$ (6,437,455)	\$ (7,591,788)

At June 30, 2025 and 2024, the University reported no deferred outflows of resources related to OPEB resulting from University contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability or increase to the net OPEB asset in the years

ending June 30, 2025 and 2024, as no portion of the employer contributions to OPERS or STRS were allocated to health care.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at June 30, 2025, will be recognized in OPEB expense as follows:

Year Ended June 30	OPERS	STRS	Total
2026	\$ (516,057)	\$ (1,050,239)	\$ (1,566,297)
2027	\$ 489,224	\$ (415,909)	73,315
2028	\$ (625,808)	\$ (534,297)	(1,160,105)
2029	\$ (220,434)	\$ (489,355)	(709,788)
2030	\$ -	\$ (386,393)	(386,393)
Thereafter	\$ -	\$ 167,291	167,291
Total	\$ (873,075)	\$ (2,708,903)	\$ (3,581,978)

Actuarial Assumptions

OPERS

The total OPEB asset was determined by an actuarial valuation as of December 31, 2023 and 2022, rolled forward to the measurement date of December 31, 2024 and 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

2024	
Inflation	2.75%
Salary increases	2.75% - 10.75%, including inflation
Health care cost trend rates	5.50% initial, 3.50% ultimate in 2039
Investment rate of return	6.00%
2023	
Inflation	2.75%
Salary increases	2.75% - 10.75%, including inflation
Health care cost trend rates	5.50% initial, 3.50% ultimate in 2038
Investment rate of return	6.00%

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The long-term expected rate of return on OPEB Plan investments was determined using a building Block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class for the plan year ended December 31, 2024 and 2023 are summarized in the following table:

OPERS Asset Class	2024		2023	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	37%	2.37%	37%	2.82%
Domestic equity	26%	5.70%	25%	4.27%
REITs	5%	5.00%	5%	4.68%
International equity	26%	6.10%	25%	5.16%
Risk parity	3%	4.40%	3%	4.38%
Other investments	3%	2.50%	5%	2.43%
Total	100%		100%	

STRS

The total OPEB asset in the June 30, 2024 and 2023 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

2024

Payroll Increases	3.00%
Salary increases	Varies by service from 2.5% to 8.5%
Health care cost trend rates	(112.22%) – (15.14%) Medicare initial, 3.94% ultimate
Investment rate of return	7.00%, net of investment expense, including inflation

2023

Payroll Increases	3.00%
Salary increases	Varies by service from 2.5% to 8.5%
Health care cost trend rates	(10.94%) – 1.33% Medicare initial, 4.14% ultimate
Investment rate of return	7.00%, net of investment expense, including inflation

Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

The actuarial assumptions used in the June 30, 2024 and 2023 valuation were based on the results of a six-year period actuarial experience study ended June 30, 2021.

The long-term expected rate of return on OPEB Plan investments was determined by STRS Ohio's investment consultant by developing an estimate range of investment return based on the target allocation adopted by the Retirement Board.

The target allocation and long-term expected rate of return for each major asset class for the plan years ended June 30, 2024 and 2023 are summarized in the following table:

STRS Asset Class	2024		2023	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	26%	6.90%	26%	6.60%
International equities	22%	7.70%	22%	6.80%
Alternatives	19%	9.10%	19%	7.38%
Fixed income	22%	4.50%	22%	1.75%
Real estate	10%	5.10%	10%	5.75%
Liquidity reserves	1%	2.40%	1%	1.00%
Total	100%		100%	

Discount Rate

The discount rates used to measure the total OPEB assets were 6.00% and 5.22% for OPERS for the plan years ended December 31, 2024 and 2023. The discount rates used to measure the total OPEB assets were 7.00% for STRS for the plan years ended June 30, 2024 and 2023.

For OPERS, a single discount rate of 6.00% and 5.70% was used to measure the total OPEB asset on the measurement dates of December 31, 2024 and 2023, respectively; however, the single discount rate used at the beginning of the year was 5.70% and 5.22%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00%. The projection of cash flows used to determine this single discount rate assumed that participating employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2124. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2124.

For STRS, a discount rate of 7.00% was used to measure the OPEB assets on the measurement date of June 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024 and 2023. Therefore, the long-term expected rate of return on health care plan investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB asset as of June 30, 2024.

Sensitivity of the University's Proportionate Share of the Net OPEB (Asset) to Changes in the Discount Rate and Health Care Cost Trend Rates

The University's proportionate share of the net OPEB (asset) has been calculated using the discount rates of 6.00% for OPERS and 7.00% for STRS for the years ended June 30, 2025 and 2024. The following presents the University's proportionate share of the net OPEB (asset) calculated using a discount rate 1% higher and 1% lower than the current discount rate.

	2025		
	1% Decrease	Current Discount Rate	1% Increase
OPERS Range	5.00%	6.00%	7.00%
STRS Range	6.00%	7.00%	8.00%
University's proportionate share:			
OPERS net OPEB asset	\$ (2,578,167)	\$ (5,192,292)	\$ (7,373,469)
STRS net OPEB asset	(5,485,216)	(6,746,335)	(7,843,783)
Total	\$ (8,063,383)	\$ (11,938,627)	\$ (15,217,252)

	2024		
	1% Decrease	Current Discount Rate	1% Increase
OPERS Range	4.70%	5.70%	6.70%
STRS Range	6.00%	7.00%	8.00%
University's proportionate share:			
OPERS net OPEB asset (liability)	\$ 1,105,599	\$ (2,011,753)	\$ (4,594,031)
STRS net OPEB asset	(6,050,621)	(7,148,915)	(8,105,413)
Total	\$ (4,945,022)	\$ (9,160,668)	\$ (12,699,443)

The following presents the University's proportionate share of the net OPEB (asset) calculated using health care cost trend rates 1% higher and 1% lower than the current health care cost trend rates noted above for OPERS and STRS as of June 30, 2025 and 2024.

	2025		
	1% Decrease	Current Trend Rate	1% Increase
University's proportionate share:			
OPERS net OPEB asset	\$ (5,271,510)	\$ (5,192,292)	\$ (5,103,176)
STRS net OPEB asset	(7,917,915)	(6,746,335)	(5,337,358)
Total	\$ (13,189,425)	\$ (11,938,627)	\$ (10,440,534)

	2024		
	1% Decrease	Current Trend Rate	1% Increase
University's proportionate share:			
OPERS net OPEB liability	\$ (2,095,288)	\$ (2,011,753)	\$ (1,916,966)
STRS net OPEB asset	(8,149,798)	(7,148,915)	(5,943,368)
Total	\$ (10,245,086)	\$ (9,160,668)	\$ (7,860,334)

OPEB Plans' Fiduciary Net Position

Detailed information about OPERS and STRS fiduciary net position is available in the separately issued financial reports. Financial reports for OPERS may be obtained online at www.opers.org or by writing to Ohio Public Employees Retirement System, Director-Finance, 277 East Town Street, Columbus, Ohio 43215-4642. Financial reports for STRS may be obtained at www.strsoh.org or by writing to State Teachers Retirement System of Ohio, Attn: Chief Financial Officer, 275 E. Broad St., Columbus, OH 43215-3771.

Payables to the OPEB Plans

At June 30, 2025 and 2024, the University reported no payables to OPERS and STRS for the

outstanding amounts of contributions to the OPEB plans required for the years ended June 30, 2025 and 2024.

(10) Commitments and Contingencies

At June 30, 2025, the University is committed under contractual obligations for:

Capital expenditures	\$ 11,336,902
Non-capital goods and services	16,674,716
Total contractual commitments	<u>\$ 28,011,618</u>

These commitments are being funded from the following sources:

State Appropriations requested and approved	\$ 10,161,479
University funds	17,850,139
Total sources	<u>\$ 28,011,618</u>

The University is presently involved as a defendant or codefendant in various matters of litigation. The University is also subject to various federal and/or state investigations and audits. The University's administration believes that the ultimate disposition of these matters would not have a material adverse effect upon the financial statements of the University.

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 is self-insured for all employee health care benefits with Anthem, Delta Dental, and Vision Service Plan as the third-party administrators. Under the terms of the policy, the University is billed for actual claims on a weekly or monthly 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:

	<u>2025</u>	<u>2024</u>
Liability at beginning of fiscal year	\$ 970,000	\$ 1,050,000
Current year claims including changes in estimates	20,524,603	19,182,136
Claim payments	(20,394,603)	(19,262,136)
Liability at end of fiscal year	<u>\$ 1,100,000</u>	<u>\$ 970,000</u>

Health insurance claims are based upon estimates of the claim's 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 Statement of Revenues, Expenses and Changes in Net Position.

Collective Bargaining Agreements

Chapter 4117 of the Ohio Revised Code constitutes collective bargaining law for employees in the State of Ohio. The University is a party to a collective bargaining agreement with the American

Association of University Professors (AAUP), representing tenure-eligible, tenured, and non-tenure-eligible faculty. The current contract is final and expires on June 30, 2026. The University is also a party to collective bargaining agreements with the Fraternal Order of Police, Ohio Labor Council—one representing non-supervisory on-campus police officers and sergeants and another representing communication center operators—and with the International Brotherhood of Teamsters, Local 957, which covers skilled, semi-skilled, and labor employees. As of June 30, 2025, these agreements had expired and were in active negotiation. Subsequent to year-end, the Fraternal Order of Police contracts were ratified by union membership on July 17 and 18, 2025, and the Teamsters agreement was ratified on July 24, 2025. The Wright State University Board of Trustees approved resolutions for the agreements on August 22, 2025. The new contracts are effective July 1, 2025, through June 30, 2028.

(11) Operating Expenses by Natural Classification

The University reports operating expenses by functional classification on the Statement of Revenues, Expenses and Other Changes in Net Position. Operating expenses by natural classification for the University for the years ended June 30, 2025 and 2024 is summarized as follows:

	<u>2025</u>	<u>2024</u>
Salaries	\$138,867,167	\$138,360,867
Benefits	38,317,816	37,567,355
Contracted services	20,040,479	18,529,562
Supplies	10,000,165	7,076,105
Repairs & maintenance	16,786,209	16,523,503
Scholarships & fellowships	19,897,832	16,960,257
Other operating	28,241,260	23,341,707
Subtotal	272,150,928	258,359,356
Pension and OPEB	(14,512,462)	(17,458,197)
Depreciation	21,238,855	21,759,785
Total operating expenses	<u>\$278,877,321</u>	<u>\$262,660,944</u>

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

A. Summary of Significant Accounting Policies

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

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

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

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

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

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

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

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

Annuity Assets/Payable: Under charitable gift annuity agreements, the Foundation has recorded the donated assets at fair value and the liabilities to the donor and/or his/her beneficiaries at the

present value of the estimated future payments to be distributed by the Foundation to such individuals. The amount of the gift is the difference between the asset and liability and is recorded as gift revenue.

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

	Years
Land improvements	10-25
Buildings	20-65
Machinery and equipment	5-10

Long-lived assets, such as buildings, machinery and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. At June 30, 2025 and 2024, management has concluded that they are unaware of any impairments to be recorded.

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

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

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

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

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

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

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

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

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

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

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

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

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

Net Assets Released from Restrictions: When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are

reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

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

GAAP prescribes recognition thresholds and measurement attributes for the consolidated financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. A tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded. Management has concluded that they are unaware of any tax benefits or liabilities to be recognized at June 30, 2025 and 2024, respectively.

The Foundation and Raider Food Pantry do not have any tax benefits recorded at June 30, 2025 and do not expect that position to significantly change in the next year. The Foundation and Raider Food Pantry would recognize interest and/or penalties related to income tax matters in income tax expense, if applicable, and there were no amounts accrued for interest and penalties at June 30, 2025 and 2024.

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

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2025, to determine the need for any adjustments to and/or disclosures within the audited consolidated financial statements for the year ended June 30, 2025. Management has performed their analysis through October 8, 2025, the date the consolidated financial statements were available to be issued.

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

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. At June 30, 2025, the Foundation's cash accounts exceeded federally insured limits by approximately \$1,669,000.

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

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

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

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

Assets measured at fair value on a recurring basis are summarized below for the years ended June 30, 2025 and 2024

	Fair Value Measurements at June 30, 2025 Using				Totals
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at Net Asset Value	
ASSETS					
Gifts receivable from trusts held by others	\$ -	\$ -	\$ 1,751,400	\$ -	\$ 1,751,400
Investment in securities:					
Cash and equivalents	12	-	-	-	12
Mutual funds:					
Equity	96,913,704	-	-	-	96,913,704
Fixed income	57,906,311	-	-	-	57,906,311
Alternative assets:					
Hedge funds	-	-	-	20,894,276	20,894,276
Private equity	-	-	-	5,767,911	5,767,911
Distressed debt	-	-	-	304,748	304,748
Total investment in securities	154,820,028	-	-	26,966,934	181,786,962
Other investments - limited partnerships	-	-	-	32,764	32,764
Other assets - equity	288,826	-	-	-	288,826
Annuity assets					
Cash and equivalents	28,862	-	-	-	28,862
Mutual funds-securities	868,130	-	-	-	868,130
Total annuity assets	896,992	-	-	-	896,992
Total	\$ 156,005,845	\$ -	\$ 1,751,400	\$ 26,999,698	\$ 184,756,944

	Fair Value Measurements at June 30, 2024 Using				Totals
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at Net Asset Value	
ASSETS					
Gifts receivable from trusts held by others	\$ -	\$ -	\$ 1,753,800	\$ -	\$ 1,753,800
Investment in securities:					
Cash and equivalents	-	-	-	-	-
Mutual funds:					
Equity	88,143,831	-	-	-	88,143,831
Fixed income	49,553,934	-	-	-	49,553,934
Alternative assets:					
Hedge funds	-	-	-	19,143,893	19,143,893
Private equity	-	-	-	4,371,997	4,371,997
Distressed debt	-	-	-	455,403	455,403
Total investment in securities	137,697,765	-	-	23,971,293	161,669,058
Other investments - limited partnerships	-	-	-	91,214	91,214
Other assets - equity	249,420	-	-	-	249,420
Annuity assets					
Cash and equivalents	26,862	-	-	-	26,862
Mutual funds-securities	829,300	-	-	-	829,300
Total annuity assets	856,162	-	-	-	856,162
Total	\$ 138,803,347	\$ -	\$ 1,753,800	\$ 24,062,507	\$ 164,619,654

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended June 30, 2025. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

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

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

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

The tables below present a reconciliation and consolidated statement of activities classification of gains and losses for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2025 and 2024:

	<u>2025</u>
	Gifts Receivable from Trusts Held by Others
Beginning balance, July 1	\$ 1,753,800
Redemptions	-
Change in value of split interest agreements	(2,400)
Ending balance, June 30	<u>\$ 1,751,400</u>
	<u>2024</u>
	Gifts Receivable from Trusts Held by Others
Beginning balance, July 1	\$ 1,507,600
Redemptions	-
Change in value of split interest agreements	246,200
Ending balance, June 30	<u>\$ 1,753,800</u>

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

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

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

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

Part of the Foundation’s hedge fund allocation is invested in a “fund of funds” structured as an offshore company. The fund’s investment objective is to seek to achieve high returns balanced against an appropriate level of volatility and directional market exposure over a full market cycle. The fund is broadly diversified and invests in various private funds such as hedge funds that pursue hedged or other alternative investment strategies, private equity funds, hybrid funds and any other alternative investment funds, while also opportunistically investing directly in any other securities and financial instruments. The fund generally invests in 15-20 funds and the fund of funds manager requires full transparency of each of the underlying funds’ investment positions. The Foundation is no longer subject to the fund’s initial two-year lock-up period and may, therefore, request

liquidation on a semi-annual basis with 95 days prior notification. At June 30, 2025, the Foundation has no significant unfunded commitments to this hedge fund allocation. The valuation of this investment is based on NAV.

The Foundation's second hedge fund allocation is structured more like a mutual fund, but also sited offshore. The fund's investment objective is to seek to generate attractive risk-adjusted returns by employing a "global macro" thematic investment strategy, which is based on a top-down assessment of global monetary and fiscal policies, economic conditions, political developments, market expectations and other "macro" factors. The focus of the fund's investment strategy is targeted on liquid asset classes with most trading strategies expressed in markets for global government fixed income, currency and equity, typically via derivatives and primarily with medium to longer-term investment horizons. Other asset classes such as commodities and credit may also be employed as a part of the fund's investment strategy. The main focus of the investment strategy will be on developed markets, though opportunities may arise in various emerging markets from time to time. There is no lock-up period for this fund. Liquidation requests may be made quarterly with 95 days prior notification and subject to a 10% holdback of total redemptions on the final payment pending completion of the fund's final audit. At June 30, 2025, the Foundation has no significant unfunded commitments to this hedge fund allocation. The valuation of this investment is based on NAV.

The Foundation's investment in the private equity space is in a fund structured as a domestic partnership in which the Foundation is a limited partner. The fund seeks to invest the capital contributed to it in a highly diversified pool of long-term investments in non-publicly traded companies with relatively short durations and a focus on cash returns. Diversification is accomplished by investing over five sub-class targets: buyouts, venture capital, debt, real estate and real assets/infrastructure. Capital commitments of the limited partners are payable to the partnership in installments over a 3 – 5-year period. At June 30, 2025, the Foundation's total capital commitment of \$6,400,000 was 80.3% (\$5,142,018) funded. Due to the long-term commitment of capital and the unpredictability of capital calls and partnership distributions, the fund is generally considered illiquid. It is also not unusual for private equity funds to experience losses in the early years of their existence. The valuation of this investment is based on NAV.

The Foundation's latest investment in the private equity space is in a fund also structured as a domestic partnership in which the Foundation is a limited partner. The fund seeks to achieve an attractive risk-adjusted return relative to other asset class alternatives through the identification and selection of a set of private assets managers that manage underlying funds across a board spectrum of venture capital, buyouts, debt, real estate and real asset/infrastructure investments. Capital commitments of the limited partners are payable to the partnership in installments over a 3 – 5-year period. At June 30, 2025, the Foundation's total capital commitment of \$10,900,000 was 37.0% (\$4,022,746) funded. Due to the long-term commitment of capital and the unpredictability of capital calls and partnership distributions, the fund is generally considered illiquid. It is also not unusual for private equity funds to experience losses in the early years of their existence. The valuation of this investment is based on NAV.

The Foundation's investment in distressed debt is in the form of a fund that invests directly and indirectly in below investment grade bonds and loans (and other debt and equity instruments) of U.S. and international energy companies. The fund is structured as a domestic limited partnership. The fund seeks to generate high absolute returns by investing in securities which are purchased or acquired at a significant discount to fair value and/or offer high coupon rates. The fund will maintain a flexible approach to attempt to identify the most attractive risk-adjusted returns primarily within the energy debt space primarily through: 1) below investment grade bonds and loans of U.S. energy companies which trade at a discount to fair value; 2) direct lending at attractive risk-adjusted rates to U.S. energy companies; and/or 3) smaller allocations to U.S. investment grade and emerging markets companies. The Foundation's investment in this asset class was fully funded at June 30, 2025. The fund's lockup period of three years ended in August 2018. However, upon recommendation of the fund manager and in order to enhance the fund's performance, the Foundation agreed to a further three-year lockup period, which ended in April 2022. Liquidations may be requested on a semi-annual basis with a 95-days prior notice, subject to fund director

consent and certain gate, holdback and suspension restrictions. The valuation of this investment is based on NAV and subject to a monthly lag.

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

D. Pledges Receivable

Pledges receivable at June 30, 2025 and 2024, by fund type, are as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Totals
Less than one year	\$ 2,105	\$ 797,980	\$ 800,085
One to five years	-	1,321,217	1,321,217
Six years or greater	-	2,174,077	2,174,077
Gross pledges receivable	2,105	4,293,274	4,295,379
Present value discount	(5)	(714,455)	(714,460)
Allowance for uncollectible pledges	-	(48,800)	(48,800)
Pledges receivable (net)	<u>\$ 2,100</u>	<u>\$ 3,530,019</u>	<u>\$ 3,532,119</u>

	2024		
	Without Donor Restrictions	With Donor Restrictions	Totals
Less than one year	\$ 1,930	\$ 1,026,560	\$ 1,028,490
One to five years	-	1,365,412	1,365,412
Six years or greater	-	2,184,698	2,184,698
Gross pledges receivable	1,930	4,576,670	4,578,600
Present value discount	(30)	(736,770)	(736,800)
Allowance for uncollectible pledges	-	(57,000)	(57,000)
Pledges receivable (net)	<u>\$ 1,900</u>	<u>\$ 3,782,900</u>	<u>\$ 3,784,800</u>

The fair value of pledges receivable was determined using discount rates applicable to the year in which the pledge was established. Rates ranged from 0.29% to 4.34%.

E. Gifts Receivable from Trusts Held by Others

The Foundation is a party to charitable gift trusts. Third-party trustees maintain trust assets in irrevocable trusts for the benefit of the Foundation. The fair values of the trusts are estimated based upon the fair value of the assets contributed by the donor, less the present value of the payment expected to be made to other beneficiaries. The present value is calculated using the

discount rate the year in which the trust was established which was 4.92%. The balances at June 30, 2025 and 2024 were \$1,751,400 and \$1,753,800, respectively, and are included in net assets with donor restrictions.

F. Investments in Securities

The fair value of the Foundation's investments, at June 30, 2025 and 2024, are as follows:

	<u>2025</u>	<u>2024</u>
Mutual funds:		
Equity	\$ 96,913,704	\$ 88,143,831
Fixed income	57,906,311	49,553,934
Alternative assets	26,966,934	23,971,293
Cash and equivalents	<u>12</u>	<u>-</u>
Totals	<u>\$ 181,786,962</u>	<u>\$ 161,669,058</u>

Net realized gains/(losses) on sales of investments were \$788,379 and (\$14,473) for the years ended June 30, 2025 and 2024, respectively. Calculation of net realized gains on sales of investments is based on original cost. Net unrealized gains/(losses) amounted to \$7,273,490 and \$9,191,297 for the years ended June 30, 2025 and 2024, respectively.

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

G. Other Assets

Included in other assets are unrestricted funds set aside for a specific group of university students to invest to provide them experience in managing a "live" portfolio. The project is known as Raider Asset Management (RAM). As the funds are not under the direct control of the Foundation's investment management system, they have been separately classified from investments in securities. The balance at June 30, 2025 and 2024 was \$288,826 and \$249,420, respectively. Gains and losses generated from the project are included in other income. Total net gains for 2025 and 2024 amounted to \$39,497 and \$38,031, respectively.

H. Capital Assets

Capital assets activity for the years ended June 30, 2025 and 2024 is summarized as follows:

	2025		
	Beginning Balance	Additions	Ending Balance
Capital assets:			
Land	\$ 173,000	\$ -	\$ 173,000
Buildings and improvements	2,679,197	-	2,679,197
Machinery and equipment	28,632	-	28,632
Total capital assets	<u>2,880,829</u>	<u>-</u>	<u>2,880,829</u>
Less accumulated depreciation:			
Buildings and improvements	1,244,367	119,776	1,364,143
Machinery and equipment	28,632	-	28,632
Total accumulated depreciation	<u>1,272,999</u>	<u>119,776</u>	<u>1,392,775</u>
Capital assets, net	<u>\$ 1,607,830</u>	<u>\$ (119,776)</u>	<u>\$ 1,488,054</u>
	2024		
	Beginning Balance	Additions	Ending Balance
Capital assets:			
Land	\$ 173,000	\$ -	\$ 173,000
Buildings and improvements	2,644,131	35,066	2,679,197
Machinery and equipment	28,632	-	28,632
Total capital assets	<u>2,845,763</u>	<u>35,066</u>	<u>2,880,829</u>
Less accumulated depreciation:			
Buildings and improvements	1,125,468	118,899	1,244,367
Machinery and equipment	28,632	-	28,632
Total accumulated depreciation	<u>1,154,100</u>	<u>118,899</u>	<u>1,272,999</u>
Capital assets, net	<u>\$ 1,691,663</u>	<u>\$ (83,833)</u>	<u>\$ 1,607,830</u>

I. Debt Guaranty

During fiscal year 2011, the Foundation entered into an agreement with Dayton Regional STEM Schools, Incorporated ("STEM") guaranteeing payments on a lease (and such other obligations imposed by the lease) related to the purchase and renovation of an existing building that is utilized by STEM in fulfillment of its corporate purposes. STEM is one of several Ohio schools offering students a relevant, real world educational experience that will prepare them for college and opportunities in the work world. Wright State University has acted as STEM's fiscal agent as well as providing space, supplies and personnel in support of its operations. The agreement pledges unrestricted net assets of the Foundation in an amount not to exceed \$3,000,000 and the designation of unrestricted net assets in the amount of one year of maximum debt service (\$600,000) on bonds associated with the project. Since the guaranty may expire without being drawn upon, the total guaranty does not necessarily represent future cash requirements. As of June 30, 2025, no amounts have been recognized as a liability under the financial guaranty in the Foundation's consolidated statements of financial position, as the likelihood that STEM would be unable to fulfill its obligation in full or in part under the debt agreement is not considered to be probable.

J. Endowment Composition

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

Endowment net asset composition by type of fund as of June 30, 2025 and 2024:

2025			
	Without Donor Restrictions	With Donor Restrictions	Totals
Donor restricted endowment funds	\$ -	\$ 84,353,688	\$ 84,353,688
Board-designated funds	603,145	41,871,452	42,474,597
Totals	<u>\$ 603,145</u>	<u>\$ 126,225,140</u>	<u>\$ 126,828,285</u>
2024			
	Without Donor Restrictions	With Donor Restrictions	Totals
Donor restricted endowment funds	\$ -	\$ 73,298,516	\$ 73,298,516
Board-designated funds	609,869	39,401,315	40,011,184
Totals	<u>\$ 609,869</u>	<u>\$ 112,699,831</u>	<u>\$ 113,309,700</u>

Changes in endowment net assets for the years ended June 30, 2025 and 2024:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Totals
Net assets, beginning of year	\$ 609,869	\$ 112,699,831	\$ 113,309,700
Investment return			
Investment income (net)	-	7,987,627	7,987,627
Net appreciation (depreciation)	-	6,223,449	6,223,449
Total investment return	-	14,211,076	14,211,076
Contributions	-	4,945,113	4,945,113
Change in value of split interest agreements	-	(2,400)	(2,400)
Other income	-	92,228	92,228
Change in donor restrictions	-	112,812	112,812
Net assets released from restrictions	25,301	-	25,301
Appropriation of assets for expenditure	(32,025)	(5,833,518)	(5,865,543)
Net assets, end of year	<u>\$ 603,145</u>	<u>\$ 126,225,140</u>	<u>\$ 126,828,285</u>

	2024		
	Without Donor Restrictions	With Donor Restrictions	Totals
Net assets, beginning of year	\$ 606,538	\$ 104,571,831	\$ 105,178,369
Investment return			
Investment income (net)	-	4,863,764	4,863,764
Net appreciation (depreciation)	-	7,432,463	7,432,463
Total investment return	-	12,296,227	12,296,227
Contributions	-	1,497,629	1,497,629
Change in value of split interest agreements	-	(38,183)	(38,183)
Other income	-	103,649	103,649
Change in donor restrictions	-	41,770	41,770
Net assets released from restrictions	25,879	-	25,879
Appropriation of assets for expenditure	(22,548)	(5,773,092)	(5,795,640)
Net assets, end of year	<u>\$ 609,869</u>	<u>\$ 112,699,831</u>	<u>\$ 113,309,700</u>

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

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

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

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

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

Spending Policy and How the Investment Objectives Relate to Spending Policy: The distribution rate is based upon a total return approach, which utilizes both income and capital appreciation to be withdrawn for spending. For the fiscal years ended June 30, 2025 and 2024, the spending rate for the Foundation was 4.00% and 4.00%, respectively, of the previous twelve-quarter average of the endowment portfolio's market value. The spending rate is determined annually by the Foundation Board of Trustees, who may elect to make no distribution in any given year.

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Such amounts totaled \$10,417 and \$54,466 as of June 30, 2025 and 2024, respectively. Endowment fund principal, unless otherwise directed by the originating donor(s), may be disbursed in accord with Foundation policy so long as the principal amount shall not fall below 80% of the fair value of the original gift and any subsequent gifts to the fund.

Foundation's Reserve Policy: Prompted by the market downturn of 2001-2003, the Foundation implemented a policy establishing a reserve fund, the primary purpose of which was to provide matching grants to endowment funds that suffer investment losses resulting in fund deficiencies. The policy stipulates that the reserve fund will make grants in an amount equal to or less than 50% of the amount that would normally have been generated by the endowment had earnings been available so long as the benefitting school, college or department provides a dollar-for-dollar match. No such grants were necessary in fiscal years 2025 and 2024.

The reserve policy further stipulates that in those years in which the net assets without donor restrictions of the Foundation increase, 5% of the increase is to be transferred into the reserve fund so long as the transfer does not cause the value of the fund to exceed \$1 million. No transfer is required if the reserve amount is greater than \$1 million. Since the value of the reserve exceeded \$1 million in fiscal years 2025 and 2024, no such transfers were required.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE WRIGHT STATE UNIVERSITY'S PROPORTIONATE SHARE OF THE
OPERS NET PENSION LIABILITY AND CONTRIBUTIONS**

(Dollar amounts in thousands)
(Percentages rounded to thousandths)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
University's proportion of the net pension liability (asset) ⁽¹⁾	0.216%	0.209%	0.226%	0.235%	0.259%	0.276%	0.304%	0.350%	0.421%	0.444%
University's proportionate share of the net pension liability (asset) ⁽¹⁾	\$ 52,928	\$ 54,164	\$ 66,084	\$ 19,453	\$ 37,515	\$ 54,024	\$ 82,802	\$ 54,473	\$ 95,392	\$ 76,754
OPERS fiduciary net position as a percentage of the total pension liability ⁽¹⁾	81.007%	79.386%	76.074%	93.006%	87.207%	82.443%	74.909%	84.854%	77.386%	81.192%
University's covered-employee payroll ⁽¹⁾	\$ 41,446	\$ 39,240	\$ 38,448	\$ 37,553	\$ 41,083	\$ 44,343	\$ 46,830	\$ 52,295	\$ 61,511	\$ 62,769
University's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll ⁽¹⁾	127.704%	138.033%	171.879%	51.801%	91.315%	121.832%	176.814%	104.165%	155.081%	122.280%
Statutorily required contribution ⁽²⁾	\$ 6,416	\$ 5,979	\$ 5,812	\$ 5,713	\$ 5,779	\$ 6,537	\$ 7,035	\$ 7,498	\$ 8,315	\$ 9,035
Contributions in relation to the statutorily required contribution ⁽²⁾	\$ 6,416	\$ 5,979	\$ 5,812	\$ 5,713	\$ 5,779	\$ 6,537	\$ 7,035	\$ 7,498	\$ 8,315	\$ 9,035
Annual contribution deficiency (excess) ⁽²⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered-employee payroll ⁽²⁾	\$ 42,871	\$ 39,938	\$ 38,881	\$ 38,123	\$ 38,111	\$ 42,650	\$ 46,018	\$ 48,994	\$ 57,571	\$ 62,672
Contributions as a percentage of covered-employee payroll ⁽²⁾	14.966%	14.971%	14.948%	14.986%	15.164%	15.327%	15.287%	15.304%	14.443%	14.416%

*(1) Amount presented determined as of the OPERS December 31st fiscal year end occurring
during the respective university June 30th fiscal year-end*

(2) Amount presented determined as of the respective University June 30th fiscal year-end

**SCHEDULE OF THE WRIGHT STATE UNIVERSITY'S PROPORTIONATE SHARE OF THE
STRS NET PENSION LIABILITY AND CONTRIBUTIONS**

(Dollar amounts in thousands)
(Percentages rounded to thousandths)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
University's proportion of the net pension liability (asset) ⁽¹⁾	0.356%	0.368%	0.423%	0.452%	0.505%	0.541%	0.601%	0.681%	0.726%	0.729%
University's proportionate share of the net pension liability (asset) ⁽¹⁾	\$ 68,436	\$ 79,158	\$ 93,985	\$ 57,846	\$ 122,077	\$ 119,728	\$ 132,220	\$ 161,733	\$ 242,899	\$ 201,492
STRS fiduciary net position as a percentage of the total pension liability ⁽¹⁾	82.547%	80.020%	78.882%	87.775%	75.478%	77.398%	77.310%	75.288%	66.778%	72.088%
University's covered-employee payroll ⁽¹⁾	\$ 42,794	\$ 42,748	\$ 44,041	\$ 44,986	\$ 49,580	\$ 51,953	\$ 56,101	\$ 61,792	\$ 63,346	\$ 63,798
University's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll ⁽¹⁾	159.920%	185.174%	213.403%	128.587%	246.222%	230.454%	235.682%	261.738%	383.448%	315.828%
Statutorily required contribution ⁽²⁾	\$ 6,656	\$ 6,938	\$ 6,983	\$ 7,692	\$ 7,841	\$ 8,553	\$ 8,894	\$ 9,571	\$ 10,531	\$ 10,739
Contributions in relation to the statutorily required contribution ⁽²⁾	\$ 6,656	\$ 6,938	\$ 6,983	\$ 7,692	\$ 7,841	\$ 8,553	\$ 8,894	\$ 9,571	\$ 10,531	\$ 10,739
Annual contribution deficiency (excess) ⁽²⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered-employee payroll ⁽²⁾	\$ 42,064	\$ 42,948	\$ 43,015	\$ 44,303	\$ 45,191	\$ 49,761	\$ 52,118	\$ 56,186	\$ 62,056	\$ 63,321
Contributions as a percentage of covered-employee payroll ⁽²⁾	15.824%	16.154%	16.234%	17.362%	17.351%	17.188%	17.065%	17.034%	16.970%	16.960%

*(1) Amount presented determined as of the STRS June 30th fiscal year-end occurring one year
prior to the respective university June 30th fiscal year-end*

(2) Amount presented determined as of the respective University June 30th fiscal year-end

**SCHEDULE OF THE WRIGHT STATE UNIVERSITY'S PROPORTIONATE SHARE OF THE
OPERS NET OPEB LIABILITY/(ASSET) AND CONTRIBUTIONS**

(Dollar amounts in thousands)
(Percentages rounded to thousandths)

	2025	2024	2023	2022	2021	2020	2019	2018 ⁽¹⁾
University's proportion of the net OPEB liability (asset) ⁽²⁾	0.221%	0.223%	0.228%	0.242%	0.270%	0.291%	0.321%	0.368%
University's proportionate share of the net OPEB liability (asset) ⁽²⁾	\$ (5,192)	\$ (2,012)	\$ 1,439	\$ (7,565)	\$ (4,811)	\$ 40,145	\$ 41,838	\$ 39,917
OPERS fiduciary net position as a percentage of the total OPEB liability ⁽²⁾	121.51%	107.76%	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%
University's covered-employee payroll ⁽²⁾	\$ 41,446	\$ 39,240	\$ 38,448	\$ 37,553	\$ 41,083	\$ 44,343	\$ 46,830	\$ 52,295
University's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll ⁽²⁾	-12.527%	-5.127%	3.743%	-20.145%	-11.710%	90.533%	89.340%	76.330%
Statutorily required contribution ⁽³⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the statutorily required contribution ⁽³⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 305,775
Annual contribution deficiency (excess) ⁽³⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (305,775)
University's covered-employee payroll ⁽³⁾	\$ 42,871	\$ 39,938	\$ 38,881	\$ 38,123	\$ 38,111	\$ 42,650	\$ 46,018	\$ 48,994
Contributions as a percentage of covered-employee payroll ⁽³⁾	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.624%

(1) Information prior to 2018 is not available

*(2) Amount presented determined as of the OPERS December 31st fiscal year end occurring
during the respective university June 30th fiscal year-end*

(3) Amount presented determined as of the respective University June 30th fiscal year-end

**SCHEDULE OF THE WRIGHT STATE UNIVERSITY'S PROPORTIONATE SHARE OF THE
STRS NET OPEB LIABILITY/(ASSET) AND CONTRIBUTIONS**

(Dollar amounts in thousands)

(Percentages rounded to thousandths)

	2025	2024	2023	2022	2021	2020	2019	2018 ⁽¹⁾
University's proportion of the net OPEB liability (asset) ⁽²⁾	0.356%	0.368%	0.423%	0.452%	0.505%	0.541%	0.601%	0.681%
University's proportionate share of the net OPEB liability (asset) ⁽²⁾	\$ (6,746)	(7,149) \$	(10,947) \$	(9,539) \$	(8,867) \$	(8,967) \$	(9,663) \$	26,564 \$
STRS fiduciary net position as a percentage of the total OPEB liability ⁽²⁾	158.009%	168.516%	230.728%	174.732%	182.134%	174.743%	175.996%	47.114%
University's covered-employee payroll ⁽²⁾	\$ 42,794	42,748 \$	44,041 \$	44,986 \$	49,580 \$	51,953	56,101	61,792
University's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll ⁽²⁾	-15.764%	-16.724%	-24.856%	-21.204%	-17.884%	-17.260%	-17.224%	42.989%
Statutorily required contribution ⁽³⁾	\$ -	- \$	- \$	- \$	- \$	- \$	- \$	- \$
Contributions in relation to the statutorily required contribution ⁽³⁾	\$ -	- \$	- \$	- \$	- \$	- \$	- \$	- \$
Annual contribution deficiency (excess) ⁽³⁾	\$ -	- \$	- \$	- \$	- \$	- \$	- \$	- \$
University's covered-employee payroll ⁽³⁾	\$ 42,064	42,948 \$	43,015 \$	44,303 \$	45,191 \$	49,761	52,118	56,186
Contributions as a percentage of covered-employee payroll ⁽³⁾	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

(1) Information prior to 2018 is not available

*(2) Amount presented determined as of the STRS June 30th fiscal year-end occurring one year
prior to the respective university June 30th fiscal year-end*

(3) Amount presented determined as of the respective University June 30th fiscal year-end

Notes to Required Supplementary Information

Change in Proportionate Share

Pension Plan – OPERS:

1. Effective January 1, 2024, the OPERS Combined Plan was consolidated into the Traditional Pension Plan as approved by the State of Ohio legislature in HB33. Prior to the Consolidation, the Combined Plan was treated as a separate plan for reporting purposes and in the calculation of employer proportionate share allocations of related liabilities, deferred inflows and deferred outflows. Subsequent to the consolidation, the Combined Plan is a division within the Traditional Pension Plan. The calculation of the employer allocations reported by OPERS now includes the Combined Plan division within the Traditional Pension Plan. This change leads to a recalculation of the employer's proportionate share of the OPERS net pension liability, deferred inflows, and deferred outflows.

Changes of Assumptions

Pension Plan – OPERS:

1. None

Pension Plan – STRS:

1. None

OPEB Plan – OPERS:

1. A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2024. The single discount rate used at the beginning of the year was 5.70%.

OPEB Plan – STRS:

1. The health care cost trend rates changed from (10.94%) – (1.33%) initial, 4.14% ultimate to (112.22%) – (15.14%) initial, 3.94% ultimate.

SUPPLEMENTARY INFORMATION

WRIGHT STATE UNIVERSITY

A Component Unit of the State of Ohio

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**YEAR ENDED JUNE 30, 2025**

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Agency</u>	<u>Pass-through Agency Number</u>	<u>Provided to Subrecipients</u>	<u>Total Federal Expenditures</u>
STUDENT FINANCIAL ASSISTANCE CLUSTER					
U.S. Department of Education Direct Programs -					
Federal Supplemental Educational Opportunity Grant	84.007			\$ -	\$ 532,562
Federal Work Study Program	84.033			-	406,547
Federal Perkins Loan Program	84.038			-	1,697,004
Federal Pell Grant Program	84.063			-	18,872,192
Federal Direct Loan Program	84.268			-	62,902,710
Total U.S. Department of Education Direct Programs				-	84,411,015
U.S. Department of Health and Human Services Direct Programs -					
Nurse Faculty Loan Program	93.264			-	5,342
Health Professions Student Loans	93.342			-	11,014
Loans for Disadvantaged Students	93.342			-	17,598
Primary Care Loans	93.342			-	176,569
Total 93.342 Health Professions Student Loans				-	205,181
Nursing Student Loans	93.364			-	890,296
Total U.S. Department of Health and Human Services Direct Programs				-	1,100,819
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER				-	85,511,834

WRIGHT STATE UNIVERSITY

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2025

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Agency</u>	<u>Pass-through Agency Number</u>	<u>Provided to Subrecipients</u>	<u>Total Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER					
U.S. Department of Agriculture, Prime -					
Influence of Plant Secondary Metabolites on Abiotic CO2 Efflux from Soils	10.001			\$ -	\$ 21,005
U.S. Department of Defense, Prime -					
AFRL Blanket Purchase Agreement for Lab Supplies	12.800			-	5,842
Assured Digital Microelectronics Education & Training Ecosystem (ADMETE)	12.910			-	1,026,396
Comparison of IN 718 AM and Traditional Bulk Specimens Under High Energy Impact	12.800			-	149,493
Immunotoxicant Exposures and Individualized Immune Modulation via IgH Variants	12.420			-	131,758
Lipin1 Improves Dystrophic Pathology and Muscle Function	12.420			-	97,955
Synthesis Exploitation Analysis and Belief for Autonomous Sensor Systems (SEABASS)	12.800			-	4,951
Up-Armoring At-Risk Military Couples	12.800			27,145	80,961
Total U.S. Department of Defense, Prime				27,145	1,497,356
U.S. Department of Defense, Subcontract -					
AI Analytics for Assessment of Warfighter Biomedical Readiness	12.300	JAG Holdings Group LLC	MTEC-24-01-MPAI-077	-	74,226
An Experimental Investigation into the Effect of Inlet Swirl on the Compression System	12.800	Strategic Ohio Council for Higher Education	RQ21-WSU-19-3-AFRL2 MOD 03	-	20,518
Analogical Reinforcement Learning for Adversarial Systems	12.800	Strategic Ohio Council for Higher Education	RY6-WSU-24-23-AFRL3 MOD 01	-	19,736
Analysis of Semi-Volatile Organic Compounds in Drinking Water Using a New Vacuum Extrac	12.800	BlueHalo	S-226-11B-001	-	16,080
APOP Reverse Thrust Project 24-25	12.800	Innovative Scientific Solutions Inc.	PO SB20331	-	11,177
Application of Next Generation Learning; Education; and Research for Sensors (ANGLERS)	12.910	University of Dayton	RSC23023 SUB-23-000026 MV0012	-	402,338
Asymmetric-Barrier-Tunneling Rectifier Arrays for Uncooled MM-Wave Imagers	12.300	Terapico, LLC	W911SR24C0022-WSU	-	60,717
Automated Analysis of Supplier Capabilities for Ensuring National Dominance (ASCEND) 22	12.800	Kairos Research LLC	KR202103SP2 MOD 2	-	96,799
Cognitive and Neurology Research 6.1-6.4	12.800	KBR	PO NO. SMS0015129	-	258,324
Cognitive and Physical Performance in Operational Environments (CaPPOE)	12.800	Ball Aerospace	22S0172C MOD 03	-	150,716
Combustion Cold Starting for a Mini Gas Turbine at Altitude	12.800	Strategic Ohio Council for Higher Education	RQ1-WSU-23-12-AFRL2 MOD 02	-	35,936
Conversation Analytics for Team Communication-AFRL	12.800	Strategic Ohio Council for Higher Education	RH6-WSU-24-4-AFRL3 MOD 01	-	13,280
CRAIML ADMIRE	12.800	InfoSciTex Corp	PO 243117 FPH14-S032 CO2	-	21,687
CRAIML ADMIRE DCS	12.800	DCS Corporation	PO 256554 CO1	-	29,157
CyberTraining in AI Microelectronics Security	12.905	Purdue University	13001351-057	-	21,570
Developing Novel Colloidal Quantum Dots for Mid-IR Optoelectronics	12.800	Azimuth Corporation	292-001-WSU P292001046 MOD 01	-	(317)
Development of AlScN Based Ferroelectric for GaN Power Electronics-AFRL	12.800	Strategic Ohio Council for Higher Education	RY1-WSU-24-11-AFRL3	-	4,876
Dielectric Integration in UWBG Power Transistors for High Temperature Applications	12.800	Purdue University	13001134-079 AMENDMENT #1	-	26,034
Dielectrics Integration in III-V and III-O Based Semiconductors	12.800	KBR	PO LX10000027 CO 6	-	40,138
Direct Integrated/Computational/Testing and Onsite Research (DICTATOR)	12.800	Riverside Research	ESI.11384.V10024.RR002722 #1	-	6,666
Dynamic Multi-objective Beamforming Optimization for Phased Arrays	12.800	Strategic Ohio Council for Higher Education	RY5-WSU-21-2-AFRL2 MOD 05	-	24,255
Electrical and Optical Characterization	12.800	KBR	LX13000016 CHANGE ORDER 25	-	140,532
Evaluation of Forging Preforms Fabricated via Additive Manufacturing Processes	12.800	Cleveland State University	200003029; PO C000005189	-	211,107
Event Sequence Learning Using Natural Language Processing Techniques	12.800	Strategic Ohio Council for Higher Education	RY8-WSU-23-22-AFRL2 MOD 04	-	46,476
fMRI Scanning to Examine the Neural Effects of Transcutaneous Vagus Nerve Stimulation o	12.800	Universal Energy Systems Inc. (UES Inc.)	SUBCONTRACT NO. S-168-11S-001	-	(40,084)
FY24 Bistatic and EO Support	12.800	Riverside Research	TO 046; RR003062 MOD 02	-	236,595
FY25 Bistatic and EO Support	12.800	Riverside Research	TO83; PO RR003647	-	46,344
High-Dimensional Design Study of Conceptual Hypersonic Vehicles Using Physics-Informed	12.800	Purdue University	13001134-036 AMENDMENT #4	-	38,891
Hyperspectral Anomaly Detection in Maritime Environments-AFRL	12.800	Strategic Ohio Council for Higher Education	RY3-WSU-24-16-AFRL3	-	23,304
Improving User Experience in AI Systems with Semantic and Composable Glyphs	12.800	Strategic Ohio Council for Higher Education	RY13-WSU-23-15-AFRL2	-	797
KGWRAPS: A Knowledge Graph-Powered Research Assistant for Polymer Science-AFRL	12.800	Strategic Ohio Council for Higher Education	RX22-WSU-24-1-AFRL3	-	11,340
Low Velocity Impact Response of Periodic Cellular Structures	12.800	Alion Science and Technology	P000032449-001 MOD 05	-	84,913
Machine Learning Enhancement of a Viscous Approximation Method for Supersonic-Hypersoni	12.800	Strategic Ohio Council for Higher Education	RQ51-WSU-23-4-AFRL2 MOD 02	-	19,188
Mission Effects Analysis of Multi-domain Sensing (MEAMS)	12.800	InfoSciTex Corp	FPH70-S041; PO# 241878 MOD# 01	-	11,090
MRI Scanning in Support of the Cognitive Neuroscience Portfolio	12.300	Universal Energy Systems Inc. (UES Inc.)	SUBCONTRACT S-168-11S-002 #5	-	174,467
MRI Scanning in Support of the Cognitive Neuroscience Portfolio 2	12.300	Universal Energy Systems Inc. (UES Inc.)	S-168-61X-002	-	9,282
NEC Space Collaboration	12.800	Ball Aerospace	24P0016C	-	9,482
Processing and Performance of AlGaIn/GaN Based Semiconductor Devices	12.800	KBR	P000103631	-	15,113
SOARING OTTER	12.800	University of Dayton	RSC22077; MLV142 REV #5	-	9,204
Spot Radiation Shielding of Space Electronics using Aerosol Jet Printed Nanocomposites	12.800	Strategic Ohio Council for Higher Education	RY2-WSU-23-7-AFRL3-MOD 01	-	2,809
Support for Medic Surgical Technical Assistance Tool (mSTAT) Development and Testing	12.420	University of Maryland	3001341 PO1000005726 #4	-	80,473
TASK-MATS: Task Adaptation with Shared Knowledge for Multi-Agent Teaming Systems-AFRL	12.800	Strategic Ohio Council for Higher Education	RX26-WSU-24-2-AFRL3 MOD 02	-	37,781
Thermal Performance of Two-phase Flow Based Cooling Systems	12.800	Strategic Ohio Council for Higher Education	RQ61-WSU-22-5-AFRL2	-	21,881
Thermal-Mechanical Reliability of Printed Electronics Federal	12.800	Strategic Ohio Council for Higher Education	RY11-WSU-22-3-AFRL2 MOD 01	-	1,260
Unsteady Aerodynamics and Heat Transfer in Turbines	12.800	Strategic Ohio Council for Higher Education	RQ16-WSU-22-3-AFRL2	-	11,910
Using Reinforcement Learning for EMS	12.800	Strategic Ohio Council for Higher Education	RY7-WSU-24-1-AFRL3 MOD 01	-	33,121
Utilization of Advanced Analytical Techniques and Development of Novel Methodologies fo	12.800	Universal Energy Systems Inc. (UES Inc.)	S-168-4X2-001_REV 1 MOD #01	-	(1,144)
Total U.S. Department of Defense, Subcontract				-	2,570,045
Total U.S. Department of Defense				27,145	4,067,401
U.S. Environmental Protection Agency, Subcontract -					
Cascading Grassed Waterway Water Quality Monitoring	66.485	Ohio EPA	WRIGHTU-FDGULF22	-	36,328
Total U.S. Environmental Protection Agency, Subcontract				-	36,328

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2025

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Agency</u>	<u>Pass-through Agency Number</u>	<u>Provided to Subrecipients</u>	<u>Total Federal Expenditures</u>
U.S. Department of Health and Human Services, Prime -					
Disruption of excitable axonal domains by glucose metabolite methylglyoxal	93.853			\$ -	\$ 50,460
DNA Damage Response Kinase Signaling in Non-Replicating Human Cells and Tissues	93.859			-	59,077
DNA Replication Checkpoint in Fission Yeast	93.859			-	560,678
Excitability Dysfunction Mechanisms Underlying the TDP43-dependent ALS and FTD Pathogen	93.853			-	761,365
FBXL16 as a Novel Factor in Promoting Endocrine Therapy Resistance and Metastasis of ER	93.396			-	140,730
Genetic Analysis of Mitochondria-dependent Cellular Toxicity of Alpha-synuclein	93.866			-	4,261
In Utero Trophoblast Transgenesis	93.865			-	105,435
Mechanisms of Augmented UVB Immunosuppressive Responses by Polyaromatic Hydrocarbons	93.113			-	112,950
Mechanisms of RNA Binding Proteins Rescuing FUS Induced Toxicity in Yeast	93.853			-	197,663
Mechanisms of the Renoprotective Properties of Zinc Supplementation in Mouse Models of	93.847			-	424,416
Mechanisms Underlying Excitability Regulation of Motoneuron Types in ALS Year 6-10	93.853			-	300,551
Novel Approaches to Therapy of Musc	93.846			-	55,091
Novel Approaches to Therapy of Muscle Ion Channelopathies	93.846			-	281,196
Oxidized Lipids and Microvesicle Particles as Effectors for Chemical Threats to Skin	93.846			-	176,662
Platelet Activating Factor and Epidermal Cytotoxicity	93.839			-	(18,183)
Role of DeltaNp63 Alpha and TIP60 in SCC Progression and Chemoresistance	93.395			122,888	592,954
Role of Nuclear IL-2Ra in Regulation of Vascular Smooth Muscle Cell Senescence	93.866			-	(1,263)
Sodium Influx Assay for Measurement of TRPM7 Channel Activity in Intact Cells	93.855			-	1,682
Systemic Travel of Damaged DNA in Photosensitive Autoimmune Disorders	93.113			-	74,609
The Offender Reentry Program	93.243			70,896	273,286
The Role of Lipin1 in Myofiber Stability and Integrity	93.846			-	364,434
The Role of NFKB in Calcineurin Inhibitor-induced Renal Fibrosis	93.846			-	32,979
Treating Hyperkalemic Periodic Paralysis	93.846			-	23,340
Unfolding the Link Between the Endoplasmic Reticulum; AIS Shortening; and Cognitive Imp	93.853			-	36,552
UVB Radiation-generated Microvesicle Particles as Effectors for Photosensitivity	93.113			-	395,635
Wounding Therapy and Photocarcinogenesis	93.866			312,947	496,641
Total U.S. Department of Health and Human Services, Prime				506,731	5,503,201
U.S. Department of Health and Human Services, Subcontract -					
ACHIEVE: Successfully Achieving and Maintaining Euglycemia During Pregnancy for Type 2	93.226	The Ohio State University	SPC #1000007105 / GR #129228	-	27,737
Adoption and Implementation of an Evidence-based Safe Driving Program for High-Risk Tee	93.865	Nationwide Children's Hospital	700232-0825-4 PO#4613328-0-46	-	27,160
Campus Wastewater Monitoring WSU Campus FY24	93.323	Ohio Department of Health	#52872 PO000123353	-	12,035
Cortical and Brainstem Contributions to Binocular Eye Movements	93.867	Smith-Kettlewell Eye Research Institute	6012701WSU AMENDMENT 02	-	35,176
Cortical and Brainstem Contributions to Binocular Eye Movements-Equipment Only	93.867	Smith-Kettlewell Eye Research Institute	6012702S-WSU	-	32,125
Developing Primary Care Algorithms for Early Identification of Young Women with von Wil	93.839	Nationwide Children's Hospital	700291-0724-SA3	-	40,213
Development of approaches for inducible trophoblast-specific gene modulation: the role	93.865	Univ of Colorado	FY23.745.004 - PO# 1001834652	-	48,665
Linking Science Mathematics and Literacy for All Learners	93.859	Curators of the University of Missouri	C00075780-1 AMENDMENT #2	48,522	50,522
Motoneuronal Mechanisms Underlying Age-related Muscle Weakness	93.866	Ohio University	PO OU32024; UT21864 AMEND #6	-	272,304
Ohio Medicaid Health Safety Net Evaluation	93.839	The Ohio State University	SPC-1000013074 GR134498	-	(14)
Physics-informed Machine Learning Approach for a Selective Sensitive and Rapid Sensor f	93.113	Prometheus Technologies, LLC	1R41ES034936-01-02 #01	-	1,109
Program Evaluation - Mitigation of Trauma-Related Mental Health Conditions Experienced	93.137	ADAMHS Board for Montgomery County	BOARD RESOLUTION #24-151	-	41,938
SCH: INT: Collaborative Research: Development and Analysis of Integrative Models for Ch	93.213	Northwestern University	SP0050754-PROJ0014203 A06	-	53,784
Total Engagement and Activation Measure (TEAM): Developing a measure of the capacity fo	93.866	The Ohio State University	SPC-1000006727 / GR129258	-	(13,003)
Total U.S. Department of Health and Human Services, Subcontract				48,522	629,751
Total U.S. Department of Health and Human Services				555,253	6,132,952
U.S. Department of Interior, Subcontract -					
David R. Luukkonen Waterfowl and Wetland Graduate Student Fellowship	15.637	Ducks Unlimited Canada	10974-010-001-RM1	-	3,777
Total U.S. Department of Interior				-	3,777
U.S. Department of Justice, Subcontract -					
Linkage to Hope Project	16.838	Public Health Dayton and Montgomery County	22-166	-	3,473
Linkage to Hope Project	16.838	Public Health Dayton and Montgomery County	25-038; AE 1/31/25	-	32,047
Total U.S. Department of Justice				-	35,520
National Aeronautics and Space Administration, Subcontract -					
MAVEN Mission	43.001	University of Colorado	PO 1000013110 REF 1546525 #49	-	179,146
SAE Baja Project 2023-2024	43.008	Ohio Space Grant Consortium	EMAIL DATED 9/30/24	-	3,452
SAE Baja Project 2025	43.008	Ohio Space Grant Consortium	LETTER DATED 2/11/25	-	2,265
Total National Aeronautics and Space Administration				-	184,863

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National Science Foundation, Prime -					
Collaborative Research: Data-driven integration of biological with in-silico experiment	47.074			\$ -	\$ 174,572
COLLABORATIVE RET Site â€ Teacher POWER (Preparing Our Workforce through Electronics	47.041			-	100
CRII: SaTC: Towards Data-effective and Cost-efficient Security Attack Detections	47.070			-	35,159
EAGER: Feasibility Study for a Translational Institute on Knowledge Axiomatization	47.084			103,979	127,440
Proto-OKN Theme 3: An Education Gateway for the Proto-OKN	47.084			329,178	474,332
TRUST: Training Research for Undergraduates in Secure and Trusted Systems	47.076			-	14,345
Total National Science Foundation, Prime				433,157	825,948
National Science Foundation, Subcontract -					
A1: KnowWhereGraph: Enriching and Linking Cross-Domain Knowledge Graphs using Spatially	47.084	The Regents of the Univ of California	KK2316 AMENDMENT 01	-	(466)
DISES: Coproducing Actionable Science to Understand/Mitigate/and Adapt to Cyanobacteria	47.050	University of Connecticut	152033637;466100 #2	-	32,764
Industry Recognized Credential Transfer Assurance Guides (ITAGs) FY25	47.076	Ohio Department of Higher Education	LETTER DATED 8/06/24	-	23,996
Ohio LSAMP Alliance	47.076	Ohio State University	SPC-1000004486 GR121333 #8	-	24,790
Refinement and Expansion of the Community College Anatomy and Physiology Education	47.076	University of Minnesota	P009454904	-	21,333
Restructuring Middle School Science around Grand Challenges	47.076	Univ of North Carolina at Chapel Hill	5125341 AMENDMENT #3	25,085	37,585
Runtime Hardware Trojan Resilience in COTS Components using Side-Channel Monitoring	47.070	University of Cincinnati	012486-00004;PO# 4600022083 #1	-	47,872
Total National Science Foundation, Subcontract				25,085	187,874
Total National Science Foundation				458,242	1,013,822
U.S. Department of Veterans Affairs, Prime -					
Laboratory Animal Resource Care GY24-27	64.054			-	34,235
VA Medical Center IPA Carpenter GY22-25	64.054			-	36,093
VA Medical Center IPA Rider Jan-Feb 2025	64.054			-	52,052
VA Medical Center IPA Thyagarajan GY21	64.054			-	14,930
VAMC IPA Cates Jan-Mar 2025	64.054			-	27,400
VAMC IPA Henkels Jan-Mar 2025	64.054			-	58,019
VAMC IPA Hong Apr-Sep 2025	64.054			-	31,584
VAMC IPA Howard Jan-Mar 2025	64.054			-	20,812
VAMC IPA Ketter Oct-Dec 2024	64.054			-	4,600
VAMC IPA Knisely Jan-Mar 2025	64.054			-	10,938
VAMC IPA Rapp Jan-Mar 2025	64.054			-	28,126
VAMC IPA Thyagarajan Jan-Mar 2025	64.054			-	34,805
Total U.S. Department of Veterans Administration				-	353,594
TOTAL RESEARCH AND DEVELOPMENT CLUSTER				1,040,640	11,849,262
MEDICAID CLUSTER					
Cardi-OH Diabetes and Cardiovascular Health	93.778	Case Western Reserve University	RES600476	-	148,013
Ohio Colleges of Medicine Regional Quality Improvement Hub (QI Hub) - FEDERAL	93.778	The Ohio State University	SPC-1000006767 GR127402	-	(118)
Ohio Medicaid Health Safety Net Evaluation	93.778	The Ohio State University	SPC-1000007215 GR129734	-	141,866
TOTAL MEDICAID CLUSTER				-	289,761
IDEA CLUSTER					
I Educate Montgomery County FY24	84.027	University of Cincinnati	015292-00002; PO 4600018976	8,606	14,586
I Educate Montgomery County FY25	84.027	University of Cincinnati	016230-00002 PO4600026776	36,344	63,325
Science of Reading Alignment Initiative Part 2	84.027	University of Cincinnati	016333-00003 PO4600028942	-	6,043
TOTAL IDEA CLUSTER				44,950	83,954
U.S. Department of Defense, Prime -					
445th MASCAL Training Exercise 2025	12.800			-	10,125
Advanced Trauma Life Support Program 23-24	12.800			-	763
AMP 3/CAMP (Aerospace Medicine Primary) & ATLS (Advanced Trauma Life Support)	12.800			-	13,883
United States Air Force School of Aerospace Medicine (USAFSAM) CBRNE Training Classes C	12.800			-	64,503
Total 12.800 Air Force Defense Research Sciences Program, Prime				-	89,274
National Pathway to Success (NPS)	12.905			125,299	334,555
Total U.S. Department of Defense, Prime				125,299	423,829

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Agency</u>	<u>Pass-through Agency Number</u>	<u>Provided to Subrecipients</u>	<u>Total Federal Expenditures</u>
U.S. Department of Defense, Subcontract -					
Dayton Biomanufacturing Camp for Underserved Communities	12.800	Universal Energy Systems Inc. (UES Inc.)	S-211-001-002 MOD 02	\$ -	\$ 5,703
Enhancing STEM Education through the iGEM Competition	12.800	Universal Energy Systems Inc. (UES Inc.)	S-210-113-002 MOD #01	-	41,149
Satellite Laboratory	12.800	Azimuth Corporation	292-001-WSU2 MOD 01	-	6,371
Satellite Laboratory	12.800	Azimuth Corporation	292-002-WSU; PO#292002408 #03	-	67,869
Total 12.800 Air Force Defense Research Sciences Program, Subcontract				-	121,092
Total 12.800 Air Force Defense Research Sciences Program				-	210,366
Science Mathematics and Research for Transformation (SMART) Defense Scholarship Program	12.006	Logistics Management Institute	AWARD LETTERS DATED 8/01/24	-	18,596
Total U.S. Department of Defense, Subcontract				-	139,688
Total U.S. Department of Defense				125,299	563,517
U.S. Department of Education, Prime -					
ACHIEVE: A Chance to Have and Improve the Experience and Value of Education 2022-2026	84.335			-	482,250
Total U.S. Department of Education, Prime				-	482,250
U.S. Department of Education, Subcontract -					
GEAR UP Scholarship Program	84.334	Ohio Department of Higher Education	EMAIL DATED 11/18/24	-	20,700
High Dosage Tutoring Dayton Region	84.425U	Ohio Department of Education	EDUFAR21	88,583	206,530
I Educate Dayton Region	84.425U	Ohio Department of Education	EDUFAR21	29,434	29,434
Total 84.425U Education Stabilization Fund				118,017	235,964
Ohio Articulation & Transfer Network ITAG Initiative Criminal Justice Law Enforcement	84.048	Ohio Department of Higher Education	MOU EXECUTED 9/26/24	-	2,783
Promise Zone CY2024	84.215	Omega Community Development Corporation	RSP SIGNED 01/02/24	-	240,852
Promise Zone CY2025	84.215	Omega Community Development Corporation	RSP SIGNED 12/19/24	-	184,424
Total 84.215 Promise Neighborhoods				-	425,276
Senior Associate Director SCTAI FY2024 Parrot	84.048	Ohio Department of Higher Education	RSP SIGNED 8/25/23	-	32
Senior Associate Director SCTAI FY2025 Parrot	84.048	Ohio Department of Higher Education	RSP SIGNED 7/12/24	-	81,078
Senior Director of Career Technical Transfer Initiatives FY2024 Wearly	84.048	Ohio Department of Higher Education	RSP SIGNED 8/25/23	-	(1,937)
Senior Director of Career Technical Transfer Initiatives FY2025 Wearly	84.048	Ohio Department of Higher Education	RSP SIGNED 7/12/24	-	48,477
Support for Position of Associate Director SCTAI FY2024 Kim	84.048	Ohio Department of Higher Education	SIGNED BY RSP 2/28/24	-	(555)
Support for Position of Associate Director SCTAI FY2025 Kim	84.048	Ohio Department of Higher Education	RSP SIGNED 7/12/24	-	90,015
Support for Position of Senior Associate Director SCTAI FY2024 Holstrom Option One	84.048	Ohio Department of Higher Education	RSP SIGNED 4/22/24	-	42
Support for Position of Senior Associate Director SCTAI FY2025 Holstrom	84.048	Ohio Department of Higher Education	RSP SIGNED 7/12/24	-	93,238
Total 84.048 Career and Technical Education -- Basic Grants to States				-	310,390
Total U.S. Department of Education, Subcontract				118,017	995,113
Total U.S. Department of Education				118,017	1,477,363
U.S. Department of Health and Human Services, Prime -					
Wright State University Family Medicine Rural Residency Program	93.155			-	33,859
Day-TREE	93.243			-	153,924
Leading Efforts to Advance Prevention (LEAP) SAMHSA Strategic Prevention Framework	93.243			-	270,419
Minority AIDS Initiative (MAI) - High Risk Populations "Reachable Teachable"	93.243			290,066	538,802
Wright OUTT (Opioid Use Treatment Training) Program	93.243			-	227,046
Total 93.243 Substance Abuse and Mental Health Services Projects, Prime				290,066	1,190,191
Primary Care Training and Enhancement & Residency Training in Mental and Behavioral Health	93.884			-	406,067
Total U.S. Department of Health and Human Services, Prime				290,066	1,630,117

WRIGHT STATE UNIVERSITY
A Component Unit of the State of Ohio
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Agency</u>	<u>Pass-through Agency Number</u>	<u>Provided to Subrecipients</u>	<u>Total Federal Expenditures</u>
U.S. Department of Health and Human Services, Subcontract -					
Program Evaluation: Mitigation of Trauma-Related Mental Health Conditions Experienced	93.137	ADAMHS Board for Montgomery County	BOARD RESOLUTION: 23-084	\$ -	\$ 13,847
Evaluation of the Zero Suicide Project for Montgomery County 23-24	93.243	ADAMHS Board for Montgomery County	BOARD RESOLUTION #23-085	-	12,566
Innovative Community Crisis Response Partnership Evaluation	93.243	ADAMHS Board for Montgomery County	BOARD RESOLUTION: 23-101	-	26,716
Innovative Community Crisis Response Partnership Evaluation	93.243	ADAMHS Board for Montgomery County	BR 25-037	-	13,568
Rebound Program Evaluation	93.243	Samaritan Behavioral Health, Inc	AGREEMENT EXECUTED 12/5/25	-	34,941
Total 93.243 Substance Abuse and Mental Health Services Projects, Subcontract				-	87,791
Total 93.243 Substance Abuse and Mental Health Services Projects				290,066	1,277,982
Moms2Be: TANF 23	93.558	The Ohio State University	GR129805 SPC-1000011886 #1	-	68,125
Refugee Healthcare	93.576	Catholic Social Services	RSP SIGNED 5/05/22	-	434
University Partnership Program FY2022-2025	93.645	Ohio Department of Job and Family Services	G-2223-06-0082-3; PO00183997	-	101,457
Addiction Fellowship Support	93.788	ADAMHS Board for Montgomery County	CONTRACT24-041 CONTRACT24-081	-	39,957
Behavioral Health Education Curriculum in Ohio 23/24	93.788	Ohio Department of Mental Health and Addiction Services	2400718	-	62,346
Residency Expansion FY24	93.788	ADAMHS Board for Montgomery County	BOARD RESOLUTION 24-042	-	173,546
SOS 3.0 FFY2023 Residency Expansion	93.788	ADAMHS Board for Montgomery County	BOARD RESOLUTION 23-004	-	141
Total 93.788 Opioid STR				-	275,990
Evaluation of the Zero Suicide Project for Montgomery County 24-25	93.958	ADAMHS Board for Montgomery County	BOARD RESOLUTION 24-129	-	50,682
Ohio's Coordinating Center of Excellence in Mental Health/Intellectual Disability FY24	93.958	Ohio Department of Mental Health and Addiction Services	2023-B09SM087381 BLOCK GRANT	-	4,998
Ohio's Coordinating Center of Excellence in Mental Health/Intellectual Disability FY25	93.958	Ohio Department of Mental Health and Addiction Services	ALLOCATION 336614; 2025 MHBG	-	85,500
Total 93.958 Block Grants for Community Mental Health Services				-	141,180
Ohio Wellness Campus Collaborative Enhancing Mental Health on College Campuses	93.959	PreventionFIRST!	LETTER DATED 12/03/24	-	13,420
Rise & Thrive Grant	93.959	Prevention Action Alliance	3G40-2024 SUBSTANCE USE	-	16,267
Rise & Thrive Phase 2	93.959	PreventionFIRST!	LETTER DATED 11/01/24	-	12,735
Total 93.959 Block Grants for Prevention and Treatment of Substance Abuse				-	42,422
Program Evaluation - Assisted Outpatient Treatment (AOT)	93.997	ADAMHS Board for Montgomery County	BR 25-030	-	27,434
Total U.S. Department of Health and Human Services, Subcontract				-	758,680
Total U.S. Department of Health and Human Services				290,066	2,388,797
U.S. Department of Interior, Subcontract -					
Special Collections and Archives Facilities Improvement	15.929	Aviation Heritage Foundation Inc.	FULLY EXECUTED 4/23/24	-	7,280
Total U.S. Department of Interior				-	7,280
National Aeronautics and Space Administration, Subcontract -					
OSGC Campus Activities AY 2024-2025	43.008	Ohio Space Grant Consortium	LETTER DATED 12/17/24	-	239
OSGC Student Awards AY 2024-2025 NASA	43.008	Ohio Space Grant Consortium	LETTER DATED 8/06/24	-	18,000
OSGC Student Awards AY 2024-2025 NASA/ODHE	43.008	Ohio Space Grant Consortium	LETTER DATED 11/19/24	-	10,500
Total National Aeronautics and Space Administration				-	28,739
Institute of Museum and Library Services					
Celebrating Ohio Book Awards & Authors Grant	45.310	State Library of Ohio	PROJECT # L-68-25	-	1,950
Conservation Treatment for Wright Brothers Collection Items	45.310	State Library of Ohio	L-32-25	-	2,950
Total Institute of Museum and Library Services				-	4,900
National Endowment for the Humanities, Subcontract					
Dialogues on the Experiences of War	45.162	Sinclair Community College	2023-019 PS003771	-	18,022
Total National Endowment for the Humanities				-	18,022
U.S. Department of Veterans Affairs, Prime -					
Health Professions Education (HPE) Program	64.054			-	71,871
QIP for VA Health Equity-related Projects	64.054			-	5,422
Total 64.054				-	77,293
Veterans Affairs Annual Reporting Fee	64.032			-	10,199
Total U.S. Department of Veterans Administration				-	87,492
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 1,618,972	\$ 102,310,921

WRIGHT STATE UNIVERSITY

A Component Unit of the State of Ohio

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2025

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 2 CFR 200 (Uniform Guidance), 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, 2025. Because the schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net position or cash flows of the University.

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

- Direct federal awards
- 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.

Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

The University did not elect to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs. Instead, the University applied its negotiated F&A cost rates or the rate negotiated in the grant agreement.

B. FEDERAL DIRECT STUDENT LOANS

The University is responsible only for the performance of certain administrative duties with respect to the Federal Direct Student Loan program (FALN Number 84.268). Therefore, only new loans made during the year are reflected in the schedule.

C. FEDERAL LOAN PROGRAMS

The federal loan programs listed subsequently are administered directly by the University and balances and transactions relating to the programs are included in the University's financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the schedule.

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

	Federal Assistance Listing Number	Outstanding Balance at June 30, 2025
Federal Perkins Loan Program	84.038	\$ 1,205,496
Nurse Faculty Loan Program	93.264	3,768
Health Professions Student Loans	93.342	10,027
Loans for Disadvantaged Students	93.342	17,460
Nursing Student Loan Program	93.364	706,665
Primary Care Loans	93.342	163,359

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

Independent Auditor's Report

Board of Trustees
Wright State University
Dayton, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and discretely presented component unit of Wright State University (University), collectively a component of the State of Ohio, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 15, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Forvis Mazars, LLP

Cincinnati, Ohio
October 15, 2025

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

Board of Trustees
Wright State University
Dayton, Ohio

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Wright State University's (University) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2025. 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.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the University's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The University is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The University's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on 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 a combination of deficiencies, in 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. 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.

Our consideration of internal control over compliance was for the limited purpose described in the “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Forvis Mazars, LLP

Cincinnati, Ohio
January 29, 2026

Wright State University
A Component Unit of the State of Ohio
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Section I – Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

3. Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

4. Internal control over major federal programs:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

5. Type of auditor's report issued on compliance for major federal programs:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☒ Yes ☐ No

7. Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.007, 84.033, 84.038, 84.063, 84.268, 93.264, 93.342, 93.364	Student Financial Assistance Cluster
Various	Research and Development Cluster

8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.

9. Auditee qualified as a low-risk auditee? ☒ Yes ☐ No

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
2025-001	Federal Program - Research and Development Cluster Assistance Listing Numbers - Various Federal Agency - All Research and Development Sponsor Award Number - Various Award Period - Various Criteria or Specific Requirement – Subrecipient Monitoring - Management is responsible for verifying that subrecipients expected to be audited as required by CFR part 200, subpart F, met this requirement. (2 CFR 200.332(g)) Condition - Management reported that subrecipient monitoring procedures as it relates to confirming subrecipients met audit requirements had not been completed during the year. Cause - Turnover of University personnel responsible for subrecipient monitoring. Questioned Costs - There were no questioned costs as a result of this finding. Effect - While management did follow established controls to determine whether subrecipients used the Federal awards for authorized purposes and complied with Federal statutes, regulations and the terms and conditions of the sub award, by not confirming whether subrecipients had received required audits, management may not become aware of subrecipients with audit findings. Context - Management reported that subrecipient monitoring procedures as it relates to confirming subrecipients met audit requirements had not been completed for all ten subrecipients during the year.

Wright State University
A Component Unit of the State of Ohio
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Reference Number	Finding
	Identification as a Repeat Finding - No. Recommendation - We recommend management bring subrecipient audit documentation current and complete training with responsible individuals to ensure future compliance. Views of Responsible Officials and Planned Corrective Actions – The University concurs that annual subrecipient monitoring is required under Uniform Guidance and the OMB Compliance Supplement. Subrecipient monitoring activities are operationally performed within Research and Sponsored Programs (RSP). The lack of documented monitoring during the period under audit is attributable to changes in staffing and workflows within RSP, which resulted in a lapse in the consistent execution and documentation of established monitoring procedures. Upon identification of this issue, the Office of the Controller (OoC), in its oversight role for financial reporting and compliance, coordinated with RSP and initiated corrective actions to ensure the subrecipient monitoring requirement will be consistently met going forward. The OoC is working with RSP to reestablish and formalize monitoring procedures and to ensure appropriate staffing resources and review processes are in place. As part of the corrective action plan, the University will complete monitoring in FY2026 for subrecipients with audited financial statements for Fiscal Year 2025 and Calendar Year 2025, where practicable. In addition, as a retrospective measure, the University will review available subrecipient audit reports for Fiscal Year 2024 to confirm whether monitoring requirements were met and to document the results of that review. Further, the OoC and RSP will collaboratively define and document roles and responsibilities for obtaining, reviewing, and retaining subrecipient audit reports on an annual basis. These actions are focused on strengthening annual audit verification procedures for subrecipients, ensure ongoing compliance with Uniform Guidance requirements, and prevent recurrence of the condition.

Wright State University
A Component Unit of the State of Ohio
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Reference Number	Finding
2025-002	Federal Program - Research and Development Cluster Assistance Listing Numbers - Various Federal Agency - All Research and Development Sponsor Award Number - Various Award Period - Various Criteria or Specific Requirement – Period of Performance – Costs must be incurred during the approved budget period. (2 CFR 200.403(h)) Condition - Management reported instances where costs not incurred during the approved budget period were charged to the grant. Cause - Turnover of University personnel responsible. Questioned Costs – We identified \$498 in questioned costs, calculated per vendor invoice, as a result of our audit procedures performed surrounding period of performance. The grant programs and amounts improperly charged identified during testing were: • Assistance Listing Number: 16.838 ○ Award Number: 15PBJA-21-GG-04493-COAP; Linkage to Hope Project - \$479 • Assistance Listing Number: 12.800 ○ Award Number: FA8650-20-F-5234; Direct Integrated/Computational/Testing and Onsite Research (DICTATOR) - \$19 Effect – While the University has established controls to detect costs recorded that had been incurred outside of the approved period, by not fully following these control guidelines, costs that would be unallowable under 2 CFR 200.403(h) may be applied incorrectly. Context - Management reported instances where costs not incurred during the approved budget period had been recorded. From a sample of 5 grants (population of 44 grants), two grants had expenditures recorded to the grant for costs that had not been incurred within the approved budget period. This sample was not, and was not intended to be, a statistically valid sample. Identification as a Repeat Finding - No. Recommendation - We recommend management consult with the grantor to discuss whether the questioned costs should be refunded and complete training with responsible individuals to ensure future compliance.

Wright State University
A Component Unit of the State of Ohio
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Reference Number	Finding
	Views of Responsible Officials and Planned Corrective Actions - The University concurs that costs charged to federal awards must be incurred within the approved period of performance in accordance with Uniform Guidance and the OMB Compliance Supplement. The instances identified during the audit were attributable to personnel turnover within Research and Sponsored Programs (RSP), which resulted in isolated lapses in the consistent application of existing period of performance review procedures during the period under audit. Upon identification of these items, the Office of the Controller (OoC), in its oversight role for financial reporting and compliance, coordinated with RSP to address the questioned costs. RSP initiated the process to remove the costs from the affected grants and, where applicable, to consult with the sponsor and refund the disallowed amounts. As part of the corrective action plan, RSP will reinforce existing period of performance controls through targeted communication and training with responsible personnel involved in grant administration and expenditure processing. RSP will continue to perform pre- and post-expenditure reviews to ensure that costs charged to federal awards are incurred within the approved budget period and are appropriately documented. These actions are focused on reinforcing the timing review of expenditures charged to federal awards and are intended to ensure ongoing compliance with Uniform Guidance requirements and to prevent recurrence of the condition.

Wright State University
A Component Unit of the State of Ohio
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2025

Reference Number	Summary of Finding	Status
	No matters are reportable.	

OHIO AUDITOR OF STATE KEITH FABER



WRIGHT STATE UNIVERSITY

GREENE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 4/2/2026

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov