Submitted by: Bethany Gielczyk, Interim Senior Vice President, Business Affairs; Chief Financial Officer; Treasurer

Audited Financial Report for Fiscal Year 2023

In accordance with Board of Governors Statutes, the Administration is submitting the Combined Financial Statements, along with additional information reflecting the individual fund statements of Wayne State University as of September 30, 2023 and for the year then ended, together with the report of Plante Moran, L.L.P.

The statements were presented to the Board's Audit Subcommittee on February 19, 2024, approved at that meeting, and transmitted in the attached.

Discussion

The financial statements prepared by Finance and Business Operations and audited by Plante Moran, L.L.P. are attached. The auditors have again issued an unmodified opinion that the financial statements present fairly the financial position of the University on September 30, 2023 and its financial operations for the year then ended.

The firm of Alan Young P.C. assisted Plante Moran, L.L.P. with the audit as a subcontractor. Representatives of Plante Moran, L.L.P. are in attendance and will respond to questions as needed.

WAYNE STATE
UNIVERSITY

FINANCIAL REPORT 2023

Fiscal Year Ended September 30, 2023

wayne.edu

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Alana Askew
Assistant Vice President, Treasury and Assistant Treasurer

Colleen Cilia
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Tony L. Miller
Director of Accounting

Gail L. Ryan
Associate Vice President for Sponsored Program Administration

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Plante & Moran, PLLC
Suite 100
1111 Michigan Ave.
East Lansing, MI 48823
Tel: 517.332.6200
Fax: 517.332.8502
plantemoran.com

Independent Auditor's Report

To the Board of Governors
Wayne State University

Report on the Audits of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of Wayne State University (the "University") as of and for the years ended September 30, 2023 and 2022 and the related notes to the financial statements, which collectively comprise Wayne State 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 September 30, 2023 and 2022 and the respective changes in its financial position and, where applicable, its 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in the fiscal year ended September 30, 2023, the University adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

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.

To the Board of Governors
Wayne State University

Auditor's Responsibilities for the Audits 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 audits 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 audits in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of changes in the University's total OPEB liability and related ratios 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, which 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 auditing standards generally accepted in the United States of America, 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.

To the Board of Governors
Wayne State University

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The supplementary information, as identified in the table of contents, is presented for the purpose 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the accompanying lists of executive officers, board of governors, and finance administrators, which are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Our opinions on the financial statements do not cover such information, and we do not express an opinion or any form of assurance thereon.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2024 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, 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.

Plante & Moran, PLLC

February 19, 2024

Introduction

The following discussion and analysis provides an overview of the financial position of Wayne State University (the "University") at September 30, 2023 and the results of its operations and cash flows for the year then ended. Comparative information is provided as of and for the year ended September 30, 2022. This discussion has been prepared by management and should be read in conjunction with the accompanying financial statements and related notes to facilitate and enhance the reader's understanding of the 2023 financial report.

Wayne State University is a nationally recognized public research university with urban roots and a global reputation. The main campus, located in Detroit's University Cultural Center, includes more than 350 undergraduate, graduate, doctoral, certificate, and professional programs offered through the University's schools and colleges. The University ranks among the top public universities in the nation and has the most diverse student body of any university in Michigan. As the 11th largest employer in the city of Detroit, as ranked by the 2023 Crain's Business Survey of Detroit's Largest Employers, the University has a significant impact on the local economy and contributes to the state and nation as well through its research and public service programs.

Excellence in research is essential to the University's mission. Based on the 2022 National Science Foundation Research and Development Expenditures Survey, the University ranked 112th among all universities and 75th among public universities in research and development expenditures. A substantial portion of the University's research is conducted at the School of Medicine, the nation's largest single-campus medical school. The 2022 National Science Foundation Research and Development Expenditures Survey ranked the University 59th in the health sciences category. Based on the 2022 Carnegie classification of higher education, Wayne State University ranked within the top 3.7 percent of the nation's universities and colleges with the Carnegie classification of R1 (very high research activity). Wayne State University, Michigan State University, and the University of Michigan, the state's three largest research universities, are partners in the University Research Corridor (URC). The URC is an alliance among these three universities to spark regional economic development through invention, innovation, and technology transfer, by educating a work force prepared for the "knowledge economy," and by attracting smart and talented people to Michigan.

Using this Report

Effective for the fiscal year ended September 30, 2023, the University adopted GASB Statement No. 96 ("GASB 96"), Subscription-based Information Technology Arrangements (SBITAs). This statement establishes new requirements for calculating and reporting the University's SBITAs activity. The University recognized SBITA assets and related SBITA payables at the present value of expected future payments for the arrangements. The impacts to the Statement of Revenues, Expenses, and Changes in Net Position include reclassifying certain SBITA payments from operating revenues and expenses to nonoperating revenues and expenses and recognizing annual amortization of SBITA assets over the term of the arrangement. The adoption of GASB 96 has been reflected as of October 1, 2021. The financial statements for the year ended September 30, 2022 have been restated to present the impact of GASB 96. See footnote 1 for more details.

The University's financial report includes three financial statements: the statement of net position; the statement of revenue, expenses, and changes in net position; and the statement of cash flows. The report also includes notes to the financial statements, which are an integral component of the report, and required supplementary information (RSI). These financial statements, accompanying notes, and RSI are prepared in accordance with the principles of the Governmental Accounting Standards Board (GASB). Consistent with the GASB principles, the Wayne State University Foundation (the "Foundation"), as a controlled corporate organization, is a discretely presented component unit (DCU) of the University. The Foundation's statement of financial position and statement of activities and changes in net position are discretely presented in the University's financial statements. The management's discussion and analysis refers to the University only (excluding the Foundation), unless otherwise noted. Additional supplementary information, which provides the statement of net position and operating information for the various funds of the University, is also included in the report.

Overall Financial Highlights

The University's financial position at September 30, 2023 includes assets and deferred outflows of resources of approximately $2.0 billion and liabilities and deferred inflows of resources of $1.19 billion. Net position, which represents the residual interest in the University's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted, was $0.81 billion as of September 30, 2023.

Financial Position

The summary table below shows the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at September 30 for the past three fiscal years:

	2023	2022 (as restated)	2021
		(in millions)	
Total assets	$ 1,985.7	$ 1,928.4	$ 1,958.2
Deferred outflows of resources	11.9	13.0	14.1
Total liabilities	907.7	944.9	975.1
Deferred inflows of resources	278.1	276.9	272.1
Net position	811.8	719.6	725.1

Specific discussion and analysis of the changes in the components of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position categories are provided on pages 6-10.

Operations

A summary of revenue and expenses, including the operating, nonoperating, and other categories for the years ended September 30, 2023, 2022, and 2021 are as follows:

	2023	2022 (as restated)	2021
Revenue:		(in millions)	
Operating revenues	$ 604.7	$ 597.8	$ 565.7
Nonoperating revenues	362.3	309.9	373.7
Other	51.0	4.8	2.7
Total revenues	**$ 1,018.0**	**$ 912.5**	**$ 942.1**
Expenses:			
Operating expenses	$ 903.5	$ 894.7	$ 846.3
Nonoperating expenses	22.3	23.3	20.6
Total expenses	**$ 925.8**	**$ 918.0**	**$ 866.9**

During fiscal year 2023, total revenue increased $105.5 million (11.6 percent) compared to 2022, while total expenses increased $7.8 million (0.8 percent). During fiscal year 2022, total revenue decreased $29.6 million (3.1 percent) compared to 2021, while total expenses increased $51.1 million (5.9 percent). Specific discussion and analysis of the changes in the components of the revenue and expense categories are provided on pages 11-18.

Statement of Net Position

The statement of net position presents the financial position of the University at the end of each fiscal year and includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the University. Net position is one key indicator of the current financial position of the University, while the change in net position is a key indicator of how the current year's operations affected the overall financial condition of the University. Assets, deferred outflows of resources, deferred inflows of resources, and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost less accumulated depreciation and amortization. A summarized comparison of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at 2023, 2022, and 2021 are as follows:

	2023	2022	2021
		(in millions)	
Current assets	$ 775.9	$ 684.4	$ 698.2
Noncurrent assets:			
Investments	56.4	122.3	152.2
Capital assets - Net of depreciation	1,091.6	1,063.8	1,058.6
Other	61.8	57.9	49.2
Total assets	1,985.7	1,928.4	1,958.2
Deferred outflows of resources	11.9	13.0	14.1
Current liabilities	327.2	334.2	344.6
Noncurrent liabilities:			
Long-term debt - Net of current portion	541.1	567.9	586.9
Other	39.4	42.8	43.6
Total liabilities	907.7	944.9	975.1
Deferred inflows of resources	278.1	276.9	272.1
Total net position	**$ 811.8**	**$ 719.6**	**$ 725.1**

Current Assets and Liabilities

Current assets are comprised primarily of cash and cash equivalents, current investments, and receivables. In 2023, current assets increased $91.5 million (13.4 percent) to $775.9 million compared to $684.4 million at September 30, 2022. The increase in current assets is attributable principally to the change in current investments of $104.0 million, partially offset by a decrease in cash and cash equivalents of $16.8 million. Changes in cash and cash equivalents and current investments are the result of the University's overall operating performance and timing. In 2023, current investments include approximately $50.0 million in unspent capital grant funds received from the State of Michigan to partially fund the design and construction of a facility dedicated to medical education, cancer research, and community health in the City of Detroit (discussed more fully on page 15). Net current receivables and prepaid expenses and deposits increased $1.4 million and $2.8 million, respectively, in 2023 compared to 2022, while inventories remained relatively constant between the two years.

In 2022, current assets decreased $13.8 million (2.0 percent) to $684.4 million compared to $698.2 million at September 30, 2021. This consisted of a decrease in current receivables of $45.6 million and prepaid expenses and deposits of $4.1 million, partially offset by an increase in cash and cash equivalents and current investments of $42.2 million. The decrease in net current receivables resulted from a decrease in net grants and contracts receivable of $18.5 million which was attributable principally to eligible costs incurred for federal economic relief grants in fiscal year 2021, which were reimbursed in fiscal year 2022, a decrease in net student accounts receivable of $22.6 million driven largely by the School of Medicine transition from billing for a one-term academic year to a four-term academic year, effective July 2022, and a decrease in state appropriations receivable of $8.9 million primarily due to a one-time supplemental operating appropriation of $7.9 million which did not recur in fiscal year 2022.

Current liabilities are comprised of amounts payable within one year and consist primarily of accounts payable, accrued liabilities, and unearned revenue. In 2023, total current liabilities decreased by $7.0 million (2.1 percent) to $327.2 million compared to $334.2 million at September 30, 2022. This includes a decrease in accounts payable and accrued liabilities of $21.0 million, which is partially offset by increases in unearned revenue and other current liabilities of $12.8 million and $1.2 million, respectively. The decrease in accounts payable and accrued liabilities was principally due to the timing of disbursements for certain program funds ($18.7 million) collected by the University in an agency capacity in 2022 that were disbursed to program members or participants subsequent to September 30. Unearned revenue primarily consists of 75 percent of student tuition and fees for the current fall term received or due prior to October 1. The increase in unearned revenue was attributable principally to fall 2023 tuition and fee rate increases for full-time undergraduate and graduate students of 3.5 percent.

In 2022, total current liabilities decreased by $10.4 million (3.0 percent) to $334.2 million compared to $344.6 million at September 30, 2021. The decrease consisted of a decrease in unearned revenue of $23.7 million, partially offset by an increase in accounts payable and accrued liabilities of $9.4 million and other current liabilities of $3.9 million. The decrease in unearned revenue was attributable principally to the School of Medicine transition from billing for a one-term academic year to a four-term academic year, effective July 2022. The increase in accounts payable and accrued liabilities was largely due to the timing of disbursements for certain program funds ($18.7 million) collected by the University in an agency capacity that were disbursed to program members or participants subsequent to September 30 partially offset by a decrease in payroll related liabilities ($7.8 million) driven largely by a scheduled payment made in fiscal year 2022 for employment tax which was authorized for deferral by the CARES Act, combined with a decrease in accrued payroll ($1.5 million).

The University's current ratio (current assets divided by current liabilities), a measure of liquidity, was 2.4 as of September 30, 2023, and 2.0 as of September 30, 2022 and 2021.

Deferred Outflow of Resources

Deferred outflow of resources totaled $11.9 million in 2023, $13.0 million in 2022, and $14.1 million in 2021. In 2023, the deferred outflows include $0.9 million for OPEB related amounts and $11.0 million related to losses recognized in the defeasance of debt. In 2022, the deferred outflows include $1.3 million for OPEB related amounts and $11.7 million related to losses recognized in the defeasance of debt.

Deferred Inflow of Resources

Deferred inflow of resources totaled $278.1 million in 2023, compared to $276.9 million in 2022 and $272.1 million in 2021, respectively. The 2023 amount includes $227.3 million related to the service concession arrangement (more fully discussed in Note 15), $43.6 million related to lease agreements in which the University serves as the lessor, $3.5 million related to the defeasance of debt, $3.2 million for OPEB-related amounts, and $0.5 million related to an irrevocable split-interest agreement. The 2022 amount includes $234.0 million related to the service concession arrangement, $39.1 million related to lease agreements in which the University serves as the lessor, $1.4 million related to the defeasance of debt, $1.9 million for OPEB-related amounts, and $0.5 million related to an irrevocable split-interest agreement.

Noncurrent Assets and Liabilities

Noncurrent Assets

Noncurrent assets are comprised primarily of investments, capital assets, and noncurrent receivables. Notable changes from 2022 to 2023 in noncurrent assets include a decrease in investments of $65.9 million and an increase in net capital assets $27.8 million, respectively.

Investments

Noncurrent investments are comprised primarily of the Endowment Fund and Plant Fund investments. The Endowment Fund investments consist of gift annuity, life income funds, and endowments not managed by the Foundation. Investments in the Plant Fund consist primarily of invested bond proceeds and related earnings, which are restricted for capital projects. The invested bond proceeds and the majority of these endowment fund investments are managed by the University.

The composition of noncurrent investments at September 30, 2023, 2022, and 2021 are as follows:

	2023	2022	2021
		(in millions)	
Endowment Fund	$ 8.1	$ 7.8	$ 8.0
Plant Fund - Restricted invested bond proceeds	47.3	113.0	142.7
Other restricted investments	1.0	1.5	1.5
Total noncurrent investments	**$ 56.4**	**$ 122.3**	**$ 152.2**

The invested bond proceeds component of noncurrent investments decreased $65.7 million and $29.7 million in 2023 and 2022, respectively, as funds were spent for planned capital projects.

Foundation Investments

The Foundation manages approximately 99 percent of the University's endowment funds. The composition of the Foundation's noncurrent investments at September 30, 2023, 2022, and 2021 are as follows:

	2023	2022	2021
		(in millions)	
Endowment Fund investments	**$ 501.0**	**$ 445.7**	**$ 514.4**

In 2023, the Foundation Endowment Fund investments increased $55.3 million (12.4 percent) to $501.0 million. The 2023 increase is principally because of a net investment gain ($56.0 million) and new gifts ($15.7 million), offset partially by net distributions to the University ($20.4 million),

In 2022, the Foundation Endowment Fund investments decreased $68.7 million (13.4 percent) to $445.7 million. The 2022 decrease is principally because of a net investment loss ($68.4 million), net distributions to the University ($8.9 million), offset partially by new gifts ($15.9 million),

Capital Assets

One factor critical to enhancing the quality of the University's academic and research programs and residential life is the development and renewal of its capital assets. The University continues to modernize its older teaching, research, and administrative buildings as well as construct new facilities.

Capital additions during 2023 totaled $99.8 million, compared to $70.9 million in 2022 and $82.8 million in 2021. The 2023 capital additions include expenditures for the State Hall renovation project ($59.0 million), the Hilberry Gateway Performance Complex expansion, construction, and renovation project ($4.7 million), the Art Building HVAC improvement project ($2.85 million), as well as renovations and upgrades to many other university buildings.

Capital additions during 2022 totaled $70.9 million, compared to $82.8 million in 2021 and $97.0 million in 2020. The 2022 capital additions include expenditures for the Scott Hall Vivarium renovation ($6.9 million), the Hilberry Gateway Performance Complex expansion, construction, and renovation project ($20.8 million), the State Hall renovation project ($9.7 million), as well as renovations and upgrades to many other university buildings. Capital asset additions are funded primarily with bond proceeds, gifts, state capital appropriations, service concessionaire arrangements, and unrestricted net assets designated for capital purposes.

Noncurrent Liabilities

Notable changes in the noncurrent liability section of the statement of net position from 2022 to 2023 included decreases in long-term debt (net of the current portion) of $26.8 million, accrued employee benefits and other liabilities of $2.5 million, and other noncurrent liabilities of $0.9 million.

Long-term Debt

Total long-term debt (including the current portion) totaled $567.7 million, $593.7 million, and $608.6 million, at September 30, 2023, 2022, and 2021, respectively.

For 2023, total long-term debt decreased $26.0 million. The decline primarily represented principal payments made during the year and the net impact of the partial advance refunding of the University's Series 2013A bonds (more fully discussed below).

For 2022, total long-term debt decreased $14.9 million, which primarily represented principal payments made during the year.

When economically feasible, the University considers defeasance or refunding of prior debt issuances to reduce borrowing costs. In September 2023, the University issued tax-exempt Series 2023A bonds to partially refund the 2013A bonds par amount $42,550,000. This refunding resulted in an economic gain of $3,604,749 and total debt service payments decreased by $3,789,093 (more fully discussed in Note 6 to the financial statements).

Net Position

Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources, and liabilities. The University's net position at September 30, 2023, 2022, and 2021 is summarized as follows:

	2023	2022 (as restated)	2021
		(in millions)	
Net investment in capital assets	$ 353.8	$ 363.3	$ 375.2
Restricted:			
Nonexpendable	8.7	8.8	9.6
Expendable	144.8	88.0	82.5
Unrestricted	304.5	259.5	257.8
Total net position	**$ 811.8**	**$ 719.6**	**$ 725.1**

Descriptions of the components of total net position are as follows:

- **Net Investment in Capital Assets** - The University's investment in capital assets, net of accumulated depreciation and amortization, and outstanding principal balances of debt issued for the acquisition, construction, or improvement of those assets. Changes from year-to-year result from capital additions, issuance and payments of long-term debt, retirement of assets, and depreciation and amortization expense.

- **Restricted:**
  - **Nonexpendable** - The corpus portion of gifts to the University's permanent true endowment funds, certain University funds, which have been specifically allocated and restricted pursuant to specific agreements with individuals or entities, and the University's required funding match for federal student loans and donor-restricted University loans.

  - **Expendable** - Gifts and sponsored and governmental grants and contracts, which are subject to externally imposed restrictions governing their use (scholarships, academic and research programs, and capital projects). This category of net position also includes undistributed accretion from investments of permanent true endowments and funds functioning as endowments with externally imposed restrictions.

    The restricted nonexpendable funds and the funds functioning as endowments included in the restricted expendable components of net position are directly affected by the performance of the University's long-term investments and its spending policy. Restricted expendable net position increased $56.8 million in 2023 from $88.0 million in 2022 to $144.8 million in 2023. The increase is principally attributable to unspent capital grant funds received from the State of Michigan to partially fund the design and construction of a facility dedicated to medical education, cancer research, and community health in the City of Detroit.

- **Unrestricted** - Funds which are not subject to externally imposed restrictions; however, most of the University's unrestricted net position is designated by the board of governors and/or management for various academic, research and administrative programs, and capital projects. Unrestricted net position was $304.5 million at September 30, 2023, compared to $259.5 million and $257.8 million in 2022 and 2021, respectively.

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the operating results of the University, as well as the nonoperating revenues and expenses.

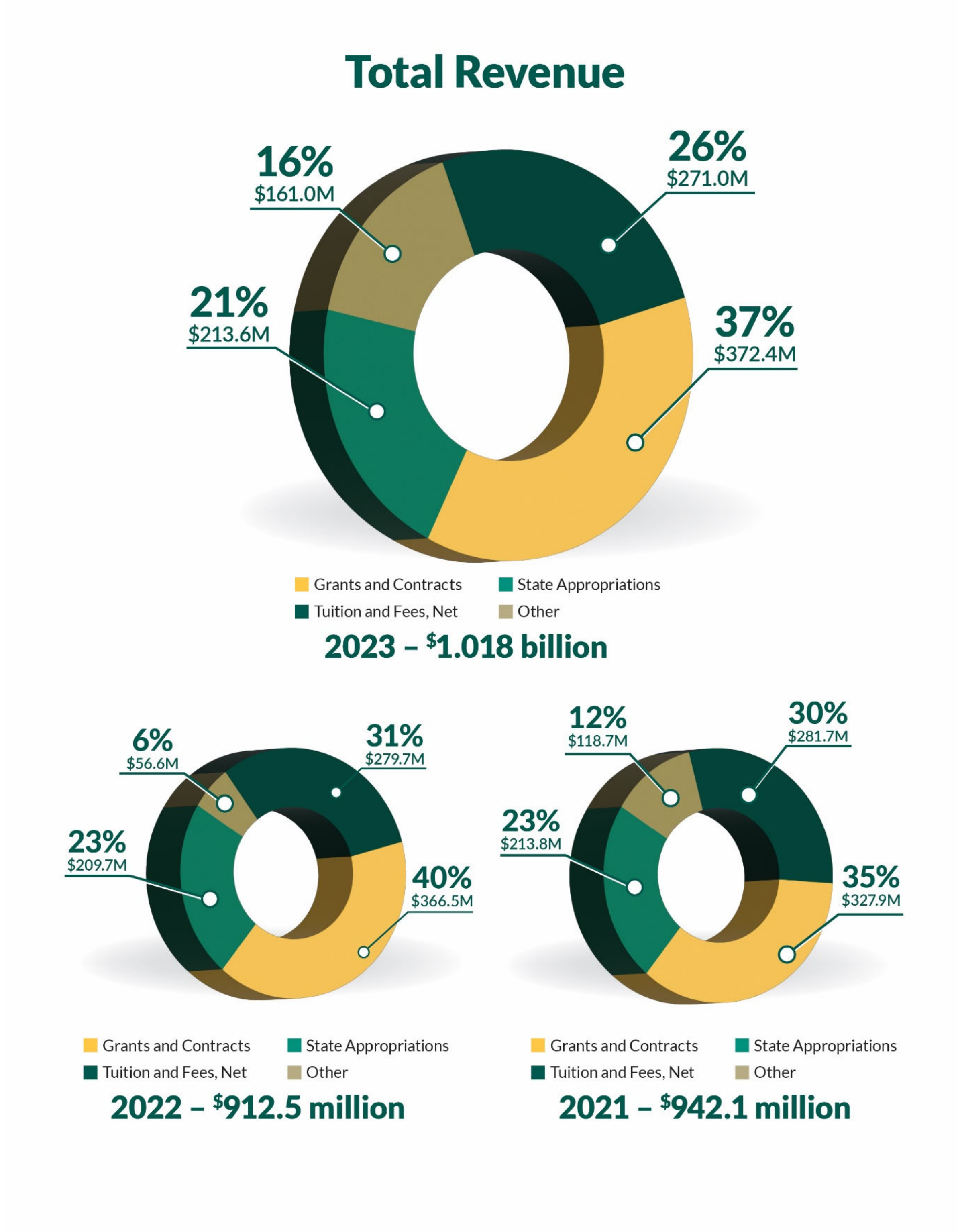
Revenues

Consistent with GASB principles, revenues are categorized as operating, nonoperating, or other. Operating revenues generally result from exchange transactions, such as revenues received for tuition and fees or grants and contracts revenue for services performed on sponsored programs. Nonoperating revenues are primarily nonexchange in nature, such as state operating appropriations and investment income. Other represents capital and endowment transactions.

Summarized operating, nonoperating, and other revenues for the years ended September 30, 2023, 2022, and 2021 are presented below:

	2023	2022 (as restated)	2021
		(in millions)	
Operating Revenues			
Student tuition and fees - Gross	$ 411.1	$ 410.1	$ 414.9
Less scholarship allowances	(140.1)	(130.4)	(133.2)
Net student tuition and fees	271.0	279.7	281.7
Grants and contracts	283.4	271.0	247.9
Departmental activities, auxiliary enterprises, and other	50.3	47.1	36.1
Total operating revenues	604.7	597.8	565.7
Nonoperating Revenues			
State operating appropriation	213.6	205.5	211.4
Federal Pell grants	39.0	38.1	39.3
Federal economic relief funds	-	57.4	40.7
Gifts	35.6	34.6	24.3
Investment income:			
Income and realized gains	18.0	15.7	16.4
Unrealized (loss) gain	10.9	(59.6)	14.0
Change in fair value of derivatives	(0.3)	(0.8)	(0.3)
Net distributions from the Foundation	20.4	8.9	17.8
Other	25.1	10.1	10.1
Total nonoperating revenues	362.3	309.9	373.7
Other			
State capital appropriation	-	4.2	2.4
Capital gifts and grants	51.0	0.6	0.3
Total other	51.0	4.8	2.7
Total revenues	**$ 1,018.0**	**$ 912.5**	**$ 942.1**

The charts below graphically depict total revenue by source for the years ended September 30, 2023, 2022, and 2021:



Primary Revenue Sources

The University's research and public service mission and significant components of instruction are supported primarily by federal, state, and nongovernmental grants and contracts, which, in the aggregate, typically comprise the largest revenue source to the University. The state operating appropriation and student tuition and fees represent the majority of resources available to fund the University's General Fund operations.

Operating Revenues

Operating revenue totaled $604.7 million in 2023, compared to $597.8 million in 2022 and $565.7 million in 2021, respectively. The 2023 increase in total operating revenues of $6.9 million (1.2 percent) was attributable to several offsetting factors:

<u>Student Tuition and Fees</u> - In fiscal year 2023, gross student tuition and fees increased $1.0 million and scholarship allowances increased by $9.7 million, resulting in a decrease in net student tuition and fees of $8.7 million. The decrease in gross student tuition and fees was attributable principally to a decline in student credit hours, partially offset by fall 2022 tuition rate increases for undergraduate and graduate students of 4.5 percent.

The 2022 decrease in gross student tuition and fees was attributable principally to a decline in student credit hours, partially offset by fall 2021 tuition rate increases for undergraduate and graduate students of 3.9 percent.

For financial reporting purposes, student tuition and fees and auxiliary enterprise revenue are reduced by "scholarship allowances." These scholarship allowances represent financial aid granted to students, which is applied directly to their accounts to pay tuition and fee assessments (in the General Fund) and room and board assessments (in the Auxiliary Activities Fund).

The University continues to provide a substantial amount of financial aid to mitigate the impact of tuition rate increases. In 2023, 2022, and 2021, the University provided total scholarships and fellowships of $154.9 million, $184.1 million, and $163.1 million, respectively. For 2023, the $29.2 million decrease represents a 15.9 percent decrease in financial aid. The decrease was largely attributable to a $28.7 million decrease in student financial aid grants paid from the federal economic relief funds in 2023 compared to 2022. The increase in 2022 consisted of a $16.5 million increase in student financial aid grants paid from the federal economic relief funds, combined with an overall increase in university scholarships of $5.7 million, offset partially by a decrease in Federal Pell awards of $1.2 million. The increases in 2022 and 2021, respectively, represent percentage increases of 12.9 and 6.5 percent, respectively.

<u>Grants and Contracts</u> - Grants and contracts revenues increased $12.4 million (4.6 percent) to $283.4 million in 2023, compared to $271.0 million and $247.9 million in 2021 and 2020, respectively. The 2023 increase consisted of increases in federal grants and contracts of $0.9 million, state and local grants and contracts of $20.7 million, offset partially by a decrease in nongovernmental grants and contracts of $9.2 million. The 2023 increase in state and local grants and contracts revenue resulted from an overall increase in the Department of Health and Human Services grant revenue of $6.5 million and state financial aid programs of $2.3 million, combined with $10.2 million in activity from the Wayne County Medical Examiner's Office (MEO) which was new in fiscal year 2023. The decrease in nongovernmental grants and contracts revenue was driven by a decrease in School of Medicine salary reimbursement revenue ($16.0 million), offset partially by an increase in KCI clinical trials grants and contracts revenue ($6.0 million) in 2023.

The 2022 increase consisted of increases in federal grants and contracts of $11.6 million, state and local grants and contracts of $2.7 million, and nongovernmental grants and contracts of $8.8 million. The 2022 increase in federal grants and contracts revenue was attributable principally to new grants awarded from the National Institute of Health, Centers for Disease Control and Prevention, and the United States Army. The increase in nongovernmental grants and contracts revenue consisted of an increase in School of Medicine salary reimbursement revenue ($14.8 million), offset partially by a decrease in Expendable Restricted Fund grant and contract revenue ($9.9 million) as certain contracts ended in fiscal year 2021 or experienced a substantial decrease in activity in 2022.

Departmental Activities, Auxiliary Enterprises, and Other - Departmental activities, auxiliary enterprises, and other revenue increased $3.2 million (6.8 percent) to $50.3 million in 2023, compared to $47.1 million and $36.1 million in 2022 and 2021, respectively. The 2023 increase consisted of increases in auxiliary enterprises and departmental activities of $1.7 million and $1.5 million, respectively. The 2022 increase consisted of increases in auxiliary enterprises, departmental activities, and other revenues of $4.7 million, $6.2 million, and $0.1 million, respectively. The increase in 2022 is largely attributable to the easing of restrictions from the COVID-19 pandemic and the related impact to university housing, parking operations, student programs, and other auxiliary or departmental activities and on-campus services.

Nonoperating and Other Revenues

Nonoperating and other revenues were $413.3 million in 2023, compared to $314.7 million in 2022 and $376.4 million in 2021, respectively. Factors affecting this change are as follows:

Nonoperating Revenues

- The State operating appropriation is the University's primary source of nonoperating revenue. The state operating appropriation, increased $8.1 million (3.9 percent) to $213.6 million in 2023, compared to $205.5 million and $211.4 million in 2022 and 2021, respectively. The 2021 amount includes a one-time supplemental operating appropriation of $7.9 million, which was authorized by Public Act 86 of 2021, which was effective September 29, 2021.
- The Federal economic relief funds represent funding received from the federal government in response to the Novel Coronavirus (COVID-19) global pandemic. In 2022, the University recognized federal economic relief funds revenue of $57.4 million which included $28.8 million in emergency student financial aid grants to students and $28.6 million in institutional aid. In 2021, the University recognized federal economic relief funds revenue of $40.7 million which included $12.2 million in emergency student financial aid grants to students and $28.5 million in institutional aid. All federal funds related to COVID-19 have been spent as of September 30, 2023. The federal COVID-19 Public Health Emergency (PHE) declaration ended on May 11, 2023.
- The fund components of investment income included in nonoperating revenues for the past three years are as follows:

Investment Income
(including realized and unrealized income)

	2023	2022 (as restated)	2021
		(in millions)	
Net investment income:			
Income and realized gains	$ 18.0	$ 15.7	$ 16.4
Unrealized (loss) gain	10.9	(59.6)	14.0
Change in fair value of derivatives	(0.3)	(0.8)	(0.3)
Total net investment income, including the change in fair value of derivatives	**$ 28.6**	**$ (44.7)**	**$ 30.1**

Investment income is attributable principally to cash pool investments. In 2023, there was an increase in net investment income of $73.3 million which was driven largely by an increase in the unrealized market value of $70.5 million. In 2022, there was decrease in net investment income of $74.8 million which was driven largely by a decrease in the unrealized market value of $73.6 million.

Other Revenues

- Total other revenues were $51.0 million, $4.8 million, and $2.7 million for the years ended September 30, 2023, 2022, and 2021, respectively. Other revenues were $46.2 million higher in 2023 compared with 2022, principally because of the $50 million State capital grant received in 2023. During fiscal year 2023, the University was awarded a $100 million grant from the State of Michigan to partially fund the design and construction of a facility dedicated to medical education, cancer research, and community health in the City of Detroit. The $100.0 million grant was appropriated by the State in Public Act 166 of 2022, Section 1094n. As of September 30, 2023, the University met the eligibility requirements for 50.0 percent of the grant award. The remaining award amount will be recognized as revenue when the applicable eligibility requirements are met.

Expenses

Operating and nonoperating expenses for the years ended September 30, 2023, 2022, and 2021 are summarized below:

	2023	2022 (as restated)	2021
		(in millions)	
Operating expenses	$ 903.5	$ 894.7	$ 846.3
Nonoperating expenses:			
Interest	22.3	23.3	20.6
Total nonoperating expenses	22.3	23.3	20.6
Total expenses	**$ 925.8**	**$ 918.0**	**$ 866.9**

Operating expenses by both functional and natural classification for the years ended September 30, 2023, 2022, and 2021 are as follows:

	2023		2022 (as restated)		2021	
	Dollars	Percentage of Total Operating Expenses	Dollars	Percentage of Total Operating Expenses	Dollars	Percentage of Total Operating Expenses
			(in millions)			
Natural Classification						
Compensation and benefits	$ 599.8	66.4%	$ 581.2	65.0%	$ 583.8	68.9%
Supplies, services, and other	218.0	24.1%	188.4	21.0%	163.9	19.4%
Depreciation and amortization	72.0	8.0%	72.4	8.1%	69.4	8.2%
Scholarships and fellowships (1)	13.7	1.5%	52.7	5.9%	29.2	3.5%
Total	**$ 903.5**	**100%**	**$ 894.7**	**100%**	**$ 846.3**	**100%**
Functional Classification						
Instruction	$ 272.5	30.2%	$ 273.1	30.5%	$ 275.7	32.6%
Research	160.1	17.7%	151.0	16.9%	143.1	16.9%
Public service	73.7	8.1%	60.0	6.7%	62.6	7.3%
Academic support	85.4	9.5%	68.8	7.7%	64.6	7.6%
Student services	44.3	4.9%	40.4	4.5%	41.1	4.9%
Institutional support	94.3	10.4%	87.3	9.8%	86.8	10.3%
Operation and maintenance of plant	67.9	7.5%	67.8	7.6%	57.2	6.8%
Scholarships and fellowships (1)	13.7	1.5%	52.7	5.9%	29.2	3.5%
Auxiliary enterprises	19.6	2.2%	21.2	2.4%	16.6	2.0%
Depreciation and amortization	72.0	8.0%	72.4	8.0%	69.4	8.1%
Total	**$ 903.5**	**100%**	**$ 894.7**	**100%**	**$ 846.3**	**100%**

(1) Excludes "scholarship allowances" applied directly to students' tuition and room and board (see pages 11, 13, and 16).

Operating Expenses

Compensation and benefit expenses increased by $18.6 million (3.2 percent) in 2023 to $599.8 million compared to $581.2 million and $583.8 million in 2022 and 2021, respectively. The increase in 2023 was driven largely by inflationary increases in salary and benefit costs including a one-time 2.5 percent lump sum bonus paid to non-represented employees and salary costs related to the Wayne County Medical Examiner's Office (MEO) which was new in fiscal year 2023. In 2022, the University restored non-represented employee merit increases which were suspended in 2021 as a cost cutting measure.

Supplies, services, and other expenses increased $29.6 million (15.7 percent) in 2023 to $218.0 million compared to $188.4 million and $163.9 million in 2022 and 2021, respectively. The 2023 increase is generally attributable to an overall return to normal business activities, combined with costs related to the MEO which was new in fiscal year 2023. The 2022 increase is generally attributable to the easing of restrictions from the COVID-19 pandemic and a return to more on-site operations.

Total scholarships and fellowships granted in 2023 decreased $29.2 million (15.9 percent) to $154.9 million, compared to $184.1 million in 2022. As discussed previously the decrease was largely attributable to a $28.7 million decrease in student financial aid grants paid from the federal economic relief funds in 2023 compared to 2022. Total scholarships and fellowships granted in 2022 increased $21.0 million (12.9 percent) to $184.1 million, compared to $163.1 million in 2021. The increase in 2022 includes an increase of $16.5 million in student financial aid grants paid from the federal economic relief funds, combined with an overall increase in university scholarships and other financial aid of $5.7 million, offset partially by a decrease of $1.2 million in Federal Pell awards.

Total scholarships and fellowships granted have two components. The scholarships and fellowships reflected on the table on page 15 of $13.7 million, $52.7 Million, and $29.2 million, are disbursed directly to students and are reported as operating expenses in 2023, 2022, and 2021, respectively. The remaining amounts for 2023, 2022, and 2021 of $141.2 million, $131.4 million, and $133.9 million, respectively, are applied directly to the students' accounts receivable balances. These amounts are netted against student tuition and fees, or room and board in the Auxiliary Activities Fund, as "scholarship allowances" in the statement of revenue, expenses, and changes in net position on page 20.

Another way to analyze this same pool of operating expenses is by function.

In this regard, expenses for instruction decreased $0.6 million (0.2 percent) to $272.5 million in 2023, compared to $273.1 million and $275.7 million in 2022, and 2021, respectively.

Research expenses increased $9.1 million (6.0 percent) in 2023 to $160.1 million, compared to $151.0 million and $143.1 million in 2022 and 2021, respectively. The 2023 increase includes an increase in direct expenses of $10.1 million, partially offset by a decrease in compensation-related expenses of $1.0 million. The 2022 increase was driven by increases in General and Expendable Restricted Fund research expenses totaling $4.4 million and $3.0 million, respectively. The increases are largely attributable to the easing of restrictions from the COVID-19 pandemic and a return to more on-site operations combined.

Academic support expenses increased $16.6 million (24.1 percent) to $85.4 million in 2023, compared to $68.8 million and $64.6 million in 2022 and 2021, respectively. The 2023 increase was driven largely by additional funding provided to support service centers and certain auxiliary operations. The 2022 increase included an increase in direct expenses of $4.3 million, partially offset by a decrease in compensation-related expenses of $0.1 million.

Public service expenses increased $13.7 million (22.8 percent) to $73.7 million in 2023, compared to $60.0 million and $62.6 million in 2022 and 2021, respectively. The 2023 increase was driven largely by the costs related to the MEO which was new in fiscal year 2023.

Nonoperating Expenses

Interest expenses totaled $22.3 million, $23.3 million, and $20.6 million, in 2023, 2022, and 2021, respectively.

Statement of Cash Flows

The statement of cash flows provides information about the University's cash receipts and cash disbursements during the fiscal year. Unlike the statement of revenues, expenses, and changes in net position, which reports revenue when it is earned and expenses when they are incurred regardless of when cash is received or disbursed, the statement of cash flows reports actual cash received and disbursed during the period. The focus of the statement of cash flows is on the resulting increase or decrease in cash and cash equivalents. The statement of cash flows assists the users in assessing the University's ability to meet its obligations as they come due and the needs for external financing.

A comparative summary of the statement of cash flows for the years ended September 30, 2023, 2022 (as restated), and 2021 is as follows:

	2023	2022 (as restated)	2021
		(in millions)	
Cash and cash equivalents (used in) provided by:			
Operating activities	$ (234.8)	$ (247.2)	$ (217.2)
Noncapital financing activities	313.2	360.3	299.0
Capital and related financing activities	(85.2)	(102.4)	(96.1)
Investing activities	(10.0)	35.5	40.0
Net increase (decrease) in cash and cash equivalents	(16.8)	46.2	25.7
Cash and cash equivalents - Beginning of year	205.4	159.2	133.5
Cash and cash equivalents - End of year	**$ 188.6**	**$ 205.4**	**$ 159.2**

Cash flows used in operating activities reflect tuition and fees, grants and contracts, and auxiliary and departmental activities. Major uses include payment of wages, employee benefits, supplies, utilities, and scholarships. The most significant source of cash flows provided by noncapital financing activities is the state operating appropriation, which totaled $213.6 million in 2023, compared to $213.5 million and $199.2 million in 2022 and 2021, respectively. Cash flows from capital and related financing activities represent Plant Fund and related long-term debt activities and capital gifts. Cash flows from investing activities include uses of cash to purchase investments, increases in cash and cash equivalents as a result of selling investments, and income earned on cash and cash equivalents. Investing activities also include cash proceeds from the sale of bond-related investments to finance construction expenditures.

Economic Factors That Will Affect the Future

The State budget for fiscal years 2024 and 2023 includes a 5.0 percent increase in base operating appropriations for Wayne State. While this represents an improvement over the fiscal year 2022 budget which maintained the same level of base funding from 2021 and a one-time, 1.0 percent supplemental appropriation for operations, the total support remains well below historical amounts in nominal value.

The University will continue positioning itself to address its challenges and opportunities guided by its five-year strategic plan, "*Our Moment in Time"*. The strategic plan sets forth five strategic focus areas:

- **Research and Discovery**: An unrelenting quest
- **Teaching, Learning and Student Success**: The heart of our University
- **Outreach and Engagement**: Our inextricable ties with our community
- **Diversity, Equity and Inclusion**: An unwavering commitment
- **Financial Sustainability and Operational Excellence**: The building blocks for a strong future

Wayne State University

Statement of Net Position

	September 30, 2023			September 30, 2022 (as restated)		
	University	Wayne State University Foundation (DCU)	Total	University	Wayne State University Foundation (DCU)	Total
Assets			(in thousands)			
Current Assets						
Cash and cash equivalents	$ 188,639	$ 2,858	$ 191,497	$ 205,389	$ 7,068	$ 212,457
Investments	390,827	-	390,827	302,744	-	302,744
Restricted investments	30,221	-	30,221	14,265	-	14,265
Current receivables - Net (Note 4)	114,178	266	114,444	112,754	458	113,212
Inventories	1,126	-	1,126	1,151	-	1,151
Prepaid expenses and deposits	50,946	-	50,946	48,161	-	48,161
Total current assets	775,937	3,124	779,061	684,464	7,526	691,990
Noncurrent Assets						
Endowment investments	8,078	500,981	509,059	7,831	445,739	453,570
Restricted investments	48,324	-	48,324	114,455	-	114,455
Noncurrent receivables - Net (Note 4)	61,737	69	61,806	57,870	90	57,960
Capital assets - Net (Note 5)	1,091,589	-	1,091,589	1,063,821	-	1,063,821
Total noncurrent assets	1,209,728	501,050	1,710,778	1,243,977	445,829	1,689,806
Total assets	1,985,665	504,174	2,489,839	1,928,441	453,355	2,381,796
Deferred Outflows of Resources	11,890	-	11,890	13,029	-	13,029
Liabilities						
Current Liabilities						
Accounts payable and accrued liabilities	121,391	224	121,615	142,402	657	143,059
Unearned revenue	171,164	-	171,164	158,343	-	158,343
Deposits	7,974	-	7,974	7,701	-	7,701
Long-term debt - Current portion (Note 6)	26,633	-	26,633	25,823	-	25,823
Total current liabilities	327,162	224	327,386	334,269	657	334,926
Noncurrent Liabilities						
Federal portion of student loan funds	15,630	-	15,630	16,803		16,803
Accrued employee benefits and other liabilities	23,294	-	23,294	25,762	-	25,762
Derivative instruments (Note 7)	505	-	505	253	-	253
Long-term debt - Net of current portion (Note 6)	541,054	-	541,054	567,923	-	567,923
Total noncurrent liabilities	580,483	-	580,483	610,741	-	610,741
Total liabilities	907,645	224	907,869	945,010	657	945,667
Deferred Inflows of Resources (Note 1)	278,140	-	278,140	276,869	-	276,869
Net Position						
Net investment in capital assets	353,797	-	353,797	363,310	-	363,310
Restricted nonexpendable:						
Scholarships, research, academic support, and other	2,058	281,661	283,719	2,019	265,524	267,543
Loans	6,628	-	6,628	6,809	-	6,809
Restricted expendable:						
Scholarships, research, academic support, and other	84,276	201,886	286,162	80,366	169,015	249,381
Capital projects	60,481	-	60,481	7,556	-	7,556
Unrestricted	304,530	20,403	324,933	259,531	18,159	277,690
Total net position	**$ 811,770**	**$ 503,950**	**$ 1,315,720**	**$ 719,591**	**$ 452,698**	**$ 1,172,289**

Wayne State University

Statement of Revenues, Expenses, and Changes in Net Position

	Year Ended September 30, 2023			Year Ended September 30, 2022 (as restated)		
	University	Wayne State University Foundation (DCU)	Total	University	Wayne State University Foundation (DCU)	Total
	(in thousands)					
Operating Revenues						
Student tuition and fees	$ 411,136	$ -	$ 411,136	$ 410,149	$ -	$ 410,149
Less scholarship allowances	(140,118)	-	(140,118)	(130,401)	-	(130,401)
Net student tuition and fees	271,018	-	271,018	279,748	-	279,748
Federal grants and contracts	116,615	-	116,615	115,721	-	115,721
State and local grants and contracts	54,635	-	54,635	33,897	-	33,897
Nongovernmental grants and contracts	112,132	-	112,132	121,361	-	121,361
Departmental activities	26,718	-	26,718	25,228	-	25,228
Auxiliary enterprises - Net of scholarship allowances of $1,127 in 2023 and $968 in 2022	18,986	-	18,986	17,214	-	17,214
Other operating revenues	4,641	-	4,641	4,703	-	4,703
Total operating revenues	604,745	-	604,745	597,872	-	597,872
Operating Expenses (Note 11)						
Instruction	272,459	-	272,459	273,125	-	273,125
Research	160,097	-	160,097	151,053	-	151,053
Public service	73,732	-	73,732	59,960	-	59,960
Academic support	85,419	-	85,419	68,771	-	68,771
Student services	44,276	-	44,276	40,425	-	40,425
Institutional support	94,318	-	94,318	87,358	-	87,358
Operation and maintenance of plant	67,892	-	67,892	67,768	-	67,768
Scholarships and fellowships	13,701	-	13,701	52,653	-	52,653
Auxiliary enterprises	19,632	-	19,632	21,185	-	21,185
Depreciation and amortization expense	72,014	-	72,014	72,372	-	72,372
Total operating expenses	903,540	-	903,540	894,670	-	894,670
Operating Loss	(298,795)	-	(298,795)	(296,798)	-	(296,798)
Nonoperating Revenues (Expenses)						
State operating appropriation	213,640	-	213,640	205,532	-	205,532
Federal Pell grants	38,980	-	38,980	38,054	-	38,054
Federal economic relief funds	-	-	-	57,386	-	57,386
Gifts	35,636	208	35,844	34,558	715	35,273
Investment income including change in fair value of derivatives of ($252) in 2023 and ($781) in 2022	28,593	55,976	84,569	(44,735)	(68,401)	(113,136)
Net distributions from the Foundation	20,441	(20,441)	-	8,898	(8,898)	-
Interest on capital asset - Related debt	(22,289)	-	(22,289)	(23,347)	-	(23,347)
Gain (Loss) on capital assets retired	185	-	185	(10)	-	(10)
Other	24,825	-	24,825	10,149	-	10,149
Net nonoperating revenues	340,011	35,743	375,754	286,485	(76,584)	209,901
Income Before Other	41,216	35,743	76,959	(10,313)	(76,584)	(86,897)
Other						
State capital appropriation	-	-	-	4,171	-	4,171
Capital gifts and grants	50,963	-	50,963	600	-	600
Gifts for permanent endowments	-	15,509	15,509	-	15,150	15,150
Total other	50,963	15,509	66,472	4,771	15,150	19,921
Change in Net Position	92,179	51,252	143,431	(5,542)	(61,434)	(66,976)
Net Position						
Beginning of year, as restated	719,591	452,698	1,172,289	725,133	514,132	1,239,265
End of year	**$ 811,770**	**$ 503,950**	**$ 1,315,720**	**$ 719,591**	**$ 452,698**	**$ 1,172,289**

Wayne State University

Statement of Cash Flows

	Year Ended September 30	
	2023	2022 (as restated)
	University	
	(in thousands)	
Cash Flows from Operating Activities		
Tuition and fees - Net	$ 272,689	$ 268,947
Grants and contracts	287,422	248,516
Auxiliary enterprises	18,429	18,076
Departmental activities	26,503	39,907
Loans issued to students	(1,187)	(718)
Collection of loans from students	3,164	3,674
Scholarships and fellowships	(13,788)	(49,415)
Payments to suppliers	(240,454)	(193,292)
Payments to employees and benefit providers	(599,308)	(582,692)
Direct lending, scholarship, and other receipts	185,654	176,845
Direct lending, scholarship, and other disbursements	(178,523)	(181,763)
Other receipts	4,626	4,686
Net cash used in operating activities	(234,773)	(247,229)
Cash Flows from Noncapital Financing Activities		
State operating appropriation	213,640	213,495
Federal Economic Relief Fund	-	75,375
Federal Pell grants	38,980	38,054
Gifts	36,060	35,188
Net distributions from the Foundation	20,441	8,898
Other	4,037	(10,685)
Net cash provided by noncapital financing activities	313,158	360,325
Cash Flows from Capital and Related Financing Activities		
State capital appropriations	-	5,079
Capital gifts and grants	50,448	667
Expenditures for capital assets	(91,681)	(67,650)
Principal paid on capital debt	(24,725)	(20,544)
Interest paid on capital debt	(22,027)	(22,218)
Other	2,816	2,216
Net cash used in capital and related financing activities	(85,169)	(102,450)
Cash Flows from Investing Activities		
Investment income - Net	4,234	1,269
Proceeds from sales and maturities of investments	35,938	34,242
Purchase of investments	(50,138)	(18)
Net cash (used in) provided by investing activities	(9,966)	35,493
Net (Decrease) Increase in Cash and Cash Equivalents	(16,750)	46,139
Cash and Cash Equivalents - Beginning of year	205,389	159,250
Cash and Cash Equivalents - End of year	**$ 188,639**	**$ 205,389**
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	$ (298,795)	$ (296,798)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation and amortization expense	72,014	72,372
Changes in assets and liabilities:		
Receivables - Net	(6,106)	(12,252)
Prepaid expenses and inventories	(3,857)	(859)
Accounts payable and accrued liabilities	1,280	36,372
Deposits	451	707
Unearned income	12,314	(41,364)
Deferred inflow of resources	1,201	914
Accrued employee benefits and other liabilities	(13,275)	(6,321)
Net cash used in operating activities	**$ (234,773)**	**$ (247,229)**
Noncash Transactions		
Property acquired under lease and subscription-based information technology arrangements	$ 3,511	$ 2,680
Unrealized (loss) gain	$ 10,813	$ (59,639)

See Notes to Financial Statements.

Note 1 - Basis of Presentation and Significant Accounting Policies

Overview

Wayne State University (the "University") is a state-supported institution with a fall 2023 enrollment of approximately 23,702 students. The financial statements include the individual schools, colleges, and departments of the University (the primary government) and the controlled organization which is a discretely presented component unit (DCU). The controlled organization of the University is the Wayne State University Foundation (the "Foundation"), which manages approximately 99 percent of the University's endowment funds. The Foundation is a legally separate, tax-exempt entity which meets the criteria set forth for component units under GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units,* as amended by GASB No. 61. The Foundation provides financial support for the objectives, purposes, and programs of the University. The University controls the timing and amount of its receipts from the Foundation and the resources (and income thereon), which the Foundation holds and invests are dedicated to benefit the University. Because the resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit (DCU) of the University and its statement of net position and statement of revenues, expenses, and changes in net position are discretely presented in the University's financial statements. The Foundation does not issue its own financial statements.

While the University is a political subdivision of the State of Michigan, it is not a component unit of the State of Michigan, as defined by the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity,* as amended by GASB No. 61. The University is classified as a state instrumentality under Internal Revenue Code Section 115 and is also classified as an educational organization under Internal Revenue Code Section 501(c)(3) and is generally exempt from federal and state income taxes. Certain activities of the University may be subject to taxation as unrelated business income under Internal Revenue Code Sections 511 to 514.

Basis of Presentation

The financial statements have been prepared in accordance with generally accepted accounting principles in the United States as prescribed by the Governmental Accounting Standards Board (GASB). The University reports as a special purpose government engaged primarily in business-type activities (BTA), as defined by the GASB using the economic resources measurement focus, on the accrual basis. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods and services.

Summary of Significant Accounting Policies

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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Scholarships and fellowships applied directly to student accounts are shown as a reduction to gross student tuition and fees and auxiliary enterprises revenue. Scholarships and fellowships disbursed directly to students are presented as scholarship and fellowship expenses.

Operating activities, as reported in the statement of revenues, expenses, and changes in net position, are those activities that generally result from exchange transactions, such as revenues received for tuition and fees, grants and contracts revenue for services performed on sponsored programs, or expenses paid for goods or services. Nonoperating revenues are generally nonexchange in nature. State appropriations, Pell grant revenue, gifts, and investment activity are nonexchange transactions.

Note 1 - Basis of Presentation and Significant Accounting Policies (Continued)

Federal Coronavirus Aid, Relief, and Economic Security Act Revenue - Federal economic relief funds represent funding received from the federal government in response to the Novel Coronavirus (COVID-19) global pandemic. To partially offset the financial impact to students and the losses incurred by the University due to the disruption caused by COVID-19, the University received grants as outlined below.

In April 2020, the University was awarded approximately $19,306,000 under the Education Stabilization Fund of the Federal Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”). In December 2020, the University was awarded $32,377,000 in funding from the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA), Pub. L. 116-260. In March 2021, the University was awarded $57,175,000 in funding from the American Rescue Plan (ARP). In accordance with the Acts, the University was required to meet certain eligibility requirements before utilizing the funds. In fiscal year 2023 and 2022, the University incurred eligible expenses and recognized nonoperating revenue totaling $0 and $57,386,000, respectively. All federal funds related to COVID-19 have been spent as of September 30, 2023. The federal COVID-19 Public Health Emergency (PHE) declaration ended on May 11, 2023.

Cash and Cash Equivalents - Cash and cash equivalents include highly liquid, short-term investments (90 days or less) that bear little if no market risk and includes the liquidity pool component of the University’s cash pool. Small allocations to cash and cash equivalents are also held in the liquidity reserve pool and the diversified pool components of the cash pool, and the Foundation’s endowments. Any cash balances held in these funds at the date of these financial statements are due to timing of reinvesting the proceeds in the fund.

Investments - Investments in marketable securities are recorded at market value as established by the major securities markets. Purchases and sales of investments are accounted for on the trade date basis. Realized and unrealized gains and losses are reported as investment income. Nonmarketable investments are valued based on the most recent available data. Investments include the liquidity reserve pool and the diversified pool components of the cash pool and the Foundation’s endowments. Investments also include invested bond proceeds and related earnings.

For donor-restricted endowments, the Uniform Prudent Management of Institutional Funds Acts, as adopted in Michigan on September 15, 2009, permits the board of governors to spend an amount of realized and unrealized endowment appreciation, as they deem prudent. The University’s policy is to retain the realized and unrealized appreciation with the endowment after the spending policy distributions are applied. The University annual distributions equal 4.50 percent of a three-year moving average of the market value of endowment assets, measured at quarterly intervals. Of this annual distribution, 4.05 percent is transferred to the beneficiary or operating program accounts and 0.45 percent is used for administration of the University’s development efforts. The Foundation follows the spending policy established by the University.

Commencing with the quarter ending December 31, 2021, the annual distribution rate increased from 4.50 percent to 5.00 percent. Of the annual distribution, 4.00 percent will be transferred to the beneficiary or operating program accounts and 1.00 percent will be used for administration of the University’s development efforts.

Unearned Revenue - Unearned revenue represents amounts received in advance of an event or in advance of incurring the related costs. This includes 75 percent of the student tuition and fees for the current fall term received or due prior to October 1, with the remaining 25 percent being recognized as revenue during the current fiscal year. It also includes amounts received from grant and contract sponsors which have not yet been earned under the terms of the underlying agreements. Unearned revenue will be recognized as revenue in subsequent periods commensurate with generally accepted accounting principles and/or the applicable grant and contract terms and conditions.

Note 1 - Basis of Presentation and Significant Accounting Policies (Continued)

Derivative Instruments - Derivative instruments consist of interest rate swap agreements and are stated at fair value based on the proprietary pricing model.

Compensated Absences - Certain University employees earn vacation and sick leave benefits based, in part, on length of service. After the completion of the probation period, vacation pay is fully vested when earned. Upon separation from service, employees are paid accumulated vacation and sick pay based upon the nature of separation (death, retirement, or termination). Certain limitations have been placed on the hours of vacation and sick leave that employees may accumulate and carry over for payment at death, retirement, or termination. Unused hours exceeding these limitations are forfeited. For the year-ended September 30, 2023, the beginning balance, increases, decreases, and ending balance are $32,411,000, $19,917,000, $19,903,000, and $32,425,000, respectively. For the year-ended September 30, 2022, the beginning balance, increases, decreases, and ending balance are $32,870,000, $20,399,000, $20,858,000, and $32,411,000, respectively. The current portion of compensated absences is $24,087,000 and $24,046,000 at September 30, 2023 and 2022, respectively.

Inventories - Inventories are stated at the lower of cost or market, determined by the first-in, first-out method.

Prepaid Expenses and Deposits - Prepaid expenses and deposits primarily represent cash payments made in advance of when the related expenditures are recognized for financial statement purposes. The balances at fiscal year-end consist primarily of prepaid student financial aid, which is paid to students at the beginning of the fall term each fiscal year, with the expense recognized for accounting purposes over the financial reporting period (fall semester) to which it relates.

Capital Assets - Capital assets are recorded at cost or, if acquired by gift, at the acquisition value as of the date of donation. Depreciation is computed on the straight-line method over the estimated service lives (5 to 40 years) of the respective assets.

Leases - The University is a lessee for noncancelable leases of building space. The University recognizes a lease liability and an intangible right-of-use lease asset (lease asset) on the statement of net position. The University recognizes lease assets and liabilities with an initial value of $200,000 or more.

At the commencement of a lease, the University initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the University determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The University uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the University generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the University is reasonably certain to exercise.

The University monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Note 1 - Basis of Presentation and Significant Accounting Policies (Continued)

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The University is a lessor for noncancelable leases of land, building space, and equipment. The University recognizes a lease receivable and a deferred inflow of resources in the statement of net position.

At the commencement of a lease, the University initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the University determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

The University uses the actual rate charged to lessees as the discount rate for leases.

The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The University monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription Based Information Technology Arrangements (SBITAs) - The University obtains the right to use vendors' information technology software through various long-term contracts. The University recognizes a subscription liability and an intangible right-of-use subscription asset (the "subscription asset") on the statement of net position. The University recognizes subscription assets and liabilities with an initial value of $250,000 or more.

At the commencement of a subscription, the University initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus initial implementation costs. Subsequently, the subscription asset is depreciated on a straight-line basis over its useful life.

Key estimates and judgments related to subscriptions include how the University determines the discount rate it uses to discount the expected subscription payments to present value and the subscription term.

The University uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the University generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.

The subscription term includes the noncancelable period of the subscription.

The University monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Note 1 - Basis of Presentation and Significant Accounting Policies (Continued)

Subscription assets are reported with other capital assets, and subscription liabilities are reported with long-term debt on the statement of net position.

Deferred Outflows of Resources - In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The University reports deferred outflows of resources of $858,000 for OPEB-related amounts discussed in Note 12 and $11,032,000 related to the losses recognized in debt defeasance as of September 30, 2023.The University reports deferred outflows of resources of $1,324,000 for OPEB-related amounts discussed in Note 12 and $11,705,000 related to the losses recognized in debt defeasance as of September 30, 2022.

Deferred Inflows of Resources - In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

The University reports deferred inflows of resources of $3,173,000 for OPEB-related amounts discussed in Note 12, $3,466,000 related to the defeasance of debt, $227,344,000 related to the service concession arrangement discussed in Note 15, $43,666,000 related to lease agreements in which the University serves as the lessor, and $491,000 related to an irrevocable split-interest agreement at September 30, 2023. The University reports deferred inflows of resources of $1,949,000 for OPEB-related amounts discussed in Note 12, $1,350,000 related to the defeasance of debt, $234,005,000 related to the service concession arrangement discussed in Note 15, $39,074,000 related to lease agreements in which the University serves as the lessor, and $491,000 related to an irrevocable split-interest agreement at September 30, 2022.

Net Position - Consistent with GASB principles, the University reports its net position in four categories as follows:

- **Net Investment in Capital Assets** - The University’s investment in capital assets, net of accumulated depreciation and amortization, and outstanding principal balances of debt issued for the acquisition, construction, or improvement of those assets. Deferred inflows of resources associated with the aforementioned are also included in this component of net position. Changes from year-to-year result from capital additions, issuance and payments of long-term debt, retirement of assets, amortization of deferred inflows of resources and depreciation expense.
- **Restricted Nonexpendable** - The corpus portion of gifts to the University’s permanent true endowment funds, certain university funds which have been specifically allocated and restricted pursuant to specific agreements with individuals or entities, and the University’s required funding match for federal student loans and donor-restricted university loans.
- **Restricted Expendable** - Gifts and sponsored and governmental grants and contracts, which are subject to externally imposed restrictions governing their use (scholarships, academic and research programs, and capital projects). This category of net position also includes undistributed accretion from investments of permanent true endowments and funds functioning as endowments with externally imposed restrictions.
- **Unrestricted** - Funds which are not subject to externally imposed restrictions; however, most of the University’s unrestricted net position is designated by the board of governors and/or management for various academic, research, and administrative programs and capital projects.

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

Note 1 - Basis of Presentation and Significant Accounting Policies (Continued)

Revenue Recognition - State operating appropriations are recognized in the period for which they are appropriated. Grants and contract revenue are recognized as the related expenditures are incurred. State capital appropriations, funded through the State Building Authority, are recognized as eligible capital project expenditures are incurred.

Pledges and bequests of financial support from corporations, foundations, and individuals are recognized as revenue when a pledge representing an unconditional promise to give is received and all eligibility requirements, including time requirements, have been met. In the absence of such a promise, revenue is recognized when the gift is received. Endowment pledges and conditional promises do not meet eligibility requirements, as defined by GASB Statement No. 33, *Financial Reporting for Non-Exchange Transactions*, and are not recorded as assets until the related gifts are received.

Donor unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows. The discounts on these amounts are computed using risk-free interest rates applicable to the years in which the promises are made, commensurate with expected future payments. The allowance for uncollectible pledge receivables is provided based on management's judgment of potential uncollectible amounts.

The University disbursed approximately $172,214,000 and $160,759,000 in 2023 and 2022, respectively, for student loans through the U.S. Department of Education federal direct lending and federal guaranteed student loan programs. These disbursements and the related receipts are not included as revenue or expenditures in the accompanying statement of revenues, expenses, and changes in net position. The disbursements and related receipts are reflected in the operating activities section of the statement of cash flows.

Adoption of New Accounting Pronouncements - During fiscal year 2023, the University adopted GASB Statement No. 96 ("GASB 96"), Subscription Based Information Technology Arrangements (SBITAs), which defines SBITAs and establishes new requirements for calculating and reporting the University's SBITA activity. This statement requires a government to recognize a subscription liability and an intangible right to use subscription asset for SBITAs. The adoption of GASB 96 has been reflected at the beginning of the earliest period presented in the financial statements, or October 1, 2021.

Beginning net position as of October 1, 2021 was restated for the effects of the University's adoption of GASB 96 as follows (in thousands):

	September 30, 2021 as Originally Reported	GASB 96 Adoption	October 1, 2021 as Restated
Current assets	$ 698,200	$ (453)	$ 697,747
Noncurrent assets	1,260,033	6,716	1,266,749
Total assets	1,958,233	6,263	1,964,496
Deferred outflows of resources	14,151	-	14,151
Current liabilities	344,569	2,547	347,116
Noncurrent liabilities	630,530	3,716	634,246
Total liabilities	975,099	6,263	981,362
Deferred inflows of resources	272,152	-	272,152
Net position	$ 725,133	$ -	$ 725,133

Note 1 - Basis of Presentation and Significant Accounting Policies (Continued)

The Statement of Net Position as of September 30, 2022 was restated for the effects of the University's adoption of GASB 96 as follows (in thousands):

	September 30, 2022 as Originally Reported	GASB 96 Adoption	September 30, 2022 as Restated
Current assets	$ 691,302	$ (563)	$ 690,739
Noncurrent assets	1,230,277	7,425	1,237,702
Total assets	1,921,579	6,862	1,928,441
Deferred outflows of resources	13,029	-	13,029
Current liabilities	332,436	1,833	334,269
Noncurrent liabilities	605,722	5,019	610,741
Total liabilities	938,158	6,852	945,010
Deferred inflows of resources	276,869	-	276,869
Net position	$ 719,581	$ 10	$ 719,591

The Statement of Revenues, Expenses, and Changes in Net Position for the year ended September 30, 2022 was restated for the effects of the University's adoption of GASB 96 as follows (in thousands):

	September 30, 2022 as Originally Reported	GASB 96 Adoption	September 30, 2022 as Restated
Operating revenues	$ 597,872	$ -	$ 597,872
Operating expenses	894,793	123	894,670
Operating loss	(296,921)	123	(296,798)
Net nonoperating revenues	286,598	(113)	286,485
Income before other	(10,323)	10	(10,313)
Other	4,771	-	4,771
Change in net position	(5,552)	10	(5,542)
Net position, beginning of year	725,133	-	725,133
Net position, end of year	$ 719,581	$ 10	$ 719,591

The Statement of Cash Flows as of September 30, 2022 was restated for the effects of the University's adoption of GASB 96 as follows (in thousands):

	September 30, 2022 as Originally Reported	GASB 96 Adoption	September 30, 2022 as Restated
Net cash used by operating activities	$ (249,885)	$ 2,656	$ (247,229)
Net cash provided by noncapital financing activities	360,325	-	360,325
Net cash used in capital and related financing activities	(99,794)	(2,656)	(102,450)
Net cash proivded by investing activities	35,493	-	35,493
Net increase in cash and cash equivalents	46,139	-	46,139
Cash and cash equivalents - Beginning of year	159,250	-	159,250
Cash and cash equivalents - End of year	$ 205,389	$ -	$ 205,389

Note 2 - Cash and Investments

University cash and investments, by classification and investment type, at September 30, 2023 and 2022 are as follows (in thousands):

Classification	2023	2022
Cash and cash equivalents, current	$ 188,639	$ 205,389
Investments:		
Investments, current	390,827	302,744
Restricted investments, current	30,221	14,265
Endowment Fund, noncurrent	8,078	7,831
Restricted investments, noncurrent	48,324	114,455
Total investments	477,450	439,295
Total cash and investments	$ 666,089	$ 644,684

Type	2023	2022
Cash and cash equivalents	$ 167,317	$ 208,038
Fixed income	387,040	349,473
Equity securities	56,198	47,734
Hedge funds	12,941	11,306
Real assets	18,181	17,802
Other	24,412	10,331
Total cash and investments	$ 666,089	$ 644,684

The University's cash pool, which consists of cash, cash equivalents, and current investments, provided a return of 4.6 percent and (7.1) percent for the fiscal years ended September 30, 2023 and 2022, respectively. Restricted investments include invested bond proceeds and related earnings, which are restricted for capital projects, totaling $77,480,000 and other restricted investments of $1,065,000 as of September 30, 2023. As of September 30, 2022, restricted investments consisted of invested bond proceeds and related earnings of $127,192,000 and other restricted investments of $1,528,000.

Investment Policies

Cash and cash equivalents and bond proceed investments are managed in accordance with the board of governors' cash management policy. This policy sets a general target allocation for its investments as follows:

Asset Class	Liquidity Pool	Liquidity Reserve Pool	Diversified	Total Portfolio	Range (Diversified Pool)	Actual at September 30, 2023
Cash	100%	0%	0%	30%		38%
Fixed Income	0%	100%	30%	56%	+/- 7%	48%
Equities	0%	0%	45%	9%	+/- 7%	9%
Hedge Funds	0%	0%	10%	2%	+/- 5%	2%
Real Assets	0%	0%	15%	3%	+/- 5%	3%

Note 2 - Cash and Investments (Continued)

The University's cash pool investment policy permits investments in money market funds, U.S. government and government agency obligations, municipal obligations, certificates of deposit, commercial paper, corporate debt and securitized investments, certain additional securitized investments and fixed-income funds with intermediate duration, multi-strategy, and short-term high-yield strategies. In addition, cash pool investments are comprised of equities, hedge funds, and real assets.

The cash pool's three tiers (liquidity pool, liquidity reserve pool, and diversified pool) have different time horizons and liquidity needs; therefore, they have different permissible asset classes, credit quality, and maturity/interest rate risk characteristics. These risks are considered as part of the overall risk versus investment return characteristics of the aggregate investment portfolio when establishing its asset allocation and selecting its investment managers. Investments are managed in accordance with the investment policy and are monitored according to the risk versus investment return characteristics as compared to applicable benchmarks in the investment industry.

Custodial Credit Risk

For amounts deposited in commercial banks, custodial credit risk is the risk that, in the event of a bank failure, the University's deposits may not be available or returned. The University does not have a deposit policy governing custodial credit risk. At September 30, 2023 and 2022, the carrying amount of these deposits totaled $172,232,000 and $215,055,000, respectively. Of these amounts, $171,482,000 and $214,555,000 were uninsured and not collateralized at September 30, 2023 and 2022, respectively.

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University may not be able to recover the value of its investments that are in the possession of an outside party. The counterparty is the firm that sells investments to or buys them from the University. Cash management investment policies do not limit the value of investments that may be held by an outside party. Investments in external investment pools and open-ended mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. The University's counterparties held $2,174,000 and $2,131,000 of its portfolio at September 30, 2023 and 2022, respectively. These investments are either held in the name of the University or a nominee's name for the benefit of the University and would not be subject to any general creditor claims.

Credit Risk

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. Nationally Recognized Statistical Rating Organizations (NRSRO), such as Moody's and Standard & Poor's, assign credit ratings to security issuers and issues that indicate a measure of potential credit risk to investors. As discussed previously, specific credit standards are applied to each of the three tiers of the Cash Pool based on their ability to take risk which is tied to their time horizon and liquidity needs. The minimum credit quality for the Liquidity Pool is A-/A3 for bank deposits, money market funds shall have at least two of the three NRSRO's A1/P1/F1, and short-term bond funds must have an average credit rating of A or better. The Liquidity Reserve Pool must have a credit rating of BBB-/Baa3 or better. The Diversified Pool must have an average credit rating of B-/B3 or better. For both years, the University was in compliance with its credit risk policy.

Note 2 - Cash and Investments (Continued)

Fixed-income investments classified by credit ratings at September 30, 2023 and 2022 were as follows (in thousands):

	2023 Credit Rating (in thousands)					
Investment Type	AAA	AA	A	BBB	Below BB	Total
Money market mutual funds	$ 60,681	$ -	$ -	$ -	$ -	$ 60,681
Fixed-income institutional bond funds	-	60,703	188,710	29,467	47,479	326,359
Investments by rating	$ 60,681	$ 60,703	$ 188,710	$ 29,467	$ 47,479	$ 387,040

	2022 Credit Rating (in thousands)					
Investment Type	AAA	AA	A	BBB	Below BB	Total
Municipal Bonds (1)	$ 7,158	$ -	$ -	$ -	$ -	$ 7,158
Fixed-income institutional bond funds	6,532	68,386	193,135	20,120	54,142	342,315
Investments by rating	$ 13,690	$ 68,386	$ 193,135	$ 20,120	$ 54,142	$ 349,473

(1) Includes bond proceeds that are collateralized by securities that are held by the pledging financial institution's custodian, in the University's name.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer of fixed-income securities. The cash management policy provides that investment pool funds be sufficiently diversified. For the liquidity and liquidity reserve pools, investment in the securities of a single issuer shall not be in excess of 5 percent of the total market value of the assets under management at the time of purchase (excluding U.S. Treasury and agency obligations and commingled funds). For the diversified pool, concentration of credit risk is managed in accordance with the fund managers' policies.

The University is in compliance with the concentration limits set forth in the cash pool investment policy.

As of September 30, 2023 and 2022, the University's liquidity and liquidity reserve pools did not have investments with a particular issuer which equaled or exceeded 5 percent.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The maximum maturity duration for the liquidity pool is one year. The maximum average duration for the liquidity reserve pool is five years. The diversified pool has no duration restriction.

For both years, the University was in compliance with the maturity/duration limit set forth in the cash pool investment policy.

Note 2 - Cash and Investments (Continued)

The University held the following types of fixed-income investments and maturities at September 30, 2023 and 2022 (in thousands):

	2023 Maturities (in Years)			
Investment Type	Less Than 1	1-5	6-10	Total
Money market mutual funds (2)	$ 60,681	$ -	$ -	$ 60,681
Fixed-income institutional bond funds (2)	32,642	227,041	66,676	326,359
Total fixed-income investments	$ 93,323	$ 227,041	$ 66,676	$ 387,040

	2022 Maturities (in Years)			
Investment Type	Less Than 1	1-5	6-10	Total
Municipal Bonds(1)	$ 7,158	$ -	$ -	$ 7,158
Fixed-income institutional bond funds (2)	36,883	173,757	131,675	342,315
Total fixed-income investments	$ 44,041	$ 173,757	$ 131,675	$ 349,473

(1) The effective maturity on securitized investments can be significantly less than the legal maturity date.
(2) The maturities indicated for these funds are the average of the overall pool.

Foreign Currency Risk

Foreign currency risk represents the risk that changes in exchange rates will adversely affect the fair value of an investment. The University's cash management policy does not specifically limit foreign currency exposure.

Note 3 - Foundation Investments

The Foundation's investments, by statement of net position classification and investment type, at September 30, 2023 and 2022 are as follows (in thousands):

Type	2023	2022
Fixed income	$ 92,149	$ 95,060
Equity securities	262,368	242,211
Other investment instrument types not included above:		
Limited partnerships	146,464	108,468
Total investments	$ 500,981	$ 445,739

The Foundation's investments had investment performance of 13.9 and (13.0) percent for the years ended September 30, 2023 and 2022, respectively.

Note 3 - Foundation Investments (Continued)

Investment Policy

The Foundation investments are managed in accordance with the Statement of Investment Policy (Foundation Investment Policy) as approved by the Foundation's board of directors. The policy sets a target allocation and ranges for its investments as follows:

Investment Instrument	Target	Range	Actual at September 30, 2023
Global equities	38%	37%-57%	53%
Fixed-income securities	20%	6%-47%	20%
Real assets	10%	1%-25%	10%
Private markets	22%	2%-22%	7%
Diversifying strategies	10%	0%-15%	10%

The Foundation's investment policy uses diversification as a fundamental risk management strategy and these funds are broadly diversified. This policy does not specifically limit interest rate, credit, concentration of credit, or foreign currency risks. These risks are considered as part of the overall risk versus investment return characteristics of the aggregate investment portfolio when establishing its asset allocation and selecting its investment managers. Investments are managed in accordance with the investment policy and are monitored according to the risk versus investment return characteristics as compared to applicable benchmarks in the investment industry.

Other investment instrument types in the Foundation's endowment fund are comprised of limited partnership investments, hedge fund managers, and private markets investment managers who invest in U.S. and international equities and fixed-income instruments. Due to the pooled nature of these investments, the related amounts are not included in the disclosures that follow. Additionally, certain managers utilize derivatives to manage investment risks to increase their portfolio liquidity and flexibility and to increase investment return within the level of risk defined in the manager's investment guidelines.

Custodial Credit Risk

Custodial credit risk for investments was discussed previously in Note 2 - Cash and Investments. The Foundation's investment policies do not limit the value of investments that may be held by an outside party. The Foundation's counterparties held $53,731,000 and $6,401,00 of its portfolio at September 30, 2023 and 2022, respectively. These investments are held in a nominee's name for the benefit of the Foundation and would not be subject to any general creditor claims.

Credit Risk

As discussed previously, the Foundation's investment policy does not specifically limit the credit risk that an issuer or counterparty to an investment assumes.

Note 3 - Foundation Investments (Continued)

Fixed-income investments classified by credit ratings at September 30, 2023 and 2022 were as follows (in thousands):

	2023 Credit Rating					
Investment Type	AAA	AA	BB	B	Not Rated	Total
Money market mutual funds [1]	$ 8,491	$ -	$ -	$ -	$ -	$ 8,491
Fixed-income investments [1]	5,117	49,288	29,253	-	-	83,658
Direct loan fund [1]	-	-	-	-	-	-
Investments by rating	$ 13,608	$ 49,288	$ 29,253	$ -	$ -	$ 92,149

	2022 Credit Rating					
Investment Type	AAA	AA	BB	B	Not Rated	Total
Money market mutual funds [1]	$ 6,401	$ -	$ -	$ -	$ -	$ 6,401
Fixed-income investments [1]	-	58,241	-	30,418	-	88,659
Direct loan fund [1]	-	-	-	-	-	-
Investments by rating	$ 6,401	$ 58,241	$ -	$ 30,418	$ -	$ 95,060

(1) The credit ratings indicated for these funds are the average of the overall pool.

Concentration of Credit Risk

As discussed previously, the Foundation's investment policy does not specifically limit the concentration of credit risk.

As of September 30, 2023 and 2022, the Foundation's investment portfolio did not have investments with a particular issuer that equaled or exceeded 5 percent.

Interest Rate Risk

As discussed previously, the Foundation's investment policy does not specifically limit the interest rate risk of its investments.

The Foundation held the following types of fixed-income investments and maturities at September 30, 2023 and 2022 (in thousands):

	2023 Maturities (in Years)				
Investment Type	Less Than 1	1-5	6-10	More Than 10	Total
Money market mutual funds	$ 8,491	$ -	$ -	$ -	$ 8,491
Fixed-income investments [1]	-	-	83,658		83,658
Direct loan fund [1]	-	-	-	-	-
Total fixed-income investments	$ 8,491	$ -	$ 83,658	$ -	$ 92,149

	2022 Maturities (in Years)				
Investment Type	Less Than 1	1-5	6-10	More Than 10	Total
Money market mutual funds	$ 6,401	$ -	$ -	$ -	$ 6,401
Fixed-income investments [1]	-	-	88,659		88,659
Direct loan fund [1]	-	-	-	-	-
Total fixed-income investments	$ 6,401	$ -	$ 88,659	$ -	$ 95,060

(1) The maturities indicated for these funds are the average of the overall pool.

Note 3 - Foundation Investments (Continued)

Foreign Currency Risk

As discussed previously, the Foundation's investment policy does not specifically limit foreign currency risk.

Investment Commitments

The Foundation had approximately $138,016,000 and $59,106,000 of investment commitments outstanding at September 30, 2023 and 2022, respectively.

Note 4 - University Receivables

At September 30, 2023 and 2022, receivables consisted of the following (in thousands):

	2023	2022
Grants and contracts receivable	$ 37,607	$ 33,825
Pledged gifts receivable	5,458	4,726
Student notes receivable	15,363	16,862
Student accounts receivable	60,789	53,398
Lease receivable	41,892	36,166
Other	35,660	40,872
Total	196,769	185,849
Less:		
Provision for loss on receivables	(20,557)	(15,064)
Unamortized discount to present value on pledged gifts receivable	(297)	(161)
Total	175,915	170,624
Less net current portion of receivables	(114,178)	(112,754)
Net noncurrent receivables	$ 61,737	$ 57,870

Payments on pledged gifts receivable at September 30, 2023 are expected to occur in the following fiscal years (in thousands):

2024	$ 3,292
2025-2029	2,166
Total	$ 5,458

Student notes receivable consist of loans to students made from both federal and university resources. Principal repayment and interest rate terms on these loans vary considerably. The provision for loss on receivables does not apply to the federal portion of federal student notes receivable, since federal regulations do not require the University to provide reserves on the federal portion of uncollectible student loans. Federal loan programs are funded principally with federal advances to the University from the Perkins and various health profession loan programs. The Federal Perkins loan program expired on September 30, 2017, which ended the issuance of new loans under this program. Pending additional information from the federal government, the University will continue to service all outstanding loans in accordance with program specifications.

Note 4 - University Receivables (Continued)

The University leases land, building space, and equipment to external parties. In accordance with GASB 87, the University records lease receivables which totaled $41,892,000 and $36,166,000 at September 30, 2023 and 2022, respectively. Of the total balances, noncurrent accounts receivable was $40,150,000 and $34,951,000 at September 30, 2023 and 2022, respectively. The expected receipts over the term of the respective leases are discounted to present value, using the interest rate stated on the lease, if available or otherwise discounted using the university's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. During the fiscal years ended September 30, 2023 and 2022, the University recognized revenues related to these lease agreements totaling $3,873,000 and $3,227,000, respectively.

Note 5 - Capital Assets

Capital asset activity for the years ended September 30, 2023 and 2022 (as restated) was as follows (in thousands):

	Balance October 1, 2022	Additions	Retirements	Transfers	Balance September 30, 2023
Non-depreciated capital assets:					
Land	$ 43,933		$ (14)	$ -	$ 43,919
Construction in progress	66,795	8,836	-	(63,322)	12,309
Total - Nondepreciable assets	110,728	8,836	14	63,322	56,228
Depreciable capital assets:					
Land improvements	33,417	97	(2)	881	34,393
Buildings	1,756,448	65,952	(12,139)	62,441	1,872,702
Library materials	213,805	9,124	(2)	-	222,927
Equipment and software	210,290	12,278	(1,889)	-	220,679
Right-to-use assets - SBITAs	9,396	3,511	(253)		12,654
Right-to-use assets - Building	14,419	-	(3,646)	-	10,773
Total - Depreciable assets	2,237,775	90,962	(17,931)	63,322	2,374,128
Less accumulated depreciation:					
Land improvements	23,689	948	(2)	-	24,635
Buildings	902,841	48,827	(12,139)	-	939,529
Library materials	174,096	7,160	-	-	181,256
Equipment and software	174,402	9,708	(1,889)	-	182,221
Right-to-use assets - SBITAs	1,971	2,765	(253)	-	4,483
Right-to-use assets - Building	7,683	2,606	(3,646)	-	6,643
Total accumulated depreciation	1,284,682	72,014	17,929	-	1,338,767
Total depreciable capital assets, Net	953,093	18,948	2	63,322	1,035,361
Net capital assets	$ 1,063,821	$ 27,784	$ (16)	$ -	$ 1,091,589

Note 5 - Capital Assets (Continued)

	Balance October 1, 2021	Additions	Retirements	Transfers	Balance September 30, 2022
Non-depreciated capital assets:					
Land	$ 43,933	$ -	$ -	$ -	$ 43,933
Construction in progress	34,667	35,413	-	(3,285)	66,795
Total - Nondepreciable assets	78,600	35,413	-	(3,285)	110,728
Depreciable capital assets:					
Land improvements	33,417	-	-	-	33,417
Buildings	1,739,807	13,356	-	3,285	1,756,448
Library materials	205,749	8,056	-	-	213,805
Equipment and software	208,296	11,416	(9,422)	-	210,290
Right-to-use assets - SBITAs	6,716	2,680			9,396
Right-to-use assets - Building	14,419	-	-	-	14,419
Total - Depreciable assets	2,208,404	35,508	(9,422)	3,285	2,237,775
Less accumulated depreciation:					
Land improvements	22,730	959	-	-	23,689
Buildings	853,544	49,297	-	-	902,841
Library materials	167,226	6,870	-	-	174,096
Equipment and software	174,230	9,584	(9,412)	-	174,402
Right-to-use assets - SBITAs	-	1,971			1,971
Right-to-use assets - Building	3,992	3,691	-	-	7,683
Total accumulated depreciation	1,221,722	72,372	(9,412)	-	1,284,682
Total depreciable capital assets, Net	986,682	(36,864)	(10)	3,285	953,093
Net capital assets	$ 1,065,282	$ (1,451)	$ (10)	$ -	$ 1,063,821

Construction in progress represents expenditures for new projects that are underway but not yet completed. As projects are completed, they are removed from construction in progress and recorded as “transfers” and reflected in the applicable asset classification.

Several buildings on campus were financed through the issuance of bonds by the State of Michigan Building Authority (SBA). The SBA bonds are secured by a pledge of rentals to be received from the State of Michigan pursuant to a lease agreement entered into among the SBA, the State of Michigan, and the University. During the lease term, the SBA holds title to the buildings, the State of Michigan makes all lease payments directly to the SBA, and the University is responsible for all operating and maintenance costs. At the expiration of the lease, the SBA will transfer title to the buildings to the University.

The University has entered into various Subscription-Based Information Technology Arrangements (SBITAs) to allow access to external software for set terms. In accordance with GASB 96, the University records right-to-use assets and subscription liabilities (see Note 6) based on the present value of expected payments over the term of the respective agreements. The above tables have been restated to reflect the implementation of GASB 96 as of October 1, 2021.

Note 6 - Long-term Debt

Long-term debt activity for the years ended September 30, 2023 and 2022 (as restated) was as follows (in thousands):

	2023				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
General Revenue Bonds, Series 2023, with interest ranging from 4.0% to 5.0%, maturing November 15, 2040	$ -	$ 42,550	$ -	$ 42,550	$ -
General Revenue Bonds, Series 2020, with interest ranging from 3.392% to 3.492%, maturing November 15, 2050	112,330	-	2,685	109,645	2,715
General Revenue and Refunding Bonds, Series 2019A, with interest ranging from 3.375% to 5.0%, maturing November 15, 2039	59,225	-	3,150	56,075	3,310
General Revenue and Refunding Bonds, Series 2019B, with interest ranging from 3.32% to 3.47%, maturing November 15, 2049	25,685	-	-	25,685	-
General Revenue and Refunding Bonds, Series 2018A, with interest ranging from 3.375% to 5.0%, maturing on November 15, 2049	116,375	-	2,150	114,225	2,265
General Revenue and Refunding Bonds, Series 2016A, with interest ranging from 2.5% to 5.0%, maturing on November 15, 2037	83,695	-	5,880	77,815	6,180
General Revenue and Refunding Bonds, Series 2016B, with interest ranging from 1.5% to 4.0%, maturing on November 15, 2037	8,790	-	480	8,310	490
General Revenue and Refunding Bonds, Series 2015A, with interest ranging from 3.0% to 5.0%, maturing on November 15, 2036	41,420	-	1,950	39,470	2,045
General Revenue Bonds, Series 2013A, with interest ranging from 3.0% to 5.0%, maturing on November 15, 2044	72,625	-	47,525	25,100	1,975
Taxable General Revenue Bonds, Series 2007B, with interest at 6.01%, maturing on November 15, 2030	4,220	-	-	4,220	-
Financed purchase, with interest at 3.8%, expiring on March 11, 2038 and 2.9% expiring on April 13, 2023	16,253	-	944	15,309	801
Right-to-use SBITA liability	6,852	3,511	3,598	6,765	2,254
Right-to-use lease liability	7,009	-	2,624	4,385	2,263
Various notes payable with varying interest rates maturing through 2024	36	-	23	13	13
Gross long-term debt	554,515	46,061	71,009	529,567	24,311
Plus unamortized bond premium - Net	39,231	4,262	5,373	38,120	2,322
Total long-term debt	$ 593,746	$ 50,323	$ 76,382	$ 567,687	$ 26,633

Note 6 - Long-term Debt (Continued)

	2022 Beginning Balance (as restated)	Additions	Reductions	Ending Balance	Current Portion
General Revenue Bonds, Series 2020, with interest ranging from 3.392% to 3.492%, maturing November 15, 2050	$ 114,985	$ -	$ 2,655	$ 112,330	$ 2,685
General Revenue and Refunding Bonds, Series 2019A, with interest ranging from 3.375% to 5.0%, maturing November 15, 2039	61,750	-	2,525	59,225	3,150
General Revenue and Refunding Bonds, Series 2019B, with interest ranging from 3.32% to 3.47%, maturing November 15, 2049	25,685	-	-	25,685	-
General Revenue and Refunding Bonds, Series 2018A, with interest ranging from 3.375% to 5.0%, maturing on November 15, 2049	118,415	-	2,040	116,375	2,150
General Revenue and Refunding Bonds, Series 2016A, with interest ranging from 2.5% to 5.0%, maturing on November 15, 2037	86,730	-	3,035	83,695	5,880
General Revenue and Refunding Bonds, Series 2016B, with interest ranging from 1.5% to 4.0%, maturing on November 15, 2037	9,255	-	465	8,790	480
General Revenue and Refunding Bonds, Series 2015A, with interest ranging from 3.0% to 5.0%, maturing on November 15,	43,270	-	1,850	41,420	1,950
General Revenue Bonds, Series 2013A, with interest ranging from 3.0% to 5.0%, maturing on November 15, 2044	74,425	-	1,800	72,625	1,885
Taxable General Revenue Bonds, Series 2007B, with interest at 6.01%, maturing on November 15, 2030	4,220	-	-	4,220	-
Financed purchase payable, with interest at 3.8%, expiring on March 11, 2038 and 2.9% expiring on April 13, 2023	17,215	-	962	16,253	943
Right-to-use SBITA liability	6,263	2,680	2,091	6,852	1,833
Right-to-use lease liability	10,629	-	3,620	7,009	2,624
Various notes payable with varying interest rates maturing through 2024	560	-	524	36	22
Gross long-term debt	573,402	2,680	21,567	554,515	23,602
Plus unamortized bond premium - Net	41,453	60	2,282	39,231	2,221
Total long-term debt	$ 614,855	$ 2,740	$ 23,849	$ 593,746	$ 25,823

When economically feasible, the University considers defeasance or refunding of prior debt issuances to reduce borrowing costs. In September 2023, the University issued tax-exempt Series 2023A to partially refund the 2013A bonds par amount $42,550,000. This refunding resulted in an economic gain of $3,604,749 and total debt service payments decreased by $3,789,093. There were no defeased bonds outstanding as of September 30, 2022.

In July 2020, the University issued its taxable Series 2020A Bonds for a par amount of $114,985,000 and with an average coupon interest rate of 3.3 percent. The proceeds were used to fund the renovation of State Hall and for other general capital projects and operating purposes.

Note 6 - Long-term Debt (Continued)

In October 2019, the University issued its tax-exempt Series 2019A Bonds for a par amount of $62,450,000 and net premium of $13,831,885 and its taxable Series 2019B Bonds for a par amount of $25,685,000. The tax-exempt bond proceeds, $76,281,885 with an average coupon interest rate of 4.8 percent, were used to fund various university projects and related issuance costs. The tax- exempt proceeds also current refunded the Series 2009A bonds par amount of $28,885,000 and the Series 2009B bonds par amount of $23,965,000. The refunding resulted in an economic gain of $8,301,296 and total debt service payments decreased by $8,529,914. The taxable proceeds, $25,685,000 with an average coupon of 3.5 percent, were issued to fund a basketball arena for the men's and women's basketball teams.

On March 19, 2012, the University entered into a financed purchase agreement for a medical office building. The finance period commenced on March 12, 2013 with an initial term of 25 years. The financed purchase is included in long-term debt and the related asset is included in buildings with cost of $22,000,000 and accumulated depreciation of approximately $5,819,000 and $5,270,000 as of September 30, 2023 and 2022, respectively.

On October 13, 2017, the University entered into a financed purchase agreement for lighting retrofit in certain University parking facilities. The financed period commenced on July 13, 2018 with an initial term of 5.5 years. The financed purchase is included in long-term debt and the related asset is included in buildings with cost of $1,121,000 and accumulated depreciation of approximately $965,000 and $778,000 as of September 30, 2023 and 2022.

Principal and interest maturities on long-term debt at September 30, 2023 are as follows (in thousands):

	Bond and Various Notes Payable		Right-to-Use Liability		Financed Purchase	
Fiscal Years	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 18,993	$ 19,939	$ 4,517	$ 219	$ 801	$ 582
2025	18,325	19,748	4,552	113	831	551
2026	19,170	18,910	1,611	37	863	520
2027	21,845	17,977	425	11	896	487
2028	22,630	16,974	45		938	453
2029-2033	109,305	69,984	-	-	5,301	1,699
2034-2038	106,265	47,234	-	-	5,679	606
2039-2043	79,820	28,479	-	-	-	-
2044-2046	77,535	12,229	-	-	-	-
2049-2053	29,220	1,223	-	-	-	-
Total	$ 503,108	$ 252,697	$ 11,150	$ 380	$ 15,309	$ 4,898

Interest paid on long-term debt was $21,606,000 and $22,893,000 in 2023 and 2022, respectively.

Effective March 2019, the University renewed and increased its lines of credit facilities with two financial institutions to $50.0 million total with borrowing rates of .40 percent in excess of one-month LIBOR. The facilities had three-year terms with a maturity date of March 2022. The University extended the terms on both lines to March 2025. Borrowing rates are .40 percent in excess of one-month Bloomberg Short-Term Bank Yield and .50 percent in excess of one-month Secured Overnight Financing Rate. As of September 30, 2023 and 2022, there were no borrowings outstanding under the line of credit facilities.

Note 7 - Derivative Instruments

Interest Rate Swaps

As of September 30, 2014, the University held two interest rate instruments that were associated with the Series 2006 bonds. In February 2015, most of the Series 2006 bonds were advance refunded with proceeds from the Series 2015A bonds. In November 2016, the balance of the Series 2006 bonds was paid. As a result, all of the two interest rate instruments are now associated with the Series 2015A bonds.

The University initially entered into these swap agreements at the same time and for the same amount as the issuance of the Series 2006 bonds, with the intent of lowering its borrowing cost by creating a cash flow hedge at a net interest rate that is lower than the fixed rate on the debt that was issued. The swap agreements are not effective hedges. They were ineffective swap agreements because they did not have consistent critical terms. In accordance with GASB Statement No. 53, an interest rate swap is considered an effective cash flow hedge if the swap payments received substantially offset the payments made on the associated debt, and then such changes in fair value are deferred. An interest rate swap that is not considered an effective cash flow hedge, in accordance with the provisions of this statement, is deemed to be an investment derivative instrument, and changes in fair value are recorded as a component of the change in net investment income (loss) in the statement of revenues, expenses, and changes in net position.

The fair value balances and notional amounts of the derivative instruments outstanding at September 30, 2023 and 2022, classified by type and the change in fair value, are shown below (in thousands):

	Change in Fair Value		Fair Value at September 30, 2023		
Investment Derivative Instrument	Classification	Amount	Classification	(in thousands) Amount	Notional
Series 2015A# - Pay-variable, receive variable/fixed annuity	Net investment income (loss)	$ (252)	Liability	$ (505)	$ 33,510

	Change in Fair Value		Fair Value at September 30, 2022		
Investment Derivative Instrument	Classification	Amount	Classification	(in thousands) Amount	Notional
Series 2015A# - Pay-variable, receive variable/fixed annuity	Net investment income (loss)	$ (781)	Liability	$ (253)	$ 34,140

The fair value of the swaps was estimated using the proprietary pricing model of an independent derivative valuation service.

Terms for the year ended September 30, 2023 were as follows:

Associated Bond Issue	Effective Date	Type	Objective	Pay Terms	Receive Terms	Maturity Date	Counterparty Credit Rating*
Series 2015A (2 swaps)	2/5/2015	Pay variable, receive variable plus fixed annuity	Cash flow hedge for associated bond issue	SIFMA	67% SOFR plus 40.73 bps	11/15/2036	AA-/A

Note 7 - Derivative Instruments (Continued)

Terms for the year ended September 30, 2022 were as follows:

Associated Bond Issue	Effective Date	Type	Objective	Pay Terms	Receive Terms	Maturity Date	Counterparty Credit Rating*
Series 2015A (2 swaps)	2/5/2015	Pay variable, receive variable plus fixed annuity	Cash flow hedge for associated bond issue	SIFMA	67% LIBOR plus 40.73 bps	11/15/2036	AA-/A

* Effective March 1, 2012, one of the original counterparties transferred by novation all the rights, liabilities, duties, and obligations to a new counterparty.

LIBOR – London Interbank Offered Rate
SOFR – Secured Overnight Financing Rate
SIFMA – Securities Industry and Financial Markets Association
bps - basis points

Associated Risk - The associated risks of the outstanding swaps as of September 30, 2023 and 2022 were as follows:

The swaps are tax basis swaps, which were executed with the objective of reducing the financing cost of the Series 2006 bonds and their related refunding bonds, the series 2015A bonds. Changes in interest rates as well as the SIFMA/LIBOR ratio (as of July 2023, SIFMA/SOFR) cause the fair value of these swaps to rise and fall with financial market conditions. Due to changes in these market factors since inception, these swaps had a negative fair value at September 30, 2023 and September 30, 2022.

Credit Risk - As of September 30, 2023 and 2022, the University was exposed to some credit risk from swap counterparties because the existing swaps had a negative fair value of $505,000 and $253,000, respectively. The University executes swap transactions with various counterparties. At September 30, 2023, there were two outstanding swaps with two counterparties. The first counterparty held one swap that represented approximately 70 percent of the notional amount of swaps outstanding. This counterparty is rated "AA-" by Standard & Poor's (downgraded from AA+ in May 2016) and "Aa2" by Moody's (downgraded from Aa1 in June 2012). A second counterparty held one swap that represented approximately 30 percent of the notional amount of the swaps outstanding. This counterparty was rated "A+" by Fitch, "A" by Standard & Poor's (downgraded from A+ in December 2011), and "A2" by Moody’s (down from A1 in November 2010).

Basis Risk - The swaps expose the University to basis risk. This is the risk that arises when the variable interest rates of a derivative instrument and a hedged item are based upon different interest rate reference indices. For the basis swaps, the University is exposed to the risk that the SIFMA interest rate, which it pays to the counterparties, will be more than the amount that it receives from the counterparties, which is based upon 67 percent of LIBOR plus an additional fixed annuity amount of 40.73 basis points (0.4073 percent). As of July 2023, LIBOR was discontinued and replaced by the SOFR (Secured Overnight Financing Rate). The University did not re-negotiate a new contract and instead accepted the fallback language within the existing contract.

Termination - The swap termination date is November 2036. The derivative contracts are documented by the International Swap Dealers Associations (ISDA) Master Agreement, which includes standard termination events such as failure to pay and bankruptcy. The schedule to the master agreement also provides that the swaps may be terminated by the University if the counterparty's credit quality rating falls below certain specified levels. The University or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If, at the time of termination, the swap has a negative fair value, the University is liable for a payment equal to the swap's fair value.

The use of derivative financial instruments reduces certain investment risks and generally adds value to the portfolio. The instruments themselves, however, do involve some investment and counterparty risk not fully reflected in the financial statements.

Note 8 - Defined Contribution Retirement Plan

The University offers pension benefits for substantially all of its full-time employees through a defined contribution 403(b) plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment results. Employees are eligible to participate after they reach 26 years of age. Eligible employees that contribute at least 1 percent of their salary will receive a university matching contribution equal to two times their contribution up to a maximum university contribution of 10 percent. The University's contribution is not vested until the employee has completed two years of service. University contributions to the plan for the years ended September 30, 2023 and 2022 were approximately $34,134,000 and $33,549,000, respectively.

The University also offers a 457(b) retirement savings plan to substantially all of its full-time employees which is fully funded by employee contributions. The University does not contribute to this plan.

Note 9 - Commitments

Construction Commitments

Approximately $20,748,000 was committed to current University construction projects at September 30, 2023. This amount includes approximately $5,360,000 for the Hilberry Gateway project, $5,529,000 for the Art Building HVAC improvement project, $3,151,000 for the State Hall Renovation and various smaller construction projects. Commitments will be funded through a combination of resources, including external long-term financing, gifts, investment income, and various other University sources.

Note 10 - Contingencies

Insurance Program

In conjunction with the conduct of its operations, the University is exposed to various risks of loss and legal actions. To mitigate such risks, the University participates with 10 other Michigan public universities in the Michigan Universities Self-Insurance Corporation (MUSIC). This corporation provides comprehensive general liability, errors and omissions, property and vehicle liability, and excess liability insurance. The University participates in all of the aforementioned insurance programs except property insurance. The University maintains property insurance with FM Global. MUSIC loss coverages are structured on a three-layer basis with each member retaining a portion of its losses, MUSIC covering the second layer, and commercial carriers covering the third. Comprehensive general liability coverage is provided on an occurrence basis, errors and omissions coverage is provided on a claims-made basis, and property coverage is provided on a blanket basis. Each MUSIC member university is responsible for its regular anticipated losses, determined actuarially, for both general liability and errors and omissions. The aggregate retention amounts for each member are actuarially determined annually. MUSIC provides coverage for claims in excess of these retentions. By agreements with MUSIC, in the event the insurance reserves established by MUSIC are insufficient to meet its second-tier obligations, each of the participating universities shares this obligation. Participating universities are subject to additional assessments if the obligations and expenses (claims) of MUSIC exceed the combined periodic payments and accumulated operational reserves for any given year. The maximum possible additional assessment for the University for the year ended September 30, 2023, is approximately $3,373,000. The University has not been subjected to additional assessments since the formation of MUSIC in 1987.

Note 10 - Contingencies (Continued)

The University is self-insured for certain employee benefits. Claim expenditures and liabilities are recorded when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. This would include an estimate of any significant claims that have been incurred but not reported. The University's recorded reserves for its self-insured workers' compensation, dental, and certain medical insurance programs at September 30, 2023 and 2022, totaled approximately $3,770,000 and $3,638,000, respectively. Specific excess (umbrella) coverage has been purchased by the University for its self-insured workers' compensation and medical insurance programs. For those risks that the University has purchased commercial insurance, settled claims have not exceeded the commercial coverage in any of the past three years.

Pending Litigation

The University is named as a defendant in certain civil actions. The University is of the opinion that the resulting disposition of these actions will not have a significant effect on the financial statements.

Derivative Instruments

One of the University's derivative instrument agreements requires the University to post collateral when the University credit rating is suspended, withdrawn, or downgraded to BBB+ or below by Standard & Poor's or Baa1 or below by Moody's in order to preclude an additional termination event from occurring. The collateral would be posted in the amount of the fair value of the hedging instrument in a liability position over a specified threshold, which varies with the University's credit rating. The collateral could be posted in the form of cash, U.S. Treasury securities, agency notes, or other securities to which the parties may agree, and the valuation percentage allowed would vary by the creditworthiness and maturities of the underlying securities used for collateral. An additional termination event would occur if the University's rating is suspended, withdrawn, or downgraded to BBB- or below by Standard & Poor's or Baa3 or below by Moody's. The other university derivative instrument agreement does not require the University to post collateral. However, this agreement provides that an additional termination event occurs when the University's credit rating is suspended, withdrawn, or downgraded below BBB- by Standard & Poor's or below Baa3 by Moody's. In order to preclude this additional termination event from terminating the swap, the University would need to provide the counterparty with an acceptable credit support document.

At September 30, 2023, the aggregate negative fair value of all hedging derivative instruments with these collateral posting provisions was $505,000. At September 30, 2022, the aggregate negative fair value of all hedging derivative instruments with these collateral posting provisions was $253,000. There were no posting requirements because the University maintained credit ratings above the thresholds.

Note 11 - Natural Classification of Expenses

Operating expenses by natural classification for the years ended September 30, 2023 and 2022 are summarized as follows (in thousands):

	2023	2022 (as restated)
Compensation and benefits	$ 599,801	$ 581,200
Supplies, services, and other	218,024	188,445
Depreciation and amortization	72,014	72,372
Scholarships and fellowships	13,701	52,653
Total operating expenses	$ 903,540	$ 894,670

Note 12 - Postemployment Benefits Other Than Pensions

The University offers a postemployment benefit of a fixed payout life insurance policy to its retirees. The University's annual postemployment benefits is actuarially determined in accordance with GASB Statement No. 75. For the year ended September 30, 2023, the University's reported OPEB liability was estimated based on an actuarial valuation date of October 1, 2021 and measurement date of September 30, 2022. For the year ended September 30, 2022, the University's reported OPEB liability was estimated based on an actuarial valuation date of October 1, 2021 and measurement date of September 30, 2021.

The total OPEB accrued liability, which has been recorded as accrued employee benefits on the statement of net position, was $9,094,000 and $10,940,000 at September 30, 2023 and 2022, respectively. The discount rates used in determining the total reported OPEB liability were 4.02 and 2.26 percent for fiscal year 2023 and 2022, respectively. The total OPEB expense in fiscal year 2023 and 2022 was ($156,000) and $1,342,000, respectively. There are no OPEB assets set-aside to fund the liability amount disclosed.

In addition, the University makes available a plan under which certain retirees may receive healthcare coverage. There is no implicit rate subsidy and the employees pay 100 percent of the cost. As a result, there is no required or recorded liability relating to the retiree healthcare plan.

Note 13 - Related Party Transaction

The University guaranteed an operating line of credit of $2.25 million and a term loan of $6.0 million for the Research and Technology Park in the City of Detroit, Inc., a 501(c)(3) organization. During fiscal year 2016, the University paid the outstanding balances on the Research and Technology Park debt, which eliminated the guarantee, in exchange for a mortgage loan payable to the University in the amount of $5,820,000. During fiscal year 2019, the mortgage loan was refinanced and the University provided additional funding of $1,000,000. The outstanding mortgage receivable amount of $5,263,000 and $5,522,000 as of September 30, 2023 and 2022, respectively, is included in current and noncurrent receivables in the statement of net position.

In October 2019, the University entered into a loan and security agreement with a university affiliate in which the University agreed to provide certain financing to support the affiliate organization exit bankruptcy. The financing support includes a term loan of $7,320,000 and a revolving loan (tranche A and tranche B) not to exceed $7,759,165 with interest rates ranging from zero to 4.0 percent and a maturity date of September 30, 2034. The outstanding loan receivable was approximately $6,862,000 and $7,320,000 as of September 30, 2023 and 2022, respectively. The University established a corresponding allowance which reduced the net value of the outstanding loans to zero.

Note 14 - Fair Value

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The University's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Note 14 - Fair Value (Continued)

The University has the following recurring fair value measurements as of September 30, 2023 and 2022 (in thousands):

	Fair Market Measurements Using:			
Investments by Fair Value Level	Level 1	Level 2	Level 3	Total Fair Value at September 30, 2023
Fixed-income securities:				
U.S. government securities	$ -	$ 6,563	$ -	$ 6,563
Corporate bond funds	170,751	149,045	-	319,796
Money market mutual funds	60,681	-	-	60,681
Total fixed-income investments	231,432	155,608	-	387,040
Equity securities:				
U.S.	-	23,157	-	23,157
Non-U.S.	-	33,041	-	33,041
Total equity securities	-	56,198	-	56,198
Real Assets:				
Liquid Real Assets	-	18,181	-	18,181
Total real assets	-	18,181	-	18,181
Other assets:				
Real estate	-		13,773	13,773
Beneficial interest in charitable remainder trust	-	-	10,639	10,639
Total other assets	-	-	24,412	24,412
Investments measured by fair value level	$ 231,432	$ 229,987	$ 24,412	485,831
Investments Measured at Net Asset Value (NAV) or Equivalent				
Equity securities				-
Multistrategy hedge funds				12,941
Total investments measured at NAV				12,941
Total investments measured at fair value				$ 498,772
Hedging Derivative Instruments				
Interest rate swaps		$ (505)		

Note 14 - Fair Value (Continued)

Investments by Fair Value Level	Fair Market Measurements Using: Level 1	Level 2	Level 3	Total Fair Value at September 30, 2022
Fixed-income securities:				
U.S. government securities	$ -	$ 6,532	$ -	$ 6,532
Corporate bond funds	211,181	124,602	-	335,783
Money market mutual funds	7,158	-	-	7,158
Total fixed-income investments	218,339	131,134	-	349,473
Equity securities:				
U.S.	-	21,255	-	21,255
Non-U.S.	-	26,346	-	26,346
Total equity securities	-	47,601	-	47,601
Real Assets:				
Liquid Real Assets	-	17,802	-	17,802
Total real assets	-	17,802	-	17,802
Other assets:				
Beneficial interest in charitable remainder trust	-	-	10,331	10,331
Total other assets	-	-	10,331	10,331
Investments measured by fair value level	$ 218,339	$ 196,537	$ 10,331	425,207
Investments Measured at Net Asset Value (NAV) or Equivalent				
Equity securities				133
Multistrategy hedge funds				11,306
Total investments measured at NAV				11,439
Total investments measured at fair value				$ 436,646
Hedging Derivative Instruments				
Interest rate swaps		$ (253)		

Note 14 - Fair Value (Continued)

The Foundation has the following recurring fair value measurements as of September 30, 2023 and 2022 (in thousands):

	Fair Market Measurements Using:			
Investments by Fair Value Level	Level 1	Level 2	Level 3	Total Fair Value at September 30, 2023
Fixed-income securities:				
U.S. government securities	$ -	$ -	$ -	$ -
Money market mutual funds	8,491	-	-	8,491
Total fixed-income investments	8,491	-	-	8,491
Equity securities:				
U.S.	-	-	-	-
Non-U.S.	-	-	-	-
Total equity securities	-	-	-	-
Exchange traded funds:				
Exchange traded funds	-	-	-	-
Total exchange traded funds	-	-	-	-
Investments measured by fair value level	$ 8,491	$ -	$ -	8,491
Investments Measured at Net Asset Value (NAV) or Equivalent				
Equity and fixed-income securities				346,026
Credit and loan private investments				3,178
Multistrategy hedge funds				-
Equity private investments				80,210
Real assets comingled funds and private investments				63,076
Total investments measured at NAV				492,490
Total investments measured at fair value				$ 500,981

Note 14 - Fair Value (Continued)

Investments by Fair Value Level	Fair Market Measurements Using: Level 1	Level 2	Level 3	Total Fair Value at September 30, 2022
Fixed-income securities:				
U.S. government securities	$ -	$ -	$ -	$ -
Money market mutual funds	6,401	-	-	6,401
Total fixed-income investments	6,401	-	-	6,401
Equity securities:				
U.S.	-	-	-	-
Non-U.S.	-	-	-	-
Total equity securities	-	-	-	-
Exchange traded funds:				
Exchange traded funds	-	-	-	-
Total exchange traded funds	-	-	-	-
Investments measured by fair value level	$ 6,401	$ -	$ -	6,401
Investments Measured at Net Asset Value (NAV) or Equivalent				
Equity and fixed-income securities				330,870
Credit and loan private investments				2,165
Multistrategy hedge funds				43,422
Equity private investments				22,158
Real assets comingled funds and private investments				40,723
Total investments measured at NAV				439,338
Total investments measured at fair value				$ 445,739

The fair value of the University's and the Foundation's fixed-income and equity securities classified in Level 1 at September 30, 2023 and 2022 were valued using prices quoted in active markets for those securities.

The fair value of the University's fixed-income securities and equity securities classified in Level 2 at September 30, 2023 and 2022 were valued using other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

The fair value of the University's fixed-income securities classified in Level 3 at September 30, 2023 and 2022 were valued using otherwise unobservable inputs. The securities (primarily donated life insurance policies and gifted investments that are not actively traded in public markets) were valued using their cash surrender values or book values.

The fair value of the University's other assets classified in Level 3 at September 30, 2023 and 2022 were valued using otherwise unobservable inputs. The University's beneficial interest in the charitable remainder trust was valued based on the trust asset details.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented in the table that follows.

Investments in Entities that Calculate Net Asset Value per Share

The University and the Foundation hold shares or interests in investment companies whereby the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

Note 14 - Fair Value (Continued)

At September 30, 2023 and 2022, the University's fair value, unfunded commitments, and redemption policies of those investments is as follows (in thousands):

	Total Fair Value at September 30 2023	Total Fair Value at September 30 2022	Outstanding Commitments at September 30, 2023	Redemption Policy at September 30, 2023
Equity and fixed-income securities	$ -	$ 133	$ -	Primarily daily/monthly
Multistrategy hedge funds	12,941	11,306	-	Redemption notice of two calendar months
Total investments measured at the NAV	$ 12,941	$ 11,439	$ -	

At September 30, 2023 and 2022, the Foundation's fair value, unfunded commitments, and redemption policies of those investments is as follows (in thousands):

	Total Fair Value at September 30 2023	Total Fair Value at September 30 2022	Outstanding Commitments at September 30, 2023	Redemption Policy at September 30, 2023
Equity and fixed-income securities	$ 345,026	$ 330,870	$ -	Primarily monthly with a maximum of 30 days notice
Credit and loan private investments	3,178	2,165	12,556	Redemptions are not permitted
Multistrategy hedge funds	-	43,422	-	Quarterly with 90 days notice
Equity private investments	80,210	22,158	57,883	Redemptions are not permitted
Commodities private investments	63,076	40,723	67,577	Maximum of quartely with 90 days notice
Total investments measured at the NAV	$ 491,490	$ 439,338	$ 138,016	

The University's and the Foundation's equity and fixed-income investments include limited partnership investments and commingled investment funds that invest primarily in publicly traded domestic and publicly traded international long only equity investments and domestic fixed-income securities and instruments. These are investments in long only publicly listed equity securities. The fair values of the investments in this class have been estimated using the net asset value per share of the investments. A majority of these investments can typically be liquidated on a monthly basis, with a 30-day notification period.

The Foundation's September 30, 2023 and 2022 credit and loan private investments include investments in private limited partnership investments that invest in domestic and European loan funds. The fair values of these investments have been estimated using the net asset values of the investments. The remaining investment period of these investments is less than five years. The nature of these investments involves capital calls and distributions being made throughout the investment period based upon the activity of the underlying investments. Because no public market exists for selling these types of investments, they are viewed as long-term investments in nature with funds being committed over the life of the investment.

The University's and the Foundation's September 30, 2023 and 2022 multi-strategy hedge funds class includes investments in hedge funds that pursue a variety of strategies to diversify risks and reduce volatility. The strategies may include equity long/short strategies, equity market-neutral strategies, fixed-income relative value, credit long/short, and global macro strategies, risk parity strategies, short bias, even driven, and fixed-income arbitrage positions. The fair values of the multi-strategy hedge funds investments have been estimated using the net asset value per share of the investments. The redemption policy is quarterly, with a 90-day notification period. The University's small hedge fund investment in this class is held within a trust in which the University is a minority beneficiary. Therefore, the University cannot request redemptions.

Note 14 - Fair Value (Continued)

The Foundation's September 30, 2023 and 2022 equity private investments include investments in private equity funds that invest in venture capital, growth equity, buyout funds, and direct lending strategies. The fair values of the investments in this class have been estimated using the net asset value of the University's ownership interest in partners' capital. The investment period for the equity private investment is between three and twenty years. The nature of these investments involves capital calls being made throughout the investment period, as well as income distributions being received as underlying investments are bought and sold. Because no public market exists for selling these types of investments, they are viewed as long-term in nature with funds being committed over the life of the investment.

The Foundation's September 30, 2023 and 2022 real assets investments include investments in comingled funds and private investments that invest in inflation-linked fixed-income instruments, commodity derivative instruments, and real estate funds. The fair values of the investments in this class have been estimated using the net asset value of the University's ownership interest in partners' capital. The Foundation's real assets investments have a variety of redemption policies and notification periods, the most restrictive of which permit quarterly redemptions with a 90-day notification period.

Note 15 - Service Concession Arrangement

On November 30, 2017, the University entered into a Service Concessionaire Agreement (SCA) with Corvias Campus Living-WSU, LLC (Corvias), whereby Corvias will manage, maintain, and operate housing resources on campus for a 40-year term, which ends in November 2057. As part of the SCA, the University retains ownership of the housing projects and the ability, with certain limitations, to modify and approve rates, and specify or limit to whom services may be provided.

In accordance with the SCA, Corvias constructed and renovated housing projects on campus. The budget for the housing projects was $151,350,000, and all projects were planned for completion by 2020. The total cumulative consideration provided by Corvias was recorded as deferred inflows of resources. The University amortized $6,647,000 and $6,661,000 of the deferred inflow in 2023 and 2022, respectively, leaving a remaining deferred inflow of resources balance of $227,344,000 and $234,005,000 at September 30, 2023 and 2022, respectively.

Note 16 - Future Accounting Pronouncements

In June 2022, the Governmental Accounting Standards Board issued GASB Statement No. 101, Compensated Absences, which updates the recognition and measurement guidance for compensated absences under a unified model. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the University financial statements for the year ending September 30, 2025.

Required Supplementary Information

Wayne State University

Schedule of Changes in the University's Total OPEB Liability and Related Ratios September 30, 2023

The historical reconciliation of the total reported liability for postemployment benefits obligations for the year ended September 30 is summarized as follows:

	2023	2022	2021	2020	2019	2018
Service cost	$ 427,000	$ 718,000	$ 725,000	$ 194,000	$ 215,000	$ 380,000
Interest cost	257,000	252,000	273,000	323,000	296,000	254,000
Effect of plan changes	-	730,000	-	-	-	-
Difference between expected and actual plan experience	(616,000)	(1,203,000)	(542,000)	(318,000)	(393,000)	(385,000)
Changes in assumptions	(1,889,000)	(221,000)	679,000	1,847,000	(510,000)	(627,000)
Benefit payments	(25,000)	(20,000)	(19,000)	(8,000)	(10,000)	(11,000)
Net changes	$ (1,846,000)	$ 256,000	$ 1,116,000	$ 2,038,000	$ (402,000)	$ (389,000)
Total liability - Beginning of year	$ 10,940,000	$ 10,684,000	$ 9,568,000	$ 7,530,000	$ 7,932,000	$ 8,321,000
Total liability - End of year	$ 9,094,000	$ 10,940,000	$ 10,684,000	$ 9,568,000	$ 7,530,000	$ 7,932,000
Covered employee payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Total liability as a percentage of covered employee payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Discount rates used in determining the total reported liability for postemployment benefits obligations were 4.02, 2.26, 2.21, 2.66, 4.18, and 3.64 percent at the measurement dates of September 30, 2023, 2022, 2021, 2020, 2019, and 2018, respectively. Effective for the September 30, 2022 measurement date, the plan was amended to allow for a special early retirement window offering a different life insurance payout amount for participants who retired during a specified period which increased the liability by approximately $730,000. No assets are accumulated in a trust to pay related other postemployment benefits.

Supplementary Information

Wayne State University

Combining Statement of Net Position (Deficit)
September 30, 2023
(with comparative total for the year ended September 30, 2022)
(in thousands)

	2023 General Fund	Designated Fund	Auxiliary Activities Fund	Independent Operations Fund	Expendable Restricted Fund	Subtotal Current Funds	Plant Fund	Student Loan Fund	Endowment and Similar Funds	Agency Fund	University Total	Wayne State University Foundation Total	Total	2022 (as restated) Total
Assets														
Current Assets														
Cash, cash equivalents, and investments	$ 265,191	$ 68,040	$ 6,199	$ (45)	$ 139,414	$ 478,799	$ 91,101	$ 11,504	$ 1,615	$ 26,668	$ 609,687	$ 2,858	$ 612,545	$ 529,466
Current receivables - Net	52,923	12,404	4,309	717	34,204	104,557	2,084	138	-	7,399	114,178	266	114,444	113,212
Inventories	940	-	186	-	-	1,126	-	-	-	-	1,126	-	1,126	1,151
Prepaid expenses and deposits	51,104	303	559	1	342	52,309	(1,637)	-	-	274	50,946	-	50,946	48,161
Total current assets	370,158	80,747	11,253	673	173,960	636,791	91,548	11,642	1,615	34,341	775,937	3,124	779,061	691,990
Noncurrent Assets														
Investments	-	-	1,065	-		1,065	47,259	-	8,078	-	56,402	500,981	557,383	568,025
Noncurrent receivables - Net	-	5,276	-	30	1,021	6,327	40,438	14,972	-	-	61,737	69	61,806	57,960
Derivative instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital assets - Net	-	-	-	-	-	-	1,091,589	-	-	-	1,091,589	-	1,091,589	1,063,821
Total noncurrent assets	-	5,276	1,065	30	1,021	7,392	1,179,286	14,972	8,078	-	1,209,728	501,050	1,710,778	1,689,806
Total assets	370,158	86,023	12,318	703	174,981	644,183	1,270,834	26,614	9,693	34,341	1,985,665	504,174	2,489,839	2,381,796
Deferred Outflows of Resources	858	-	-	-	-	858	11,032	-	-	-	11,890	-	11,890	13,029
Liabilities														
Current Liabilities														
Accounts payable and accrued liabilities	43,921	2,649	3,823	151	12,022	62,566	29,813	-	320	28,692	121,391	224	121,615	143,059
Unearned revenue	131,721	6,292	2,361	-	30,736	171,110	54	-	-	-	171,164	-	171,164	158,343
Deposits	2,056	202	63	-	4	2,325	-	-	-	5,649	7,974	-	7,974	7,701
Long-term debt - Current portion	-	-	-	-	-	-	26,633	-	-	-	26,633	-	26,633	25,823
Total current liabilities	177,698	9,143	6,247	151	42,762	236,001	56,500	-	320	34,341	327,162	224	327,386	334,926
Noncurrent Liabilities														
Federal portion of student loan funds	-	-	-	-	-	-	-	15,630	-	-	15,630	-	15,630	16,803
Accrued employee benefits and other liabilities	17,515	-	2,186	-	-	19,701	-	-	3,593	-	23,294	-	23,294	25,762
Long-term debt - Net of current portion	-	-	-	-	-	-	541,054	-	-	-	541,054	-	541,054	567,923
Deriavative instruments	-	-	-	-	-	-	505	-	-	-	505	-	505	253
Total noncurrent liabilities	17,515	-	2,186	-	-	19,701	541,559	15,630	3,593	-	580,483	-	580,483	610,741
Total liabilities	195,213	9,143	8,433	151	42,762	255,702	598,059	15,630	3,913	34,341	907,645	224	907,869	945,667
Deferred Inflow of Resources	3,173	-	10,314	-	-	13,487	264,162	-	491	-	278,140	-	278,140	276,869
Net Position (Deficit)														
Net investment in capital assets	-	-	-	-	-	-	353,797	-	-	-	353,797	-	353,797	363,310
Restricted:														
Nonexpendable	-	-	-	-	-	-	-	6,628	2,058	-	8,686	281,661	290,347	274,352
Expendable	-	-	-	-	132,219	132,219	9,307	-	3,231	-	144,757	201,886	346,643	256,937
Unrestricted	172,630	76,880	(6,429)	552	-	243,633	56,541	4,356	-	-	304,530	20,403	324,933	277,690
Total net position (deficit)	$ 172,630	$ 76,880	$ (6,429)	$ 552	$ 132,219	$ 375,852	$ 419,645	$ 10,984	$ 5,289	$ -	$ 811,770	$ 503,950	$ 1,315,720	$ 1,172,289

Wayne State University

Combining Statement of Revenues, Expenses, Transfers, and Changes in Net Position (Deficit)
Year Ended September 30, 2023

(with comparative totals for the year ended September 30, 2022)
(in thousands)

Year Ended September 30

	2023 General Fund	2023 Designated Fund	2023 Auxiliary Activities Fund	2023 Independent Operations Fund	2023 Expendable Restricted Fund	2023 Subtotal Current Funds	2023 Plant Fund	2023 Student Loan Fund	2023 Endowment and Similar Funds	2023 Adjustments	2023 University Total	2023 Wayne State University Foundation Total	2023 Total	2022 (as restated) Total
Operating Revenues														
Student tuition and fees	$ 401,493	$ -	$ 9,502	$ -	$ -	$ 410,995	$ 141	$ -	$ -	$ -	$ 411,136	$ -	$ 411,136	$ 410,149
Less scholarship allowances	-	-	-	-	-	-	-	-	-	(140,118)	(140,118)	-	(140,118)	(130,401)
Net student tuition and fees	401,493	-	9,502	-	-	410,995	141	-	-	(140,118)	271,018	-	271,018	279,748
Federal grants and contracts	-	-	-	-	116,615	116,615	-	-	-	-	116,615	-	116,615	115,721
State and local grants and contracts	-	-	-	-	54,635	54,635	-	-	-	-	54,635	-	54,635	33,897
Nongovernmental grants and contracts	3,370	59,521	-	-	49,241	112,132	-	-	-	-	112,132	-	112,132	121,361
Departmental activities	11,853	11,551	-	1,985	1,551	26,940	(222)	-	-	-	26,718	-	26,718	25,228
Auxiliary enterprises - Net of scholarship allowances of $1,127 in 2023 and $968 in 2022	-	-	20,113	-	-	20,113	-	-	-	(1,127)	18,986	-	18,986	17,214
Recovery of indirect costs of sponsored programs	41,532	-	-	-	(41,532)	-	-	-	-	-	-	-	-	-
Other operating revenues	4,609	-	-	-	-	4,609	-	32	-	-	4,641	-	4,641	4,703
Total operating revenues	462,857	71,072	29,615	1,985	180,510	746,039	(81)	32	-	(141,245)	604,745	-	604,745	597,872
Operating Expenses														
Instruction	227,295	30,270	-	-	17,579	275,144	-	-	-	(2,685)	272,459	-	272,459	273,125
Research	47,462	3,442	-	-	113,837	164,741	-	-	-	(4,644)	160,097	-	160,097	151,053
Public service	2,013	15,005	-	4,511	52,702	74,231	-	-	-	(499)	73,732	-	73,732	59,960
Academic support	87,978	8,666	-	-	1,432	98,076	-	-	-	(12,657)	85,419	-	85,419	68,771
Student services	42,199	1,837	-	-	303	44,339	-	-	-	(63)	44,276	-	44,276	40,425
Institutional support	90,154	5,357	-	-	100	95,611	-	-	-	(1,293)	94,318	-	94,318	87,358
Operation and maintenance of plant	60,776	684	-	-	352	61,812	8,826	-	-	(2,746)	67,892	-	67,892	67,768
Scholarships and fellowships	92,900	377	-	-	61,669	154,946	-	-	-	(141,245)	13,701	-	13,701	52,653
Auxiliary enterprises	-	-	19,731	-	-	19,731	-	-	-	(99)	19,632	-	19,632	21,185
Depreciation	-	-	-	-	-	-	72,014	-	-	-	72,014	-	72,014	72,372
Capital additions - Net	-	-	-	-	-	-	(24,686)	-	-	24,686	-	-	-	-
Transfers out (in):														
Debt service	32,430	542	6,592	-	-	39,564	(39,564)	-	-	-	-	-	-	-
Loan matching	101	-	-	-	-	101	-	(101)	-	-	-	-	-	-
Plant improvement and extension	8,829	518	2,269	-	599	12,215	(12,215)	-	-	-	-	-	-	-
Other	(7,071)	7,229	-	-	(170)	(12)	-	12	-	-	-	-	-	-
Total operating expenses	685,066	73,927	28,592	4,511	248,403	1,040,499	4,375	(89)	-	(141,245)	903,540	-	903,540	894,670
Operating (Loss) Income	(222,209)	(2,855)	1,023	(2,526)	(67,893)	(294,460)	(4,456)	121	-	-	(298,795)	-	(298,795)	(296,798)

Combining Statement of Revenues, Expenses, Transfers, and Changes in Net Position (Deficit) (Continued)
Year Ended September 30, 2023
(with comparative totals for the year ended September 30, 2022)
(in thousands)

	Year Ended September 30													
	2023													2022 (as restated)
	General Fund	Designated Fund	Auxiliary Activities Fund	Independent Operations Fund	Expendable Restricted Fund	Subtotal Current Funds	Plant Fund	Student Loan Fund	Endowment and Similar Funds	Adjustments	University Total	Wayne State University Foundation Total	Total	Total
Nonoperating Revenues (Expenses)														
State operating appropriation	$ 213,376	$ -	$ -	$ -	$ 264	$ 213,640	$ -	$ -	$ -	$ -	$ 213,640	$ -	$ 213,640	$ 205,532
Federal Pell grant	-	-	-	-	38,980	38,980	-	-	-	-	38,980	-	38,980	38,054
Federal economic relief funds	-	-	-	-	-	-	-	-	-	-	-	-	-	57,386
Gifts	-	15,555	42	2,297	17,013	34,907	-	4	725	-	35,636	208	35,844	35,273
Investment income (loss):														
Change in fair value of derivatives	-	-	-	-	-	-	(252)	-	-	-	(252)	-	(252)	(781)
Endowment and similar funds	-	-	-	-	84	84	-	-	(84)	-	-	-	-	-
Other	9,328	17,097	12	(1)	1,302	27,738	435	228	444	-	28,845	55,976	84,821	(112,355)
Net distributions from the Foundation	4,654	458	-	7	15,851	20,970	46	9	(584)	-	20,441	(20,441)	-	-
Interest on capital asset - Related debt	-	-	-	-	-	-	(22,289)	-	-	-	(22,289)	-	(22,289)	(23,347)
Gain (loss) on capital assets retired	-	-	-	-	-	-	185	-	-	-	185	-	185	(10)
Other	-	-	-	-	-	-	25,894	(90)	(979)	-	24,825	-	24,825	10,149
Net nonoperating revenues (expenses)	227,358	33,110	54	2,303	73,494	336,319	4,019	151	(478)	-	340,011	35,743	375,754	209,901
Income (Loss) Before Other	5,149	30,255	1,077	(223)	5,601	41,859	(437)	272	(478)	-	41,216	35,743	76,959	(86,897)
Other														
State capital appropriation	-	-	-	-	-	-	-	-	-	-	-	-	-	4,171
Capital gifts and grants	-	-	-	-	50,000	50,000	963	-	-	-	50,963	-	50,963	600
Gifts for permanent endowments	-	-	-	-	-	-	-	-	-	-	-	15,509	15,509	15,150
Total other	-	-	-	-	50,000	50,000	963	-	-	-	50,963	15,509	66,472	19,921
Increase (Decrease) in Net Position	5,149	30,255	1,077	(223)	55,601	91,859	526	272	(478)	-	92,179	51,252	143,431	(66,976)
Net Position (Deficit) - Beginning of year	167,481	46,625	(7,506)	775	76,618	283,993	419,119	10,712	5,767	-	719,591	452,698	1,172,289	1,239,265
Net Position (Deficit) - End of year	**$ 172,630**	**$ 76,880**	**$ (6,429)**	**$ 552**	**$ 132,219**	**$ 375,852**	**$ 419,645**	**$ 10,984**	**$ 5,289**	**$ -**	**$ 811,770**	**$ 503,950**	**$ 1,315,720**	**$ 1,172,289**

Wayne State University

Combining Statement of Net Position (Deficit)
Year Ended September 30, 2022
(in thousands)

2022 (as restated)

	General Fund	Designated Fund	Auxiliary Activities Fund	Independent Operations Fund	Expendable Restricted Fund	Subtotal Current Funds	Plant Fund	Student Loan Fund	Endowment and Similar Funds	Agency Fund	University Total	Wayne State University Foundation Total	Total
Assets													
Current Assets													
Cash, cash equivalents, and investments	$ 263,803	$ 34,668	$ 4,992	$ 316	$ 78,710	$ 382,489	$ 74,262	$ 10,941	$ 1,572	$ 53,134	$ 522,398	$ 7,068	$ 529,466
Current receivables - Net	54,974	16,473	3,761	685	30,263	106,156	1,295	120	-	5,183	112,754	458	113,212
Inventories	831	-	320	-	-	1,151	-	-	-	-	1,151	-	1,151
Prepaid expenses and deposits	47,544	126	229	58	480	48,437	(538)	-	-	262	48,161	-	48,161
Total current assets	367,152	51,267	9,302	1,059	109,453	538,233	75,019	11,061	1,572	58,579	684,464	7,526	691,990
Noncurrent Assets													
Investments	-	-	1,528	-		1,528	112,927	-	7,831	-	122,286	445,739	568,025
Noncurrent receivables - Net	-	5,650	-	3	784	6,437	34,979	16,454	-	-	57,870	90	57,960
Derivative instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital assets - Net	-	-	-	-	-	-	1,063,821	-	-	-	1,063,821	-	1,063,821
Total noncurrent assets	-	5,650	1,528	3	784	7,965	1,211,727	16,454	7,831	-	1,243,977	445,829	1,689,806
Total assets	367,152	56,917	10,830	1,062	110,237	546,198	1,286,746	27,515	9,403	58,579	1,928,441	453,355	2,381,796
Deferred Outflows of Resources	1,324	-	-	-	-	1,324	11,705	-	-	-	13,029	-	13,029
Liabilities													
Current Liabilities													
Accounts payable and accrued liabilities	46,792	1,967	2,388	195	11,429	62,771	26,291	-	233	53,107	142,402	657	143,059
Unearned revenue	126,170	8,123	2,067	92	22,187	158,639	(296)	-	-	-	158,343	-	158,343
Deposits	1,960	202	64	-	3	2,229	-	-	-	5,472	7,701	-	7,701
Long-term debt - Current portion	-	-	-	-	-	-	25,823	-	-	-	25,823	-	25,823
Total current liabilities	174,922	10,292	4,519	287	33,619	223,639	51,818	-	233	58,579	334,269	657	334,926
Noncurrent Liabilities													
Federal portion of student loan funds	-	-	-	-	-	-	-	16,803	-	-	16,803	-	16,803
Accrued employee benefits and other liabilities	24,124	-	3,201	-	-	27,325	(4,475)	-	2,912	-	25,762	-	25,762
Long-term debt - Net of current portion	-	-	-	-	-	-	567,923	-	-	-	567,923	-	567,923
Deriavative instruments	-	-	-	-	-	-	253	-	-	-	253	-	253
Total noncurrent liabilities	24,124	-	3,201	-	-	27,325	563,701	16,803	2,912	-	610,741	-	610,741
Total liabilities	199,046	10,292	7,720	287	33,619	250,964	615,519	16,803	3,145	58,579	945,010	657	945,667
Deferred Inflow of Resources	1,949	-	10,616	-	-	12,565	263,813	-	491	-	276,869	-	276,869
Net Position (Deficit)													
Net investment in capital assets	-	-	-	-	-	-	363,310	-	-	-	363,310	-	363,310
Restricted:													
Nonexpendable	-	-	-	-	-	-	-	6,809	2,019	-	8,828	265,524	274,352
Expendable	-	-	-	-	76,618	76,618	7,556	-	3,748	-	87,922	169,015	256,937
Unrestricted	167,481	46,625	(7,506)	775	-	207,375	48,253	3,903	-	-	259,531	18,159	277,690
Total net position (deficit)	**$ 167,481**	**$ 46,625**	**$ (7,506)**	**$ 775**	**$ 76,618**	**$ 283,993**	**$ 419,119**	**$ 10,712**	**$ 5,767**	**$ -**	**$ 719,591**	**$ 452,698**	**$ 1,172,289**

Combining Statement of Revenues, Expenses, Transfers, and Changes in Net Position (Deficit)
Year Ended September 30, 2022
(in thousands)

Year Ended September 30

2022 (as restated)

	General Fund	Designated Fund	Auxiliary Activities Fund	Independent Operations Fund	Expendable Restricted Fund	Subtotal Current Funds	Plant Fund	Student Loan Fund	Endowment and Similar Funds	Adjustments	University Total	Wayne State University Foundation Total	Total
Operating Revenues													
Student tuition and fees	$ 401,616	$ -	$ 8,401	$ -	$ -	$ 410,017	$ 132	$ -	$ -	$ -	$ 410,149	$ -	$ 410,149
Less scholarship allowances	-	-	-	-	-	-	-	-	-	(130,401)	(130,401)	-	(130,401)
Net student tuition and fees	401,616	-	8,401	-	-	410,017	132	-	-	(130,401)	279,748	-	279,748
Federal grants and contracts	-	-	-	-	115,721	115,721	-	-	-	-	115,721	-	115,721
State and local grants and contracts	-	-	-	-	33,897	33,897	-	-	-	-	33,897	-	33,897
Nongovernmental grants and contracts	5,546	76,591	-	-	39,224	121,361	-	-	-	-	121,361	-	121,361
Departmental activities	11,734	10,566	-	1,620	1,256	25,176	52	-	-	-	25,228	-	25,228
Auxiliary enterprises - Net of scholarship allowances of $968 in 2022 and $696 in 2021	-	-	18,182	-	-	18,182	-	-	-	(968)	17,214	-	17,214
Recovery of indirect costs of sponsored programs	36,288	-	-	-	(36,288)	-	-	-	-	-	-	-	-
Other operating revenues	4,634	-	-	-	-	4,634	25	44	-	-	4,703	-	4,703
Total operating revenues	459,818	87,157	26,583	1,620	153,810	728,988	209	44	-	(131,369)	597,872	-	597,872
Operating Expenses													
Instruction	231,783	28,355	-	-	15,233	275,371	-	-	-	(2,246)	273,125	-	273,125
Research	46,443	1,692	-	-	110,050	158,185	-	-	-	(7,132)	151,053	-	151,053
Public service	1,830	16,431	-	3,931	38,175	60,367	-	-	-	(407)	59,960	-	59,960
Academic support	74,485	3,133	-	-	826	78,444	-	-	-	(9,673)	68,771	-	68,771
Student services	39,571	584	-	-	376	40,531	-	-	-	(106)	40,425	-	40,425
Institutional support	83,609	5,596	-	-	51	89,256	-	-	-	(1,898)	87,358	-	87,358
Operation and maintenance of plant	58,675	1,868	-	-	294	60,837	10,143	-	-	(3,212)	67,768	-	67,768
Scholarships and fellowships	102,436	185	-	-	81,401	184,022	-	-	-	(131,369)	52,653	-	52,653
Auxiliary enterprises	-	-	21,212	-	-	21,212	-	-	-	(27)	21,185	-	21,185
Depreciation	-	-	-	-	-	-	72,372	-	-	-	72,372	-	72,372
Capital additions - Net	-	-	-	-	-	-	(24,701)	-	-	24,701	-	-	-
Transfers out (in):													
Debt service	28,180	542	6,592	-	-	35,314	(35,314)	-	-	-	-	-	-
Loan matching	13	-	-	-	-	13	-	(13)	-	-	-	-	-
Plant improvement and extension	9,962	3,664	921	-	23	14,570	(14,570)	-	-	-	-	-	-
Other	(7,859)	(20,501)	(146)	-	28,474	(32)	-	32	-	-	-	-	-
Total operating expenses	669,128	41,549	28,579	3,931	274,903	1,018,090	7,930	19	-	(131,369)	894,670	-	894,670
Operating (Loss) Income	(209,310)	45,608	(1,996)	(2,311)	(121,093)	(289,102)	(7,721)	25	-	-	(296,798)	-	(296,798)

Combining Statement of Revenues, Expenses, Transfers, and Changes in Net Position (Deficit) (Continued)
Year Ended September 30, 2022
(in thousands)

Year Ended September 30

2022 (as restated)

	General Fund	Designated Fund	Auxiliary Activities Fund	Independent Operations Fund	Expendable Restricted Fund	Subtotal Current Funds	Plant Fund	Student Loan Fund	Endowment and Similar Funds	Adjustments	University Total	Wayne State University Foundation Total	Total
Nonoperating Revenues (Expenses)													
State operating appropriation	$ 205,245	$ -	$ -	$ -	$ 287	$ 205,532	$ -	$ -	$ -	$ -	$ 205,532	$ -	$ 205,532
Federal Pell grant	-	-	-	-	38,054	38,054	-	-	-	-	38,054	-	38,054
Federal economic relief funds	-	-	-	-	57,386	57,386	-	-	-	-	57,386	-	57,386
Gifts	-	17,521	13	2,259	13,729	33,522	-	10	1,026	-	34,558	715	35,273
Investment income (loss):													
Change in fair value of derivatives	-	-	-	-	-	-	(781)	-	-	-	(781)	-	(781)
Endowment and similar funds	-	-	-	-	111	111	-	-	(111)	-	-	-	-
Other	9,456	(54,228)	10	-	644	(44,118)	180	183	(199)	-	(43,954)	(68,401)	(112,355)
Net distributions from the Foundation	1,883	(9,137)	-	7	16,724	9,477	44	3	(626)	-	8,898	(8,898)	-
Interest on capital asset - Related debt	-	-	-	-	-	-	(23,347)	-	-	-	(23,347)	-	(23,347)
Gain (loss) on capital assets retired	-	-	-	-	-	-	(10)	-	-	-	(10)	-	(10)
Other	-	-	-	-	-	-	10,962	(96)	(717)	-	10,149	-	10,149
Net nonoperating revenues (expenses)	216,584	(45,844)	23	2,266	126,935	299,964	(12,952)	100	(627)	-	286,485	(76,584)	209,901
Income (Loss) Before Other	7,274	(236)	(1,973)	(45)	5,842	10,862	(20,673)	125	(627)	-	(10,313)	(76,584)	(86,897)
Other													
State capital appropriation	-	-	-	-	-	-	4,171	-	-	-	4,171	-	4,171
Capital gifts and grants	-	-	-	-	-	-	600	-	-	-	600	-	600
Gifts for permanent endowments	-	-	-	-	-	-	-	-	-	-	-	15,150	15,150
Total other	-	-	-	-	-	-	4,771	-	-	-	4,771	15,150	19,921
Increase (Decrease) in Net Position	7,274	(236)	(1,973)	(45)	5,842	10,862	(15,902)	125	(627)	-	(5,542)	(61,434)	(66,976)
Net Position (Deficit) - Beginning of year	160,207	46,861	(5,533)	820	70,776	273,131	435,021	10,587	6,394	-	725,133	514,132	1,239,265
Net Position (Deficit) - End of year	**$ 167,481**	**$ 46,625**	**$ (7,506)**	**$ 775**	**$ 76,618**	**$ 283,993**	**$ 419,119**	**$ 10,712**	**$ 5,767**	**$ -**	**$ 719,591**	**$ 452,698**	**$ 1,172,289**

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