1. President & CEO Report

2. Wright State Foundation Financial Report
Updates from last report:
Immediate objectives being pursued by the Foundation include but are not limited to:

- Foundation board Trustee recruiting
  - New members to the Foundation board are:
    - Anupam Bedi (’97 & ’99), Chairman, Generation Now, Cincinnati, OH
    - Jon Ramey (’95), Managing Director/Market Head, UBS, Indianapolis, IN
    - Michael Daniels, Parent of former student (deceased), CEO (retired) Oxford Development Company, Pittsburgh, PA
    - Marc Porter (’97 & ’80), Faculty Member, Nano Institute of Utah, Salt Lake City, UT
    - Emily Bundesen (’20), Graduate Student Trustee, pursuing Master’s degree in Public Administration, Dayton, OH
    - Jacob O’Connor (’22), Undergraduate Student trustee, pursuing Bachelor’s degree in Communications

- Emergence Center
  - Meetings with Cincinnati Bell and a new partner in NOKIA continue to progress towards bringing a 5G test lab to the Emergence Center.

- Foundation Strategic Planning
  - The Foundation Strategic Plan (attached) was approved at the April meeting.

- Budgeting Process
  - The Foundation completed its process with University Advancement in building a zero-based budget that aligns with their goals and objectives.
  - A copy of the Foundation’s FY22 budget is attached.

- Goals and Objectives
  - A tracker for accomplishing goals and objectives aligned with the strategic plan and budgeting process are attached.

- The August cycle of committee and full Board meetings were held with the next set of meetings scheduled for October 1.
Wright State University Foundation Financial Report

September 2021

The Foundation ended FY21 experiencing one its most successful investing years ever as the pandemic recovery continued to produce surprisingly strong, positive returns. The value of our endowment portfolio increased $22.2 million or 25.3% for the year. The investment return rate for the year was +28.9%, which outpaced the benchmark return of +26.6%. These returns resulted in an ending value of $109.9 million on June 30th. Overall, the Foundation’s investment portfolios finished the fiscal year with a market value of $152.2 million, up $30.7 million.

Looking more closely at results from our endowment portfolio, all asset classes performed in positive territory for the year with one exception. That exception was the oldest of our private equity funds which was (and is) in liquidation mode. It is not uncommon to see negative returns as these types of funds wind down to their conclusion.

Equity returns provided the most impressive returns during FY21 with an overall return of 39.2%. Domestic issues outpaced international ex-US returns (46.9% vs. 38.7%) as well as global returns (23.9%). In the domestic space, small cap issues bested large cap by a significant margin, 58.8% versus 46.9%.

Activity in the bond markets also produced positive returns in FY21, although not at the same level as equity. The overall return for fixed income in our endowment portfolio was 6.1% for the year. Two subclasses did provide double-digit returns: high yield bonds at 23.1% and emerging markets debt at 10.0%. These investments partially offset the less spectacular performance of our core fixed income investment, which returned less than one percent.

Finally, our alternative investments also produced impressive returns for the year led by our energy debt investment, which rebounded from earlier losses to return 61.4% for the year. Our hedge fund (+28.9%) and remaining private equity fund (+13.2%) also performed admirably.

The Foundation’s current endowment portfolio composition, including target allocations, actual allocations, and market values, as of June 30, 2021, is presented below:

Endowment Portfolio Composition

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target Allocation</th>
<th>Actual Allocation</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>June 30, 2021</td>
</tr>
<tr>
<td>Equity</td>
<td>60%</td>
<td>62%</td>
<td>$68,116,672</td>
</tr>
<tr>
<td>Fixed income</td>
<td>23%</td>
<td>23%</td>
<td>$25,480,158</td>
</tr>
<tr>
<td>Hedge funds</td>
<td>8%</td>
<td>8%</td>
<td>$8,681,040</td>
</tr>
<tr>
<td>Private equity</td>
<td>6%</td>
<td>3%</td>
<td>$3,792,829</td>
</tr>
<tr>
<td>Energy debt</td>
<td>3%</td>
<td>4%</td>
<td>$3,895,222</td>
</tr>
<tr>
<td>Cash &amp; equivalents</td>
<td>0%</td>
<td>0%</td>
<td>1</td>
</tr>
<tr>
<td>Totals</td>
<td>100%</td>
<td>100%</td>
<td>$109,965,922</td>
</tr>
</tbody>
</table>
The index is composed of various market indices of like asset classes in the same proportion as the Foundation’s approved asset allocation as defined in its Investment Policy Statement (IPS).
Wright State University Foundation Mission

The Wright State University Foundation's mission is to partner with Wright State University in providing funding that assists students from the Dayton region and beyond to obtain an affordable, quality education by:

1. promoting and facilitating a culture of engagement and philanthropy
2. prudently protecting, managing and investing funds entrusted to it
3. disbursing funds aligned with the university’s mission and priorities and ensuring funds disbursed are used as intended

Wright State University/Foundation Partnership

3 Pillars of Desired Strategic Excellence

I. Resource Acquisition
   o Support university advancement in maximizing philanthropic support for Wright State University.
   o Recruit and engage a representatively diverse board of alumni and friends of the university who are committed to providing their time, talent and treasure in support of Wright State University.
   o Pursue opportunities for non-traditional resource generation.

II. Resource Maximization, Protection and Allocation
   o Ensure funds entrusted to the foundation are protected and used in accordance with their restrictions and stewarded appropriately
   o Ensure funds are maximized by the recipients of budgetary support
   o Ensure funds are invested prudently and consistent with investment policy

III. University Alignment
   o Achieve the independence necessary to ensure flexibility for the foundation and university to accomplish their shared mission
   o Adopt and improve on policies/procedures that strategically align with the university
   o Work closely with university leadership to ensure initiatives of the foundation support the needs of the university
## WRIGHT STATE UNIVERSITY FOUNDATION, INC.
### OPERATING BUDGET FOR FISCAL YEAR 2022
### WITH COMPARATIVE DATA FOR PREVIOUS FOUR FISCAL YEARS

### REVENUE AND OTHER SOURCES:

<table>
<thead>
<tr>
<th></th>
<th>FY18 ACTUAL</th>
<th>FY19 ACTUAL</th>
<th>FY20 ACTUAL</th>
<th>AVERAGE</th>
<th>FY21 APPR Budget</th>
<th>FY22 STAFF Budget</th>
<th>BUDGET VARIANCE FY21 TO FY22</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions (R-1)</td>
<td>146,034</td>
<td>137,793</td>
<td>131,126</td>
<td>$138,318</td>
<td>$75,000</td>
<td>140,000</td>
<td>$65,000</td>
</tr>
<tr>
<td>Administrative fees (R-1)</td>
<td>838,811</td>
<td>860,645</td>
<td>1,062,978</td>
<td>920,811</td>
<td>1,321,200</td>
<td>1,279,400</td>
<td>(41,800)</td>
</tr>
<tr>
<td>Gift fees</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>280,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Royalty and rents</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>32,580</td>
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</tr>
<tr>
<td>TOTAL REVENUE AND OTHER SOURCE</td>
<td>$2,639,797</td>
<td>$2,613,638</td>
<td>$2,494,510</td>
<td>$2,582,648</td>
<td>$2,575,900</td>
<td>$2,659,680</td>
<td>83,780</td>
</tr>
</tbody>
</table>

### EXPENSES AND OTHER USES: Program Services

- Grants to WSU
- Scholarships-general university scholarships
- Scholarships-Board designations
- University discretionary funds (E-1)
- Promotion and outreach
- Foundation Board Chair
- Students First Fund
- Special projects
- University strategic initiatives
- Wright Leader Academy
- Wright Venture matching grant
- Archives pledge (5 years)
- proprietary operations
- Emergence Center

**Subtotal Program Services**

<table>
<thead>
<tr>
<th></th>
<th>FY18 ACTUAL</th>
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</tr>
<tr>
<td>Fund Raising</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund raising leadership (E-2)</td>
<td>154,730</td>
<td>136,223</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fund raising (E-3)</td>
<td>372,564</td>
<td>361,437</td>
<td>322,497</td>
<td>352,166</td>
<td>409,250</td>
<td>403,330</td>
<td>5,920</td>
</tr>
<tr>
<td>Fund raising support (E-4)</td>
<td>361,659</td>
<td>221,242</td>
<td>225,847</td>
<td>269,583</td>
<td>289,100</td>
<td>249,095</td>
<td>20,005</td>
</tr>
<tr>
<td>Alumni Relations</td>
<td>201,184</td>
<td>241,873</td>
<td>250,711</td>
<td>231,256</td>
<td>250,000</td>
<td>250,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Subtotal Fund Raising</strong></td>
<td>1,090,137</td>
<td>960,775</td>
<td>799,055</td>
<td>949,989</td>
<td>948,350</td>
<td>702,335</td>
<td>246,015</td>
</tr>
</tbody>
</table>

### Management and General

- Foundation Board/Committees
- President & CEO's Office
- Finance Department
- Legal
- Building operation/maintenance
- Unallocated (E-5)
- Debt service

**Subtotal Management and General**

<table>
<thead>
<tr>
<th></th>
<th>FY18 ACTUAL</th>
<th>FY19 ACTUAL</th>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL EXPENSES AND OTHER USES</td>
<td>$1,642,532</td>
<td>$1,777,499</td>
<td>$1,822,583</td>
<td>$1,747,538</td>
<td>$2,515,710</td>
<td>$2,601,090</td>
<td>(85,380)</td>
</tr>
</tbody>
</table>

### OPERATING SURPLUS (DEFICIT)

<table>
<thead>
<tr>
<th></th>
<th>FY18 ACTUAL</th>
<th>FY19 ACTUAL</th>
<th>FY20 ACTUAL</th>
<th>AVERAGE</th>
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<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized capital gains/(losses)</td>
<td>$172,558</td>
<td>$(80,873)</td>
<td>$(1,175,518)</td>
<td>(361,278)</td>
<td>449,000</td>
<td>269,400</td>
<td></td>
</tr>
<tr>
<td>Other revenue (other investment earnings)</td>
<td>$79,694</td>
<td>$(74,790)</td>
<td>$(77,210)</td>
<td>(24,102)</td>
<td>50,000</td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>$(122,112)</td>
<td>$(122,113)</td>
<td>$(120,688)</td>
<td>(121,431)</td>
<td>(119,100)</td>
<td>(118,650)</td>
<td></td>
</tr>
<tr>
<td>Change in allowance for uncollectible pledges</td>
<td>$100</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,000)</td>
<td>(1,000)</td>
<td></td>
</tr>
<tr>
<td>Total Accrual/Non-cash Adjustments</td>
<td>130,240</td>
<td>$(277,776)</td>
<td>$(1,372,796)</td>
<td>(506,777)</td>
<td>378,900</td>
<td>199,750</td>
<td></td>
</tr>
</tbody>
</table>

### NET CHANGE IN FUND BALANCE

<table>
<thead>
<tr>
<th></th>
<th>FY18 ACTUAL</th>
<th>FY19 ACTUAL</th>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BALANCE, JULY 1</td>
<td>7,549,356</td>
<td>8,676,861</td>
<td>9,235,224</td>
<td>8,487,147</td>
<td>8,534,355</td>
<td>8,973,445</td>
<td>439,090</td>
</tr>
<tr>
<td>BALANCE, JUNE 30</td>
<td>8,676,861</td>
<td>9,235,224</td>
<td>8,534,355</td>
<td>8,815,480</td>
<td>9,231,785</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Notes
- Net change in fund balance: 258,340
- Operating surplus (deficit): 85,380
<table>
<thead>
<tr>
<th>Responsible Staff</th>
<th>Committee Oversight</th>
<th>FY 22 GOALS</th>
<th>Q1 FY22</th>
<th>Q2 FY22</th>
<th>Q3 FY22</th>
<th>Q4 FY22</th>
</tr>
</thead>
</table>

**Legend**

Green = Progressing without concern
Yellow = Progressing well but particular issues in need of attention
Red = Concern for meeting goal and focus of close review and action

**RESOURCE ACQUISITION**

- Support university advancement in maximizing philanthropic support for WSU

**Rash Governance**

- Establishment of an Engagement/Development Committee on FBoT

**Rash Engagement**

- Consolidation of appeals to FBoT members

- 100% FBoT Participation in Giving

**Rash Engagement**

- Recruit and engage a representatively diverse board of alumni and friends of the university who are committed to providing their time, talent and treasure in support of WSU

**Rash Governance**

- Group identity priorities are established by FBoT

**Rash Engagement**

- Align with advancement prospects and strategic initiatives

**Rash Finance**

- Appointment of a Finance Committee

**RASH RECRUITMENT**

- Ensure funds entrusted to the foundation are protected and used in accordance with their restrictions and stewardship appropriately

**Batson Engagement**

- Establish and maintain a Relationship Management model

**Batson Finance**

- Gifts booked and receipted within 2 business days

**Batson Investment**

- Ensure budgeted funds are maximized by the recipients of Foundation support

**Batson Investment**

- Return on investment in UA

**Batson Investment**

- Return on investment in Alumni Relations

**Batson Investment**

- Ensure funds are invested prudently

**Batson Investment**

- Meeting benchmark goal established by investment committee

**UNIVERSITY ALIGNMENT**

- Acquire the independence necessary to ensure flexibility for the foundation and university to accomplish their joint missions

**Rash Executive**

- MOU with WSU completed

**Batson Finance**

- Internal accounting & accounts payable system

**Rash Engagement**

- New CRM or renewal of existing CRM clearly defined

**Rash Executive**

- Implement onboarding and continuing education opportunities that ensure university personnel understand how foundation funds are and can be used to provide maximum benefit to their units/university

**Rash Governance**

- Board member recruitment

**Wall Governance**

- Board policy changes

**Wall Finance**

- Foundation staff hires

**Wall Grants**

- Students First Fund

**Foster Finance**

- Emergence Center

**Rash Finance**

- RaidOur Closet+

**Day-to-Day Operational Activities (not part of strategic plan)**

- Financial audits
- Balanced budget
- Tracker completed quarterly
- Quarterly personnel assessments completed
- Ongoing training of new employees
- Ongoing training of new Trustees
- Management of Foundation staff benefits

**Wall Executive**

- Management of Foundation staff benefits

**Wall Executive**

- Onboarding of new employees

**Wall Executive**

- Onboarding of new Trustees