WRIGHT STATE UNIVERSITY
BOARD OF TRUSTEES

Wright State University Foundation Report
September 2022

1. President & CEO Report

2. Wright State Foundation Financial Report
Wright State University Foundation  
President & CEO 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:
    - Tony Alexander, CEO, Great Oak Funding, Alum
    - Robert Reynolds, Director, Brady Ware, Alum
    - Logan Young, Project Manager, AFIT, Alum
    - Doniska Taylor, Graduate Student Trustee

- **Emergence Center**
  - John Scola was present via Zoom at the August 5 meeting and updated the board on Altafiber’s intentions to place a corporate briefing center around 5G technology at the Emergence Center. Altafiber’s new corporate structure allows funding related to new endeavors to be pursued monthly, meaning a presentation on this concept to their leadership could take place as soon as the end of August.

- **Budgeting Process**
  - The Foundation once again 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 FY23 budget is attached.

- **Goals and Objectives**
  - The Foundation’s completed goals tracker for FY22 is attached. The vast majority of incomplete goals are related back to not having a memorandum of understanding with the university.

- **The August cycle of committee and full Board meetings was held with the next set of meetings scheduled for October 28, 2022. The August 5, 2022 Special Topics meeting of the Foundation Board included:**
  - WSUF Financials Deep Dive
  - Case Study on Donor Relations
Activity during the final half of FY22 saw financial markets claw back much of the gains experienced in the previous fiscal year. The increased threat of inflation, the Fed’s decision to raise interest rates and the Russian invasion of Ukraine rattled public markets sending cumulative earning rates deeply into the red. The value of our endowment portfolio ended the month of June at $99.6 million, down $10.3 million or 9.4% since last July. The portfolio’s earning rate was -9.9% for the period, outperforming its composite benchmark by 100 basis points (bps).

Investment results from our equity and fixed income classes were both negative by the end of June. Fixed income returns were especially egregious as this asset class normally provides a hedge against large losses in the equity class. Such was not the case in FY22. Overall equity returns were -13.6% for the year, while fixed income returns fared only slightly better losing 12.1%. All asset subclasses within the stock and bond space lost value during the year, most experiencing double-digit losses. The big winner in our portfolio was our Global Managed Volatility investment which lost only 0.5% for the year.

Alternative investments, on the other hand, have all performed positively for the year providing a combined return of +7.4%. Leading the way in FY22 has been our investment in energy sector debt, which returned 17.5% over the year. Hedge fund and private equity investments also performed in positive territory returning 4.4% and 3.9%, respectively.

All asset allocations remained within ranges specified in the Foundation’s investment policy statement throughout the year.

The Foundation’s current endowment portfolio composition, including allocation ranges, actual allocations, and market values, as of June 30, 2022, is presented below:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Allocation Range</th>
<th>Actual Allocation</th>
<th>Market Value June 30, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>30%-70%</td>
<td>60%</td>
<td>$60,093,539</td>
</tr>
<tr>
<td>Fixed income</td>
<td>15%-50%</td>
<td>23%</td>
<td>$22,842,385</td>
</tr>
<tr>
<td>Alternatives</td>
<td>1%-30%</td>
<td>17%</td>
<td>$16,699,919</td>
</tr>
<tr>
<td>Cash &amp; equivalents</td>
<td>0%-20%</td>
<td>0%</td>
<td>0</td>
</tr>
<tr>
<td>Totals</td>
<td>n/a</td>
<td>100%</td>
<td>$99,635,843</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, INC.

OPERATING BUDGET FOR FISCAL YEAR 2023

WITH COMPARATIVE DATA FOR PREVIOUS FOUR FISCAL YEARS

<table>
<thead>
<tr>
<th>RECEIPTS AND OTHER SOURCES:</th>
<th>FY19 ACTUAL</th>
<th>FY20 ACTUAL</th>
<th>FY21 ACTUAL</th>
<th>3-YEAR AVERAGE</th>
<th>FY22 APPROVED BUDGET</th>
<th>FY23 PRESIDENT’S PROPOSED BUDGET</th>
<th>BUDGET VARIANCE FY22 TO FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions (R-1)</td>
<td>$138,950</td>
<td>$130,196</td>
<td>$126,458</td>
<td>$131,868</td>
<td>$140,000</td>
<td>$110,000</td>
<td>$(30,000)</td>
</tr>
<tr>
<td>Administrative fees (R-1)</td>
<td>860,645</td>
<td>1,062,978</td>
<td>1,219,646</td>
<td>1,047,756</td>
<td>1,279,400</td>
<td>1,393,800</td>
<td>114,400</td>
</tr>
<tr>
<td>Gift fees (R-1)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100,000</td>
<td>200,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Proprietary operations revenue (R-1)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>30,180</td>
<td>-</td>
<td>$(30,180)</td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>1,279,262</td>
<td>1,192,761</td>
<td>975,192</td>
<td>1,149,072</td>
<td>900,000</td>
<td>1,000,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Net realized gains</td>
<td>89,627</td>
<td>129,520</td>
<td>122,606</td>
<td>32,180</td>
<td>100,000</td>
<td>100,000</td>
<td>-</td>
</tr>
<tr>
<td>Rental income (R-1)</td>
<td>74,678</td>
<td>74,678</td>
<td>76,878</td>
<td>75,411</td>
<td>77,100</td>
<td>77,100</td>
<td>-</td>
</tr>
<tr>
<td>Other income (R-1)</td>
<td>3,347</td>
<td>4,060</td>
<td>3,340</td>
<td>3,582</td>
<td>3,000</td>
<td>3,000</td>
<td>-</td>
</tr>
<tr>
<td>Interfund transfers - in (out)</td>
<td>44,783</td>
<td>(66,608)</td>
<td>(40,211)</td>
<td>(20,679)</td>
<td>30,000</td>
<td>(20,000)</td>
<td>$(50,000)</td>
</tr>
<tr>
<td>TOTAL RECEIPTS AND OTHER SOURCES</td>
<td>2,491,292</td>
<td>2,527,585</td>
<td>2,238,697</td>
<td>2,419,191</td>
<td>2,659,680</td>
<td>2,863,900</td>
<td>204,220</td>
</tr>
</tbody>
</table>

DISBURSEMENTS AND OTHER USES:

Program Services

Grants to WSU
- Scholarships-general university scholarships: 50,000
- Scholarships-Board designations: 28,944
- University discretionary funds (E-1): 38,343
- Promotion and outreach: 34,534
- Students First Fund: 8,630
- Special projects: 5,000
- University strategic initiatives: -
- Archives pledge (5 years): 20,000

Proprietary operations
- Emergence Center: -
- Second Flight: -

Subtotal Program Services: 185,451

Fund Raising
- Fund raising leadership (E-2): 136,223
- Fund raising (E-3): 361,437
- Fund raising support (E-4): 221,242
- Alumni Relations: 242,227

Subtotal Fund Raising: 961,129

Management and General
- Foundation Board/Committees: 25,392
- President & CEO's Office: 10,591
- Finance Department: 168,648
- Legal: 10,079
- Building operation/maintenance: 99,377
- Unallocated (E-5): 189,133

Subtotal Management and General: 503,220

TOTAL DISBURSEMENTS AND OTHER USE: 1,649,800

NET CASH PROVIDED BY (USED IN) OPERATIONS: 841,492

ACCRAUL AND OTHER ADJUSTMENTS (X-1): (283,129)

NET CHANGE IN UNRESTRICTED NET ASSETS: 558,363

BALANCE, JULY 1: 8,676,861

BALANCE, JUNE 30: $9,235,224

8/24/2022
Establishment of an Engagement/Development Committee on Emergence
Prospective board members identified, to be presented to FBoT at 4/22 mtg. (3 of 5 accepted both Brandy Foster and MJ Henry have left WSU, no plan B has been announced and unlikely to take place with other universities)

Initiated branding; met with MKR 400 course for student assistance with University Connect has evolved in its development with conversations taking place with other universities

Digital Countermeasures agreement completed, ONEIL S100D training is in development, ab

Dependent on WSUF-WSU agreement (sits with WSU at this time)

Dependent on WSUF-WSU agreement (sits with WSU at this time)

Dependent on WSUF-WSU agreement (sits with WSU at this time)

University Connect continues to evolve in its development with conversations taking place with other universities

no connection to this class remains in the absence of Brandy while also on hold for the CMRS program

Foster Batson Engagement Gifts booked and receipted within 2 business days

Foster Finance 2nd Flight

Foster Rash Governance

Foster Rash Finance 2nd Flight

Foster Rash Engineering

Foster Foster Studio 5G

Foster Rutgers University

Foster Foster

Foster Foster

Foster Foster

Foster Foster

Rash Finance 2nd Flight

Rash Engagement

Rash Governance

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Rash Finance 2nd Flight

Rash Engagement

Rash Governance

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Rash Finance 2nd Flight

Rash Engagement

Rash Governance

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Rash Finance 2nd Flight

Rash Engagement

Rash Governance

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Rash Finance 2nd Flight

Rash Engagement

Rash Governance

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Rash Finance 2nd Flight

Rash Engagement

Rash Governance

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Candidates be researched with individual meeting to take place before 2/5 meeting and personal in person at 2/22 only.

Proposed board members identified to be presented to FHCF at 2/22 meeting (3 of 5 accepted by invitation, one too busy and another would like to wait until we have prospective board members identified, to be presented to FBoT at 4/22 meeting (3 of 5 accepted by invitation, one too busy and another would like to wait until we have relationship with university ironed out).

No change in this item from last quarter.

Approved for party contributions for project related to Foundation raising efforts at December 2021 meeting.

No larger-than-expected spending.

Form 990 successfully remitted to IRS prior to submission deadline. Form 990 was well addressed first. We plan to finalize documentation formatting issues during Q1FY23 as major responsibilities of each position and then to prioritize tasks so that important ones are addressed first. We plan to finalize documentation formatting issues during Q1FY23 as major responsibilities of each position and then to prioritize tasks so that important ones are addressed first. We plan to finalize documentation formatting issues during Q1FY23 as major responsibilities of each position and then to prioritize tasks so that important ones are addressed first. We plan to finalize documentation formatting issues during Q1FY23 as major responsibilities of each position and then to prioritize tasks so that important ones are addressed first.