

2022 FINANCIAL REPORT



**Michigan
Technological
University**



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THE MICHIGAN TECH *STRATEGIC PLAN*

VISION

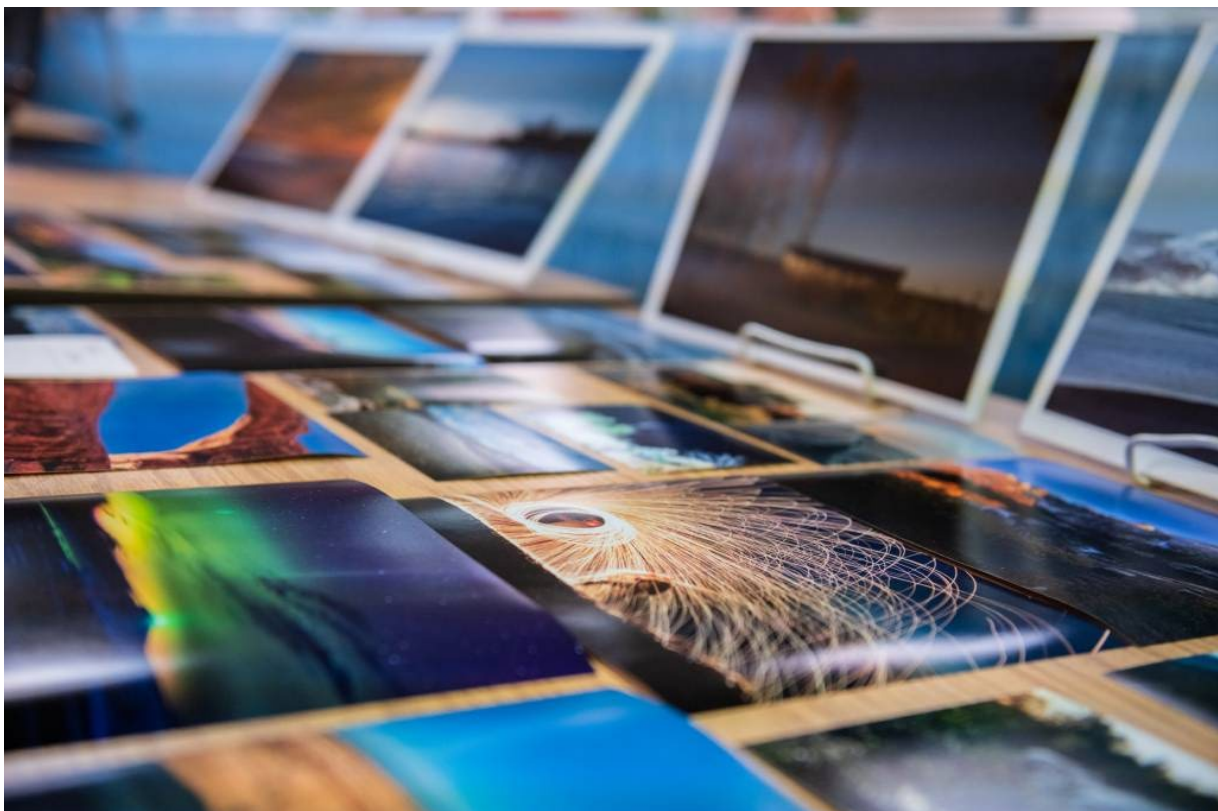
Michigan Tech is a globally recognized technological university that educates students, advances knowledge, and innovates to improve the quality of life and to promote mutual respect and equity for all people within the state, the nation, and the global community.

MISSION

Create solutions for society's challenges by delivering action-based undergraduate and graduate education, discovering new knowledge through research, and launching new technologies through innovation.

GOALS

1. Education: Provide a distinctive and rigorous action-based learning experience grounded in science, engineering, technology, business, sustainability, and an understanding of the social and cultural contexts of our contemporary world.
2. Scholarship: Enhance research, scholarship, entrepreneurship, innovation, and creative activities that promote sustainable economic prosperity, health and safety, ethical conduct, and responsible use of resources.
3. People: Foster and support an exceptional and diverse community of students, faculty, and staff.





LETTER FROM THE *PRESIDENT*

Over the past four years, Michigan Tech has pursued a path of excellence as a premier national university positioned to lead the US in the Fourth Industrial Revolution.

Evidence suggests we are on the right track. The University has experienced unprecedented demand from prospective students, federal research agencies, employers, and the community at large.

In fall 2022, our incoming first-year student class will be the second largest since 1983 and is on par for the most academically proficient on record (back to 1991) measured by high school GPA and SAT. And, thanks to the efforts of faculty researchers like Raymond Shaw, who received over \$3.5 million in grants from the National Science Foundation and the US Department of Energy, the University's research expenditures hit a historic high. Accomplishments like this punctuate the need to grow Michigan Tech's physical infrastructure.

The Vision 2035 Campus Plan, which was completed in early 2022, ensures that Michigan Tech remains equipped for the academic and research demands of tomorrow. In April, the University broke ground on our new H-STEM Complex, which will support integrated educational and research programs in health-related and human-centered technological innovations. Future capital projects include the Center for Convergence and Innovation, renovations to the Memorial Union Building, and new on-campus residential housing.

And Michigan Tech's reach extends beyond teaching and research in the Keweenaw. In fall 2021, we met demand from our community partners by opening a satellite office in Traverse City. These efforts complement Michigan Tech's existing partnerships with Northwestern Michigan College and collaborations with Traverse City's K-12 educational system, to better meet the economic development needs of the region.

This is on top of employers' growing demand for Michigan Tech graduates. Job placement rates six months post-graduation average 94 percent. Payscale reports midcareer earnings of \$120,900 annually for Michigan Tech graduates. And hiring managers say many of their brightest engineers are from MTU.

Our graduates go on to become the world's leading CEOs and business leaders. And, as alumni, they see the potential in Tech. In 2021-22, our supporters graciously donated a near all-time high of \$47.01 million—6.87 percent more than last year's impressive total of \$43.98 million and the second-largest fundraising year in MTU history. Their vote of confidence in our programs, students, and research supports our move into an era of growth for Michigan Tech.



As a result, our community and state will enjoy innovations that make life better through our Tech Forward research. Our campus community will enjoy the modern conveniences of updated facilities, classrooms, and technologies. Our students and faculty will reap the benefits of donor support through scholarships, professorships, endowed chairs, and other forms of philanthropy. And finally, we will all be part of a more inclusive and diverse community by growing our student and teaching populations.

The state of Michigan, our region, and our country should demand nothing less.

Thank you,

Rick Koubek
President



ADMINISTRATIVE OFFICERS

BOARD OF TRUSTEES

TERMS ENDING DECEMBER 31 OF YEAR SHOWN

2022	Matthew Johnson	Brenda Ryan, Vice Chair
2024	Derhun Sanders	Steven Tomaszewski
2026	John Bacon	Jeffrey Littmann, Chair
2028	Andrea Dickson	Jon Jipping

EXECUTIVE AND BOARD OFFICERS

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President

Jacqueline Huntoon
Provost and Senior Vice President for Academic
Affairs

Susan Kerry
Chief Financial Officer and Senior
Vice President for Administration
Treasurer of the Board of Trustees

Wayne Gersie
Vice President for Diversity and Inclusion

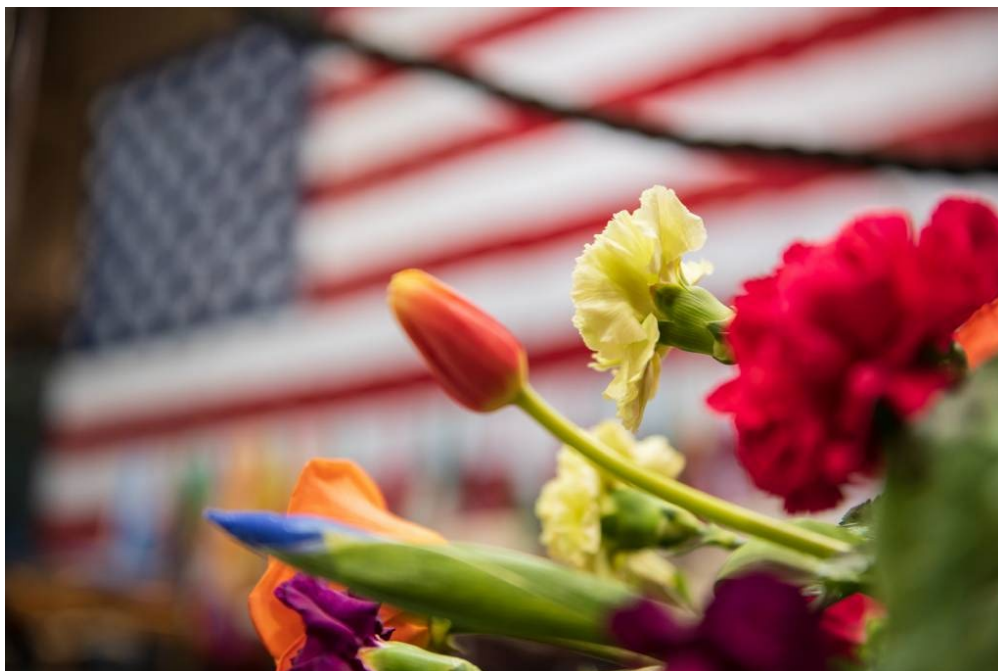
David Reed
Vice President for Research

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Engagement

John Lehman
Vice President for University Relations and Enrollment

Sarah Schulte
Secretary of the Board of Trustees

Wallace Southerland, III
Vice President for Student Affairs and Dean of
Students



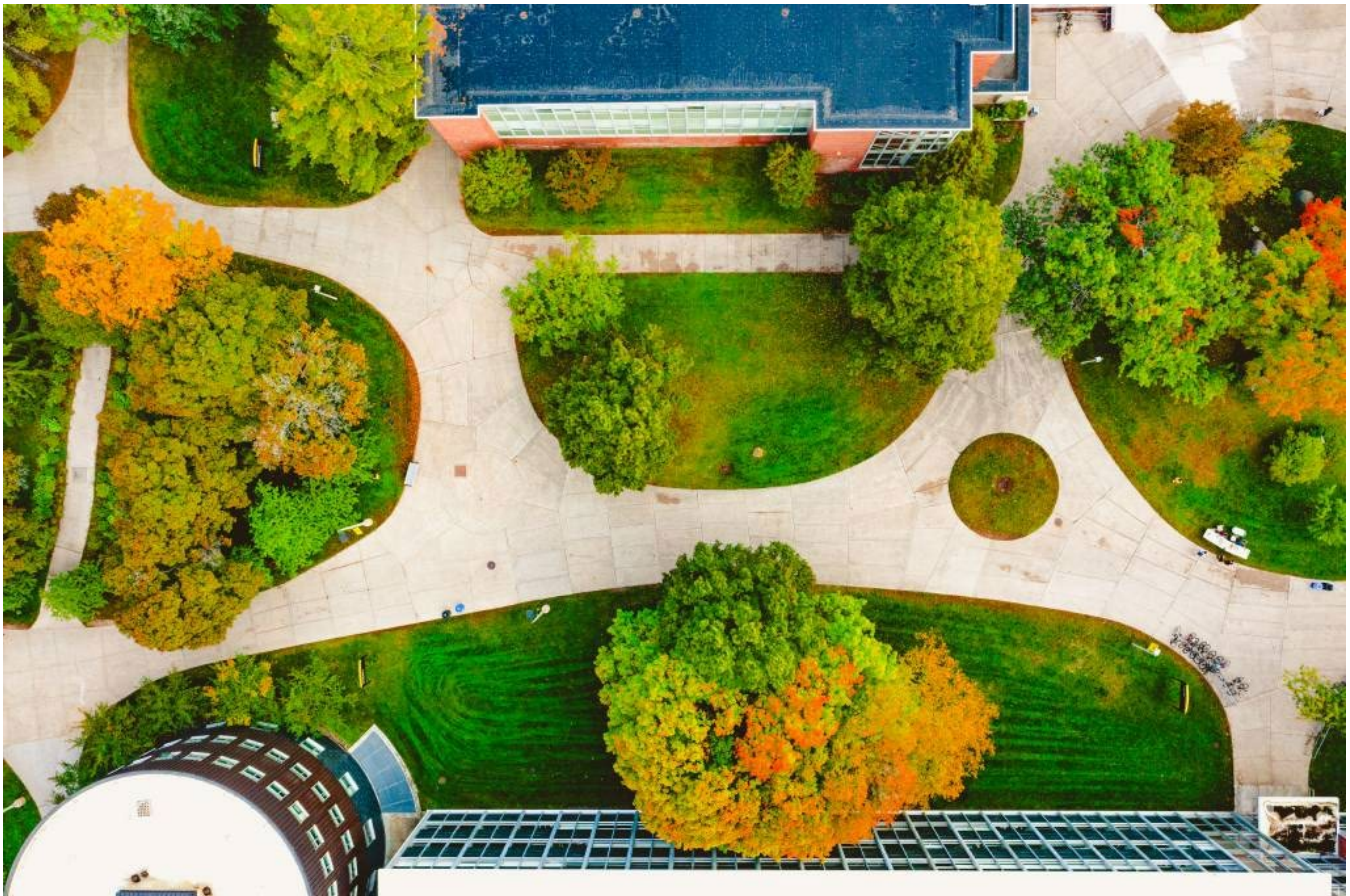
UNIVERSITY *UPDATE*

Michigan Tech will enter the 2022-23 academic year with one of the strongest long-term enrollment records seen among Michigan's public universities and many exciting projects underway, including construction of our H-STEM Engineering and Health Technologies Complex.

The University saw a surge in enrollment for the fall 2021 semester, welcoming 1,480 new undergraduate students—23 percent more than in fall 2020. The Class of 2025 was the University's largest incoming class since 1982. It was also the most diverse, with 162 students identifying as members of underrepresented racial and ethnic groups. These new Huskies drove the percentage of students identifying as women at Tech up to 29 percent, and total enrollment rose by 3 percent.

Michigan Tech's steady enrollment trends are drawing attention state- and nationwide. The University is one of only three public universities in Michigan where enrollment has increased since 2012. Prospective students demand flexibility and demonstrated return on investment, and Tech has proven that we can deliver both. And in October 2021, we launched Michigan Tech Global Campus to reach students seeking online graduate degrees and certificates, including working professionals and career changers.

MTU Flex remained in place throughout 2021-22, allowing the University to respond with flexibility to the COVID-19 pandemic in order to minimize disruption to students, faculty, and staff. Now, with vaccines and testing widely available in the local community and advances in public knowledge regarding the virus, this healthcare issue no longer requires the same level of caretaking. At the instruction of President Rick Koubek, and with his thanks to all contributors, MTU Flex was dissolved in June 2022.



Independent Auditor's Report

To the Board of Trustees
Michigan Technological University

Report on the Audits of the Financial Statements

Opinion

We have audited the financial statements of Michigan Technological University (the "University"), a component unit of the State of Michigan, as of and for the years ended June 30, 2022 and 2021 and the related notes to the financial statements, which collectively comprise the University's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the University as of June 30, 2022 and 2021 and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 opinion. The financial statements of the Michigan Tech Fund, a blended component unit, were not audited under *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the 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 opinion. 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.

To the Board of Trustees
Michigan Technological University

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 Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the University's proportionate share of the net pension liability and schedule of university pension contributions, schedule of the University's proportionate share of the net OPEB liability and schedule of university OPEB contributions, and schedule of changes in the University's total OPEB liability and related information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 supplemental 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.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the University's basic financial statements. The schedule of net position by fund; schedule of revenues, expenses and changes in net position by fund by object; and schedule of revenues, expenses and changes in net position by fund by function are presented for the purpose of additional analysis and are 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 audits 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 schedule of net position by fund; schedule of revenues, expenses and changes in net position by fund by object; and schedule of revenues, expenses and changes in net position by fund by function are fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Board of Trustees
Michigan Technological University

Other Information

Management is responsible for the other information included in the basic financial statements. The other information comprises the Michigan Tech strategic plan, the letter from the president, the listing of administrative officers, and the university update. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2022 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.



October 25, 2022



MANAGEMENT'S **DISCUSSION AND ANALYSIS**

This discussion and analysis section of the Michigan Technological University ("University") annual financial report provides an overview of its financial activities during the fiscal years ended June 30, 2022, 2021, and 2020. University management has prepared the financial statements and the related footnote disclosures along with this discussion and analysis. Responsibility for the completeness and fairness of this information rests with University management.

USING THE ANNUAL REPORT

The University's financial report includes three financial statements: the Statements of Net Position; the Statements of Revenues, Expenses, and Changes in Net Position; and the Statements of Cash Flows. These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, which establish standards for external financial reporting for public colleges and universities and require that financial statements be presented to focus on the University as a whole. The financial statements report information about the University using accrual accounting methods similar to those used by private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

REPORTING ENTITY

The Michigan Tech Fund ("Fund") is a component unit of the University and its activity has been blended into the University's financial statements.



FEDERAL CORONAVIRUS RELIEF FUNDS

During fiscal year 2020, the University was awarded Federal coronavirus relief aid of \$4,605,779 from the Higher Education Emergency Relief Fund I (HEERF I), and recognized \$80,538 of revenue on the Statements of Revenues, Expenses and Changes in Net Position. During fiscal year 2021, the University was awarded Federal coronavirus relief aid of \$6,991,814 from the Higher Education Emergency Relief Fund II (HEERF II) and \$12,364,790 from the Higher Education Emergency Relief Fund III (HEERF III). Awards received under HEERF I, HEERF II, and HEERF III have a student and an institutional component, with the restriction on the student component having to be satisfied before the institutional component can be recognized as revenue. During the fiscal year ended June 30, 2021, the University recognized \$11,456,581 in revenue from HEERF I and II funding, and \$5,615,100 in revenue from the State of Michigan Coronavirus Relief Funds, which can be found on the Statements of Revenues, Expenses and Changes in Net Position under Nonoperating Revenues (Expenses). During fiscal year ended June 30, 2022, the University recognized \$12,420,301 in revenue from HEERF I, II, and III funding, which can be found in the Statements of Revenues, Expenses and Changes in Net Position under Nonoperating Revenues (Expenses).

CONDENSED STATEMENTS OF NET POSITION

The Statements of Net Position include all assets and liabilities of the University as well as deferred outflows and inflows of resources. Over time, increases and decreases in net position is one indicator of the improvement or erosion of the University's financial health when considered with operating measures such as enrollment levels, research activities, and the physical condition of facilities.

CONDENSED STATEMENTS OF NET POSITION AS OF JUNE 30

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Assets			
Current assets	\$ 67,354,666	\$ 58,692,682	\$ 46,853,171
Noncurrent assets:			
Capital assets, net	221,435,068	221,553,124	227,503,910
Other	275,883,254	262,868,880	204,634,328
Total assets	564,672,988	543,114,686	478,991,409
Deferred outflows of resources	16,291,832	6,656,404	5,739,106
Liabilities			
Current liabilities	35,448,551	32,283,267	32,524,812
Noncurrent liabilities	164,085,656	174,136,637	182,521,765
Total liabilities	199,534,207	206,419,904	215,046,577
Deferred inflows of resources	34,777,926	13,324,871	2,789,044
Net position			
Net investment in capital assets	135,834,427	135,790,477	138,086,386
Restricted			
Nonexpendable	112,022,233	106,282,134	104,236,751
Expendable	108,014,222	116,071,789	70,460,591
Unrestricted	(9,218,195)	(28,118,085)	(45,888,834)
Total net position	\$ 346,652,687	\$ 330,026,315	\$ 266,894,894

Changes from 2021 to 2022

Total assets of the University increased by \$21.5 million. The main drivers of the increase in assets were cash and accounts receivable. Cash increased due to proceeds from a bond issuance for the construction of the H-STEM Complex which broke ground in April, and from the operations of the University returning to a more normal, pre-pandemic level. The increase in accounts receivable was due to increased billings on research grants and contracts.



Total liabilities decreased by \$6.9 million in fiscal year 2022. Long-term debt did increase during the fiscal year as a result of the bond issuance for the construction of the H-STEM Complex and refunding Series 2012A bonds. The Series 2021 bonds totaled \$29.9 million and were rated A1 by Moody's. Liabilities in total decreased because both the net pension and OPEB liabilities that are passed through to the University from the Michigan Public Schools Employees Retirement System (MPSERS) decreased significantly.

Deferred outflows of resources decreased by \$9.6 million and deferred inflows increased by \$21.5 million. The notable changes to those line items were from a \$9.5 million special allocation of funding from the State of Michigan for the MPSERS unfunded liability.

Total net position increased by \$27.7 million. The majority of the increase was in the unrestricted category resulting from the reduction in the MPSERS net pension and OPEB liabilities.

Changes from 2020 to 2021

Total assets of the University increased by \$64.1 million. The main driver of the increase in assets was from the investment portfolios held by the University and the Fund, which both experienced double-digit returns. Another significant increase was in the pledge receivable category. The Fund received a large pledge for scholarships that will benefit students at the University for many years into the future. Cash also increased due the receipt of Federal coronavirus relief funds.

Total liabilities decreased by \$8.6 million in fiscal year 2021. The net OPEB liability that is passed through to the University from the Michigan Public Schools Employees Retirement System (MPSERS) had a significant decrease.

Deferred inflows of resources increased by \$10.5 million. The increase was due to a change in the accounting treatment of irrevocable split-interest agreements by the Fund.

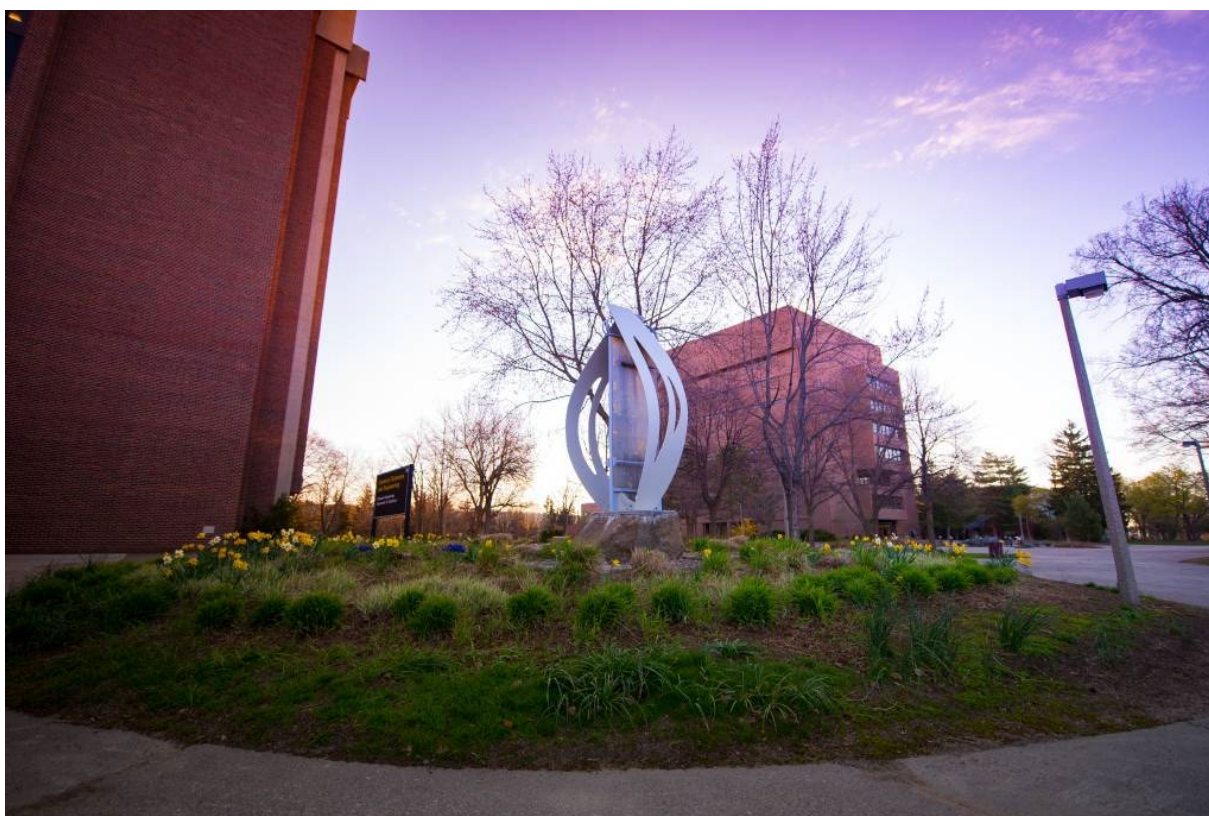
Total net position increased by \$63.1 million. The majority of the increase was in the restricted-expendable category. Net appreciation on endowment investments is in this category and strong investment returns drove the increase.



NET POSITION

Net position represents the residual interest in the University's assets and deferred outflow of resources after liabilities and deferred inflows of resources are deducted. The composition of the University's net position is summarized as follows:

NET POSITION SUMMARY			
AS OF JUNE 30			
	2022	2021	2020
Net investment in capital assets	\$ 135,834,427	\$ 135,790,477	\$ 138,086,386
Restricted-nonexpendable net position - endowment	112,022,233	106,282,134	104,236,751
Restricted-expendable net position			
Gifts and sponsored programs	42,427,034	47,795,171	29,481,983
Capital projects and debt service	14,420,741	2,530,518	2,551,281
Student loans	6,905,878	8,760,339	10,710,918
Net appreciation on permanent endowment funds and land held for investment	44,260,569	56,985,761	27,716,409
Total restricted-expendable net position	108,014,222	116,071,789	70,460,591
Unrestricted net position (deficit)			
Capital projects and repairs	8,026,310	6,942,720	3,961,572
Auxiliary enterprises	1,793,775	1,291,901	4,589,683
Designated for departmental use	30,878,458	27,194,753	20,989,583
Pension and OPEB plans	(67,361,873)	(81,699,973)	(88,365,351)
Uncommitted	17,445,135	18,152,514	12,935,679
Total unrestricted net position (deficit)	(9,218,195)	(28,118,085)	(45,888,834)
Total net position	\$ 346,652,687	\$ 330,026,315	\$ 266,894,894





Net investment in capital assets represents the University's capital assets plus unspent bond proceeds net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. The net change from year to year reflects the University's improvement, maintenance, and usage of its capital assets in accordance with its long-range capital plan.

Restricted nonexpendable net position represents the historical value (corpus) of gifts to the University's permanent endowment funds. Restricted expendable net position is restricted by a party independent of the University or by law. This includes restrictions related to gifts, research contracts, grants, outstanding debt, student-loan programs, and net appreciation of permanent endowment funds.

Unrestricted net position represents those balances from operational activities of the University that have not been restricted by parties independent of the University. This includes designated funds that the Board of Trustees and management have designated for specific purposes, such as public service activities or academic and research initiatives. Unrestricted net position also includes amounts that have been contractually committed for goods and services that have not been received by fiscal year-end.

CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The Statements of Revenues, Expenses, and Changes in Net Position present the revenues earned and expenses incurred during the fiscal year. Revenues are reported as either operating or nonoperating. State appropriations and gifts are classified as nonoperating revenues which will always result in operating losses for the University.

CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION YEAR ENDED JUNE 30

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating revenues			
Tuition and fees, net	\$ 102,157,014	\$ 98,248,502	\$ 101,082,940
Grants and contracts	64,011,490	55,608,186	49,635,791
Educational activities	4,892,474	4,456,771	3,643,172
Auxiliary and departmental activities, net	29,202,079	20,521,130	26,965,146
Total operating revenues	200,263,057	178,834,589	181,327,049
Operating expenses			
Compensation and benefits	162,656,867	163,681,571	174,337,667
Supplies and services	60,731,662	48,752,132	49,073,033
Student financial support	16,946,785	15,330,746	11,240,114
Utilities	6,516,613	6,263,372	6,303,890
Depreciation	14,318,065	14,464,888	14,767,842
Total operating expenses	261,169,992	248,492,709	255,722,546
Operating loss	(60,906,935)	(69,658,120)	(74,395,497)
Nonoperating revenues (expenses) and other revenues			
Federal Pell grants	5,031,356	5,104,880	5,383,769
State appropriations	53,337,200	50,795,200	44,953,000
Other nonoperating revenues and expenses, net	19,164,751	76,889,461	17,789,624
Net nonoperating revenues (expenses) and other revenues	77,533,307	132,789,541	68,126,393
Net increase (decrease) in net position	16,626,372	63,131,421	(6,269,104)
Net position			
Beginning of year	330,026,315	266,894,894	273,163,998
End of year	\$ 346,652,687	\$ 330,026,315	\$ 266,894,894

Changes from 2021 to 2022

Overall, the University experienced a \$21.4 million increase to operating revenues. Tuition and fees, net increased due to an enrollment increase that featured the largest incoming first-year class in over three decades. With students back on campus for the full school year, revenues increased for the residence halls and other auxiliary enterprises. Research revenues from grants and contracts were up as well.

Operating expenses increased by \$12.7 million. That increase is skewed by an over \$14 million pension and OPEB recovery passed through to the University from the MPSERS retirement plan. Excluding the non-cash MPSERS recoveries in fiscal year 2022 and 2021, operating expenses were up by almost \$20 million. University operations returned to a more normal, pre-pandemic level during fiscal year 2022, and expenses increased accordingly to provide more campus services.

Nonoperating revenues (expenses) and other revenues decreased by \$55.3 million. The large decreases came from investment losses, decreased gifts and less revenue from Federal coronavirus relief funds.

Changes from 2020 to 2021

Overall, the University experienced a \$2.5 million decrease to operating revenues. Tuition and fees, net decreased due to a slight enrollment decline because of the pandemic. Revenues from auxiliary and departmental activities suffered from the pandemic as well, as students were given room and board refunds when there were shifts to remote learning. Research grants and contract revenue increased as faculty were able to continue with their research during the pandemic.

Operating expenses decreased by \$7.2 million. Compensation and benefits decreased due to a large credit passed through to the University from the MPSERS OPEB plan. In addition, budget reallocations were undertaken by the University due to the pandemic. Student financial support increased due to satisfying the student portion of Federal coronavirus relief funding.

Nonoperating revenues (expenses) and other revenues increased by \$64.7 million. State appropriations increased compared to the prior year. The University had its State appropriations reduced in fiscal year 2020 due to the pandemic and the funding was restored to a more normal level in fiscal year 2021. Other nonoperating revenues (expenses), net increased significantly due to the receipt of Federal coronavirus relief funds, strong investment returns, and increased charitable giving.



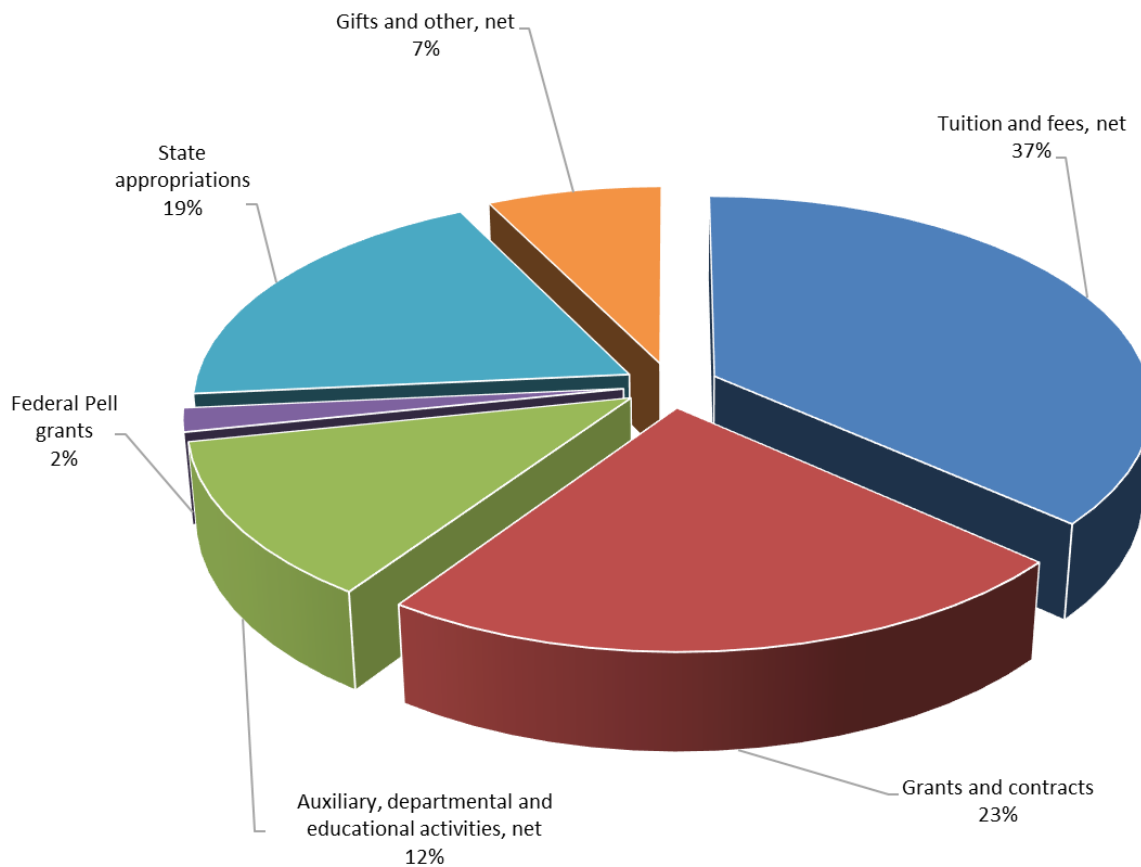


Revenue Diversification

The University relies on multiple sources of revenues to supplement student tuition. The University continues to aggressively increase funding from other sources consistent with its mission.

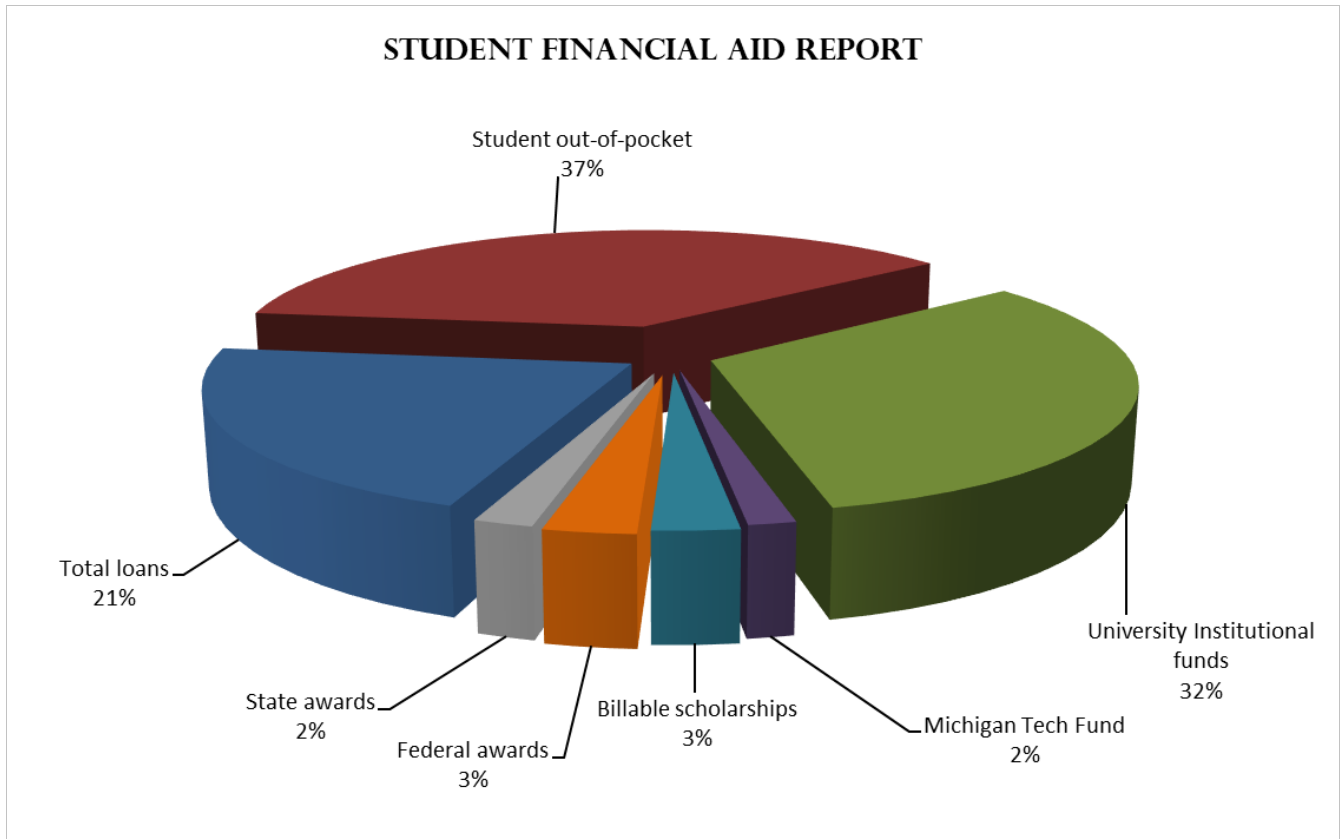
The following graph illustrates the fiscal year 2022 revenues by source:

SOURCES OF REVENUES



TUITION AND FEES REVENUE

The University provides students with the opportunity to obtain a quality education at a price that is subsidized by state funding. For fiscal year 2022, the University implemented a 3% average increase in tuition and mandatory fees for Michigan resident undergraduates. Graduate students saw a 4.5% increase in tuition and mandatory fees. The following graph identifies the source of funds used to pay student tuition and fees for the fiscal year ended June 30, 2022. The graph shows that 41% of student tuition and fees are provided by the University, donors to the University, or various grant and scholarship programs.



GRANT AND CONTRACT REVENUE

The University receives revenues for sponsored programs from governmental and private sources, which provide for the direct and indirect costs of performing sponsored activities. The University also receives revenues from the federal government and its agencies for student grants. There were \$79.1 and \$71.2 million of research and sponsored programs awarded to the University in fiscal years 2022 and 2021, respectively. The University currently has 18 interdisciplinary research institutes and centers that have enabled the University to maintain its growing recognition as a research institution. The University also operates off-campus research facilities in Hancock, Michigan and Ann Arbor, Michigan.

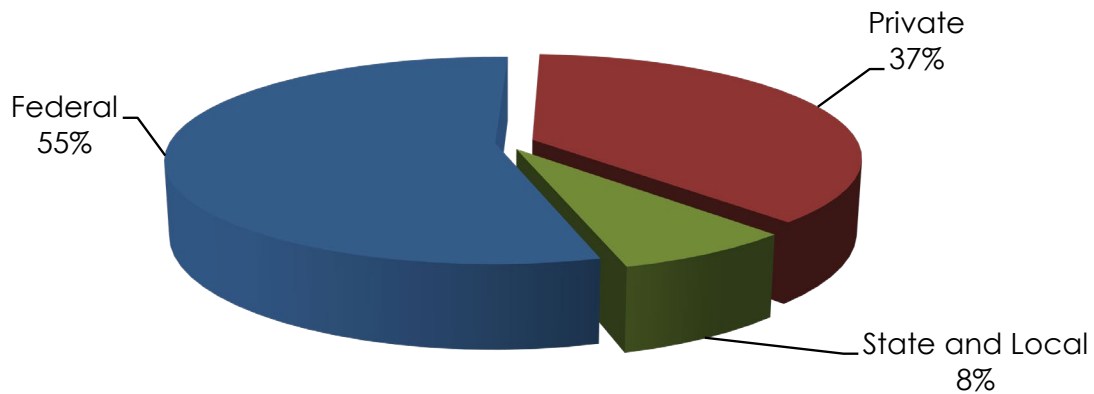




**GRANT AND CONTRACT REVENUE
YEAR ENDED JUNE 30**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Federal sources:			
Department of Agriculture	\$ 2,013,267	\$ 1,836,306	\$ 2,098,683
Department of Defense	12,375,121	12,033,433	8,476,314
Department of Education	478,114	531,842	568,952
Department of Energy	3,453,939	2,508,254	1,526,756
Department of Interior	637,551	1,070,028	799,761
Department of Transportation	789,291	406,975	363,017
Environmental Protection Agency	132,896	162,853	126,813
National Aeronautics and Space Administration	4,807,182	3,927,372	4,210,025
National Science Foundation	8,567,875	6,935,289	6,126,328
Health and Human Services	2,912,673	2,266,570	2,662,718
Other federal sources	670,474	546,908	740,607
Repayments	(1,583,372)	(1,741,655)	(2,585,315)
Total federal sources	35,255,011	30,484,175	25,114,659
Non-federal sources:			
State and local	4,828,756	3,800,457	4,076,024
Private	23,927,723	21,323,554	20,445,108
Total non-federal sources	28,756,479	25,124,011	24,521,132
Total all sources	\$ 64,011,490	\$ 55,608,186	\$ 49,635,791

The following graph illustrates the fiscal year 2022 grant and contract revenue by source.



OPERATING EXPENSES BY FUNCTION

Functional classifications are the traditional categories that universities have used for expenses. They represent the types of programs and services that the University provides.

FUNCTIONAL EXPENSES			
YEAR ENDED JUNE 30			
	2022	2021	2020
Instruction	\$ 63,503,367	\$ 62,431,697	\$ 68,520,081
Research	67,515,569	60,016,828	59,159,329
Public service	9,935,341	11,027,767	9,768,499
Academic support	23,709,211	21,078,846	22,555,415
Student services	15,254,827	13,810,086	15,985,526
Institutional support	20,145,820	23,081,412	24,913,814
Operations and maintenance of plant	14,540,735	13,640,128	13,738,173
Student financial support	19,381,790	16,267,506	12,470,722
Departmental activities	6,193,379	4,232,924	6,838,574
Student residents	6,671,888	8,440,627	7,004,571
Depreciation	14,318,065	14,464,888	14,767,842
Total	\$ 261,169,992	\$ 248,492,709	\$ 255,722,546

Overall, expenses increased by less than 1% in fiscal year 2022 compared to fiscal 2021 and decreased by 3% in fiscal year 2021 compared to fiscal year 2020. The year-over-year comparisons are skewed by non-cash pension and OPEB recoveries of \$14.3 million, \$6.7 million, and \$581,000 that were passed through to the University from the MPSERS defined benefit plan in fiscal years 2022, 2021, and 2020, respectively. The non-cash recoveries were allocated to the various functions based on payroll, so those categories with higher payroll, such as instruction and institutional support, have more dynamic swings from year to year. Research expenses have been increasing year-over-year as the University has been awarded more grants and contracts.

The pandemic caused changes in the functional categories. For instance, student financial support expenses increased in each fiscal year compared to the preceding fiscal year due to the distribution of federal coronavirus relief funds to students.



CONDENSED STATEMENTS OF CASH FLOWS

Another way to assess the financial health of an institution is to look at its Statement of Cash Flows. Its primary purpose is to provide relevant information about sources and uses of cash of an entity during a period. The Statements of Cash Flows also help users assess an entity's ability to generate future net cash flows, its ability to meet its obligations as they come due, and its needs for external financing. The



Statements of Cash Flows present information related to cash inflows and outflows summarized by operating, noncapital financing, capital and related financing, and investing activities.

**CONDENSED STATEMENTS OF CASH FLOWS
YEAR ENDED JUNE 30**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Cash (used in) provided by			
Operating activities	\$ (59,133,307)	\$ (59,517,363)	\$ (58,114,055)
Noncapital financing activities	78,088,967	73,776,014	62,034,256
Capital and related financing activities	1,837,583	(7,321,222)	(7,904,720)
Investing activities	(3,566,611)	(921,726)	7,121,156
Net change in cash and cash equivalents	17,226,632	6,015,703	3,136,637
Cash and cash equivalents, beginning of the year	35,658,834	29,643,131	26,506,494
Cash and cash equivalents, end of the year	\$ 52,885,466	\$ 35,658,834	\$ 29,643,131

Changes from 2021 to 2022

Cash from operating activities increased slightly. Whereas more cash was received for tuition and fees, student residence fees, departmental and education activities, and research grants and contracts, more cash was also spent on providing those services.

Cash from noncapital financing activities increased. The increase was from cash received from State appropriations.

Cash from capital and related financing activities increased significantly. During fiscal year 2022, the Series 2021 bond issuance provided cash to be used to construct the H-STEM Complex.

Cash from investing activities decreased due to the purchase of investments being greater than the sales of investments during fiscal year 2022.

Overall, cash increased by \$17.2 million with most of the increase coming from the receipt of proceeds from the issuance of the Series 2021 bonds.

Changes from 2020 to 2021

Cash from operating activities decreased. Less cash was received from tuition and fees, student residence fees, and departmental activities due to an enrollment decline and the suspension of many campus operations during the pandemic. Cash received from research did increase, however, with research still being performed during the pandemic.

Cash from noncapital financing activities increased significantly. The increase was from cash received from Federal coronavirus relief funds.

Cash from capital and related financing activities was stable. The series 2010A bonds were refunded in fiscal year 2021 with the series 2020B bonds.

Cash from investing activities decreased due to less investments being sold in fiscal year 2021.

Overall, cash increased by \$6.0 million with most of the increase coming from the receipt of Federal coronavirus relief funds.

FACTORS IMPACTING FUTURE PERIODS

Enrollment

Admission is open to all students on a competitive basis. The University's incoming first-year students consistently have average ACT scores greater than the national average. The following tables show that about 22% of accepted students enroll at the University. Michigan residents account for 70% of the University's enrollment. Enrollment has been a priority of the University and is a part of its Strategic Plan.

ACCEPTED STUDENTS					
SUMMER AND FALL TERMS					
	2021	2020	2019	2018	2017
First-Year Students	6,895	5,260	4,442	4,313	4,074
Transfer Students	339	296	310	298	342
Graduate Students	1,433	1,525	1,655	1,566	1,616
Total	8,667	7,081	6,407	6,177	6,032

**AVERAGE ACT SCORES FOR
INCOMING FIRST-YEAR STUDENTS, FALL**

	Michigan	
	Tech	National
2021	27.7	20.3
2020	27.5	20.6
2019	27.6	20.7
2018	27.3	20.8
2017	27.2	21.0

**SELECTED ENROLLMENT DATA*
SUMMER AND FALL TERMS**

	2021	2020	2019	2018	2017
First-Year Students	1,479	1,201	1,301	1,245	1,323
New Transfer Students	151	149	159	156	189
Graduate Students	385	242	389	396	434
Total	2,015	1,592	1,849	1,797	1,946

ENROLLMENT BY RESIDENCY*

	2021	2020	2019	2018	2017
Resident	4,818	4,704	4,755	4,746	4,766
Non-Resident	1,408	1,376	1,389	1,470	1,478
International	598	607	768	900	1,000
Total	6,824	6,687	6,912	7,116	7,244

*Does not include Distance Learning



FULL-TIME EQUIVALENT STUDENTS BY RESIDENCY*

	2021	2020	2019	2018	2017
Resident	4,582	4,443	4,475	4,482	4,471
Non-Resident	1,344	1,307	1,324	1,401	1,393
International	562	559	730	858	936
Total	6,488	6,309	6,529	6,741	6,800

*Does not include Distance Learning

Degrees Awarded

The University awards four levels of degrees: Associate's, Bachelor's, Master's, and Doctoral/Professional. Listed below is a five-year history of degrees awarded.

	DEGREES AWARDED				
	2022	2021	2020	2019	2018
Associate	5	5	2	1	1
Bachelor's	1,164	1,173	1,170	1,160	1,120
Master's	353	424	357	448	438
Doctoral	74	84	85	86	93
Total	1,596	1,686	1,614	1,695	1,652



MICHIGAN TECHNOLOGICAL UNIVERSITY
STATEMENTS OF NET POSITION

	June 30	
	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 42,336,097	\$ 35,658,834
Accounts receivable, net	22,328,410	20,166,958
Pledges receivable, net	1,452,494	1,661,638
Other assets	1,237,665	1,205,252
Total current assets	67,354,666	58,692,682
Noncurrent assets		
Student loans receivable, net	4,677,979	6,208,258
Pledges receivable, net of allowance and current portion	17,615,926	17,377,039
Restricted cash for capital projects - unspent bond proceeds	10,549,369	-
Investments	228,200,878	229,480,734
Beneficial interest in charitable remainder trusts	6,806,179	7,778,511
Capital assets, net	221,435,068	221,553,124
Net OPEB asset - MPSERS	4,825,977	-
Other assets	3,206,946	2,024,338
Total noncurrent assets	497,318,322	484,422,004
Total assets	564,672,988	543,114,686
Deferred outflows of resources		
Deferred pension amounts	14,970,540	5,288,372
Deferred OPEB amounts	1,321,292	1,368,032
Total deferred outflows of resources	16,291,832	6,656,404
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	26,285,345	22,517,903
Unearned revenue	4,798,631	3,902,502
Annuity obligations, current portion	452,757	432,612
Insurance and benefit reserves	1,357,943	1,434,353
Long-term debt, current portion	2,553,875	3,995,897
Total current liabilities	35,448,551	32,283,267
Noncurrent liabilities		
Enrollment deposits	308,450	466,150
Annuity obligations, net of current portion	4,973,765	5,218,433
Long-term debt, net of current portion	92,661,726	81,304,743
Net pension liability	63,410,817	77,330,320
Net OPEB liability - MPSERS	-	4,770,992
Net OPEB liability - single employer plan	2,730,898	5,045,999
Total noncurrent liabilities	164,085,656	174,136,637
Total liabilities	199,534,207	206,419,904
Deferred inflows of resources		
Deferred pension amounts	19,577,145	1,078,884
Deferred OPEB amounts	2,760,822	130,182
Deferred gain on refunding	1,450,004	-
Deferred split-interest agreement amounts	10,989,955	12,115,805
Total deferred inflows of resources	34,777,926	13,324,871
Net position		
Net investment in capital assets	135,834,427	135,790,477
Restricted:		
Nonexpendable	112,022,233	106,282,134
Expendable:		
Academic support and student financial support	86,687,603	104,780,932
Capital projects	14,420,741	2,530,518
Student loans	6,905,878	8,760,339
Unrestricted	(9,218,195)	(28,118,085)
Total net position	\$ 346,652,687	\$ 330,026,315

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



MICHIGAN TECHNOLOGICAL UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	Year Ended June 30	
	2022	2021
Revenues		
Operating revenues		
Student tuition and fees (net of scholarship allowances of \$50,169,849 and \$43,935,267 in 2022 and 2021, respectively)	\$ 102,157,014	\$ 98,248,502
Federal grants and contracts	35,255,011	30,484,175
State and local grants and contracts	4,828,756	3,800,457
Nongovernmental grants and contracts	23,927,723	21,323,554
Educational activities	4,892,474	4,456,771
Departmental activities	9,475,834	5,418,921
Student residence fees (net of scholarship allowances of \$9,742,905 and \$7,193,869 in 2022 and 2021, respectively)	19,726,245	15,102,209
Total operating revenues	200,263,057	178,834,589
Expenses		
Operating expenses		
Compensation and benefits	162,656,867	163,681,571
Supplies and services	60,731,662	48,752,132
Student financial support	16,946,785	15,330,746
Utilities	6,516,613	6,263,372
Depreciation	14,318,065	14,464,888
Total operating expenses	261,169,992	248,492,709
Operating loss	(60,906,935)	(69,658,120)
Nonoperating revenues (expenses)		
Federal Pell grants	5,031,356	5,104,880
Federal grants, other	529,047	628,494
Federal coronavirus relief funds	12,420,301	17,071,681
State appropriations	53,337,200	50,795,200
Gifts	10,532,471	26,059,645
Investment (loss) return	(7,540,534)	26,946,630
Interest on capital asset-related debt	(3,551,392)	(3,551,233)
Loss on disposal of capital assets	(327,947)	(82,333)
Net nonoperating revenues	70,430,502	122,972,964
Loss before other revenues	9,523,567	53,314,844
Other revenues		
Capital grants and gifts	1,606,692	779,867
Gifts for permanent endowment purposes	5,385,720	8,975,679
Other revenues	110,393	61,031
Total other revenues	7,102,805	9,816,577
Change in net position	16,626,372	63,131,421
Net position		
Beginning of year	330,026,315	266,894,894
End of year	\$ 346,652,687	\$ 330,026,315

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

MICHIGAN TECHNOLOGICAL UNIVERSITY
STATEMENTS OF CASH FLOWS

	Year Ended June 30	
	2022	2021
Cash flows from operating activities		
Student tuition and fees	\$ 101,834,719	\$ 98,862,384
Grants and contracts	62,457,389	54,029,281
Payments to employees	(133,281,335)	(128,141,974)
Payments for benefits	(42,582,346)	(41,626,886)
Payments to suppliers	(60,186,239)	(47,663,429)
Payments for utilities	(6,516,613)	(6,263,372)
Payments for financial aid	(16,946,785)	(15,330,746)
Loans issued to students	(104,757)	(130,500)
Collection of loans to students	1,635,033	1,881,109
Departmental activities	9,438,322	5,352,567
Educational activities	5,426,555	4,103,030
Student residence fees	19,643,426	15,210,344
William D. Ford direct lending cash received	25,099,679	26,763,626
William D. Ford direct lending cash disbursed	(25,117,885)	(26,757,588)
Other receipts	67,530	194,791
Net cash used in operating activities	(59,133,307)	(59,517,363)
Cash flows from noncapital financing activities		
Federal Pell grants	4,874,132	5,072,264
Federal coronavirus relief funds	12,949,348	17,701,659
State appropriations	53,232,346	45,138,810
Gifts and grants for other than capital purposes	7,356,276	6,190,695
Payments to annuitants	(433,528)	(388,445)
Other receipts	110,393	61,031
Net cash from noncapital financing activities	78,088,967	73,776,014
Cash flows from capital and related financing activities		
Grants and gifts received for capital and endowment purposes	6,537,752	9,414,685
Proceeds from sale of capital assets	37,512	66,354
Purchases of capital assets	(12,271,154)	(9,308,721)
Proceeds from issuance of debt refinancing	37,903,391	7,725,000
Principal paid on capital debt and leases	(26,941,886)	(11,326,927)
Interest paid on capital debt and leases	(3,428,032)	(3,891,613)
Net cash from (used in) capital and related financing activities	1,837,583	(7,321,222)
Cash flows from investing activities		
Proceeds from sales and maturities of investments	31,728,964	31,544,438
Purchase of investments	(39,004,371)	(35,639,469)
Income on investments	3,708,796	3,173,305
Net cash used in investing activities	(3,566,611)	(921,726)
Net change in cash and cash equivalents	17,226,632	6,015,703
Cash and cash equivalents, beginning of year	35,658,834	29,643,131
Cash and cash equivalents, end of year	\$ 52,885,466	\$ 35,658,834
Cash and cash equivalents per statement of net position	\$ 42,336,097	\$ 35,658,834
Restricted cash for capital projects - unspent bond proceeds	10,549,369	-
Total cash and cash equivalents per statement of net position	\$ 52,885,466	\$ 35,658,834

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



MICHIGAN TECHNOLOGICAL UNIVERSITY
STATEMENTS OF CASH FLOWS (CONTINUED)

	Year Ended June 30	
	2022	2021
Reconciliation of operating loss to net cash from operating activities		
Operating loss	\$ (60,906,935)	\$ (69,658,120)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation expense	14,318,065	14,464,888
Noncash gifts	(192,682)	(265,143)
Changes in operating assets and liabilities:		
Receivables, net	(2,112,000)	(42,673)
Other assets	(33,472)	1,241,881
Student loans receivable	1,530,279	1,750,609
Accounts payable and other accrued liabilities	1,919,520	1,756,795
Unearned revenue	896,128	(1,925,318)
Enrollment deposits	(137,700)	(276,501)
Insurance and benefit reserves	(76,410)	101,597
Change in net pension and OPEB liability and deferred amounts	(14,338,100)	(6,665,378)
Net cash used in operating activities	\$ (59,133,307)	\$ (59,517,363)

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



NOTES TO THE FINANCIAL STATEMENTS

(1) BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

Reporting Entity

Michigan Technological University ("University") is an institution of higher education and is considered to be a component unit of the State of Michigan because its Board of Trustees is appointed by the Governor of the State of Michigan. Accordingly, the University is included in the State's financial statements as a discretely presented component unit. Transactions with the State of Michigan relate primarily to appropriations for operations, grants from various state agencies, State Building Authority (SBA) revenues, and payments to the state retirement system for University employees.

The University has two component units which are described below. The descriptions include the impact that each component unit has on the University.

The Michigan Tech Fund ("Fund") is a legally separate tax-exempt component unit of the University. The primary purpose of the Fund is to receive, invest, and disburse gifts received on behalf of the University. The Fund provides services entirely to the University and has substantially the same governing body. The Fund is blended into the University's financial statements because management of the University has operational responsibility for the Fund and the Fund exclusively benefits the University. The June 30, 2022, audited financial statements of the Fund can be obtained from its office at 1400 Townsend Drive, Houghton, MI 49931, or at www.mtu.edu/giving/about/tech-fund/.

The Michigan Tech Entrepreneurial Support Corporation (MTEESC) is a legally separate tax-exempt component unit of the University. The primary purpose of the MTEESC is to support the entrepreneurial and commercial development efforts of the University. The MTEESC meets the criteria for blending its financial activity into the University's financial statements. The MTEESC provides services entirely to the University and has substantially the same governing body. The University, however, has excluded the MTEESC's financial activity from the financial statements due to insignificance.

The financial statements include the operations of the University and the Fund, collectively known as the University's financial statements. All significant accounts and transactions between the Fund and the University have been eliminated.

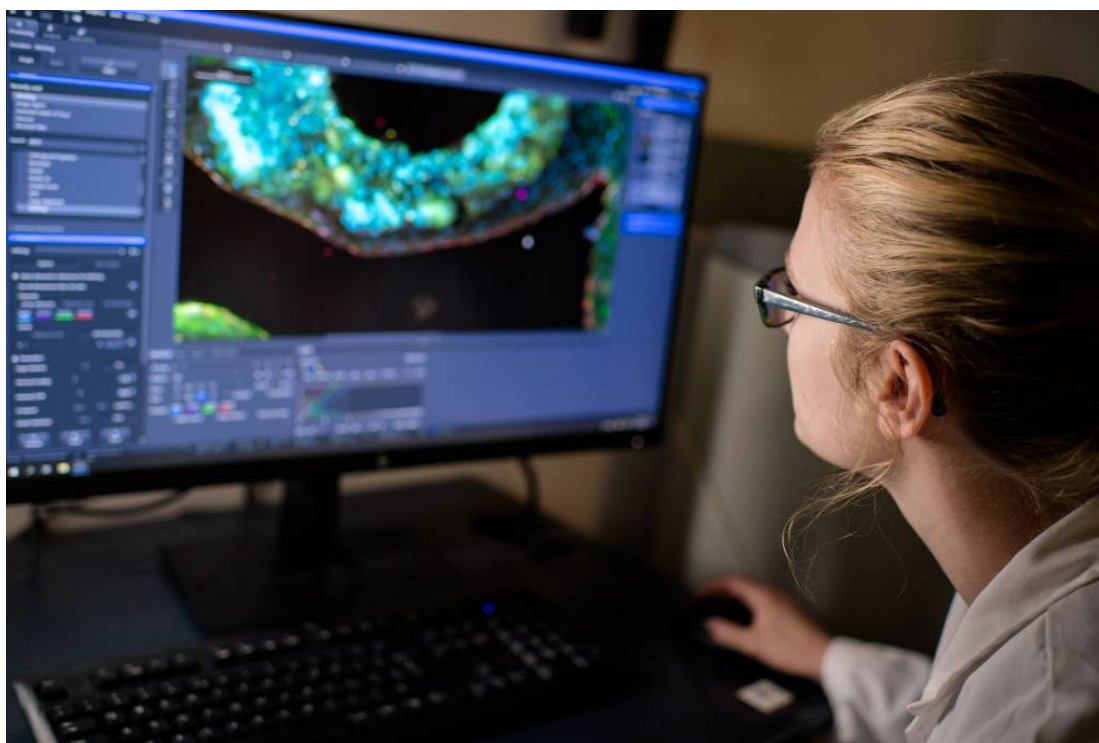




Condensed financial information for the Michigan Tech Fund is provided below:

MICHIGAN TECH FUND
CONDENSED STATEMENTS OF NET POSITION
AS OF JUNE 30

	<u>2022</u>	<u>2021</u>
Assets		
Current assets	\$ 11,687,013	\$ 12,837,883
Noncurrent assets:		
Investments	171,980,194	177,644,281
Accounts receivable from the University	271,000	378,000
Other	26,650,507	26,201,344
Total assets	210,588,714	217,061,508
Liabilities		
Current liabilities:		
Accounts payable to the University	267,018	-
Other	478,704	633,000
Noncurrent liabilities	4,973,765	5,218,433
Total liabilities	5,719,487	5,851,433
Deferred inflows	10,989,955	12,115,805
Net position		
Restricted		
Nonexpendable	112,022,233	106,282,134
Expendable	72,667,830	84,012,420
Unrestricted	9,189,209	8,799,716
Total net position	\$ 193,879,272	\$ 199,094,270



MICHIGAN TECH FUND
CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30

	2022	2021
Operating expenses		
Supplies and services	\$ 12,332,766	\$ 9,475,174
Student financial support	3,025,139	2,200,584
Total operating expenses	15,357,905	11,675,758
Operating loss	(15,357,905)	(11,675,758)
Nonoperating revenues (expenses) and other revenues		
Gifts	10,581,204	25,717,004
Investment (loss) return	(7,226,708)	22,036,700
Gifts for capital and permanent endowment purposes	6,678,018	9,260,231
Other revenues	110,393	61,031
Net nonoperating revenues and other revenues	10,142,907	57,074,966
Change in net position	(5,214,998)	45,399,208
Net position		
Beginning of year	199,094,270	153,695,062
End of year	\$ 193,879,272	\$ 199,094,270

MICHIGAN TECH FUND
CONDENSED STATEMENTS OF CASH FLOWS
YEAR ENDED JUNE 30

	2022	2021
Cash flows from		
Operating activities	\$ (15,265,328)	\$ (11,407,463)
Noncapital financing activities	7,081,874	5,520,640
Capital and related financing activities	6,768,877	9,062,989
Investing activities	473,910	(2,178,851)
Net increase in cash and cash equivalents	(940,667)	997,315
Cash and cash equivalents, beginning of year	11,168,260	10,170,945
Cash and cash equivalents, end of year	\$ 10,227,593	\$ 11,168,260

Basis of Presentation

The accompanying financial statements have been prepared using the economic resource measurement focus and the accrual basis of accounting. In accordance with governmental accounting standards, the University follows all applicable Governmental Accounting Standards Board (GASB) pronouncements. In applying these accounting pronouncements, the University follows the guidance for special-purpose governments engaged only in "business type" activities rather than issuing financial statements that focus on accountability of individual funds.



Use of Estimates

The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include, but are not limited to, the allowance for doubtful accounts and pledges receivable, accrued compensated absences, net pension and other post employment benefits (OPEB) liabilities, insurance claims incurred but not reported, fair value of investments that are not readily marketable, and life expectancies for split-interest gift agreements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

The University considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. On the Statements of Net Position, restricted cash (unspent bond proceeds) is segregated from cash and cash equivalents and included in noncurrent assets. For the Statements of Cash Flows, however, restricted cash is included in the beginning and ending balances of cash and cash equivalents.

Pledges Receivable and Gifts

Pledges receivable and gifts are recognized at their fair values as revenues in the periods received. Pledges receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows. All pledges receivable are recorded at their net realizable values.

Investments

The University's and Fund's investments in marketable securities are carried at quoted fair market value whenever possible. The University also holds land for investment purposes which functions as an endowment and is recorded at fair value. Fair value is arrived at through independent appraisals of the land and of the timber holdings. Alternative investments consisting of hedge funds, private equity funds and other limited partnership interests, are valued using net asset value as a practical expedient.

Capital Assets

The University currently uses a \$5,000 capitalization threshold for capital assets acquired with an estimated useful life in excess of one year. Physical properties are stated at cost when purchased. Donated capital assets are recorded at acquisition value on date of receipt. Depreciation is provided for physical properties on a straight-line basis over the estimated useful life of the property, generally as follows:

Classification	Life
Buildings	40 years
Land improvements and infrastructure	20 years
Equipment	7 years
Computer equipment	5 years
Library books	5 years

Revenue Recognition

Revenues are recognized when earned. State appropriation revenue is recognized in the period for which it is appropriated. Restricted grant revenue is recognized only to the extent expended. Restricted and unrestricted resources are allocated to the appropriate departments within the University that are responsible for adhering to any donor restrictions. Student tuition and fee revenues and student residence fee revenues are reported net of scholarship allowances in the Statements of Revenues, Expenses and Changes in Net Position. Scholarship allowances represent the difference between the

stated charge for goods and services provided by the University and the amount that is paid by the students or third parties on behalf of the students, where the University has discretion over such expenses.

Operating and Nonoperating Revenues

The University's policy for defining operating activities as reported on the statement of revenues, expenses, and changes in net position is to report those activities that generally result from exchange transactions, such as payments received for providing services and payments made for services or goods received. Nearly all the University's expenses are from exchange transactions. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues due to their non-exchange nature, which include state appropriations and investment income. Restricted and unrestricted resources are spent and tracked within donor guidelines, if any, by the awarded University department. Federal Pell grant revenue is also classified as nonoperating. The amounts received for 2022 and 2021 are \$5,031,356 and \$5,104,880 respectively.

Classification of Expenses

Expenses are recognized when the service is provided or when materials are received. The University and the Fund have classified expenses as either operating or nonoperating expenses according to the following criteria:

Operating Expenses

Operating expenses include activities that have the characteristics of exchange transactions, such as (1) employee salaries, benefits, and related expenses; (2) scholarships and fellowships, net of scholarship discounts and allowances; (3) utilities, supplies, and other services; (4) professional fees; and (5) depreciation expense related to University capital assets.

Nonoperating Expenses

Nonoperating expenses include activities that have the characteristics of nonexchange transactions, such as interest on capital asset-related debt and other expenses that are defined as nonoperating expenses by governmental accounting standards.





Income Taxes

The University is classified as a political subdivision of the State of Michigan under Internal Revenue Code Section 115(A) and is, therefore, exempt from federal income taxes. Certain activities of the University, to the extent profitable, may be subject to taxation as unrelated business income under Internal Revenue Code Sections 511 to 514. No such taxes were incurred for either fiscal year presented in this report. The Fund is exempt from federal income taxes under Internal Revenue Code section 501(c)(3).

Net Position

The University's net position is classified as follows:

Net investment in capital assets

Capital assets, net of accumulated depreciation, unspent bond proceeds, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Restricted for nonexpendable purposes

Net position from gifts and other inflows of assets that represent permanent endowments. Use of these gifts is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by the University.

Restricted for expendable purposes

Net position whose use is subject to externally imposed stipulations that can be fulfilled by actions of the University pursuant to those stipulations or that expire by the passage of time. Such net position includes net appreciation of permanent endowment funds and funds designated for student financial aid and other University programs. Under Michigan law set forth in Uniform Prudent Management of Institutional Funds Act, as adopted in Michigan in 2009 ("UPMIFA"), the Board acts in a fiduciary capacity as trustee of its endowment funds. UPMIFA requires that the Board exercise its fiduciary duties prudently and consider both the charitable purposes and needs of the University and the purposes of the specific endowment regarding current expenditures and preservation of the purchasing power of the funds. Under the programmatic spending policy established by the Board, 3.8% and 3.7% of the average market value of endowment investments for the twelve quarters of the three fiscal years prior to the beginning of the fiscal year was authorized for expenditure for fiscal year 2022 and 2021.

Unrestricted

Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of the University's Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

Deferred Outflows of Resources

In addition to assets, the Statements of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to one or more future periods and so will not be recognized as an outflow of resources (expense) until then. The University reports deferred outflows of resources for certain pension and OPEB related amounts, such as change in expected and actual experience, changes in assumptions, and certain contributions made to the plan subsequent to the measurement date.

Deferred Inflows of Resources

In addition to liabilities, the Statements of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The University reports deferred inflows of resources for certain pension and OPEB related amounts, such as the difference between projected and

actual earnings of the pension plan's investments and appropriations received for the pension plan subsequent to the measurement date. The University reports deferred inflows of resources for irrevocable split-interest agreements such as charitable remainder trusts, charitable gift annuities and pooled income funds. The remainder interests of split-interest agreements cannot be recognized as revenue until after the split-interest agreement is terminated. The University reports deferred inflows of resources for the gain on refunding of defeased debt.

Pension

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

Postemployment Benefits Other Than Pensions

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

GASB Pronouncements Adopted

Effective for the fiscal year ended June 30, 2022, the University adopted GASB Statement No. 87, ("GASB 87"). This statement establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources on the Statement of Net Position. The adoption of GASB 87 had a minimal impact on the University's financial statements.

Effective for the fiscal year ended June 30, 2021, the University adopted GASB Statement No. 84, Fiduciary Activities, ("GASB 84"). This statement establishes criteria for identifying fiduciary activities and the related reporting requirements for fiduciary activities. GASB 84 permits certain entities, such as the University, to report activities that would otherwise require separate fiduciary fund financial statements within the University's Statement of Net Position and Statement of Cash Flows as an operating activity if upon receipt, the funds are normally expected to be held for three months or less.

Upcoming GASB Statements

In May 2020, the Governmental Accounting Standards Board issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The University is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the University's fiscal year ending June 30, 2023.

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 non-cash 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's financial statements for the year ending June 30, 2025.



(2) CASH AND INVESTMENTS

Authorizations

The University utilizes the “pooled cash” method of accounting for substantially all of its cash and cash equivalents. The University investment policies are governed and authorized by University Bylaws and the Board of Trustees. The Fund’s investment policies are governed by its Board of Directors and the performance of its investments is monitored by its Investment Committee.

Interest rate risk

The University has investment guidelines and the Fund has an investment policy statement which divide investments into pools based on liquidity needs, duration, and appropriate risk versus return percentage. The maturities of the University’s fixed income investments as of June 30 are categorized below:

INVESTMENT MATURITIES

	June 30, 2022			
	Fair Value	Less than 1 Year	1 to 5 Years	6 to 10 Years
Mutual funds - fixed Income	\$ 85,304,098	\$ 9,164,503	\$ 64,814,057	\$ 11,325,538
Corporate bonds and notes	363,076	35,024	209,615	118,437
US government obligations	967,425	126,580	678,425	162,420
Total	\$ 86,634,599	\$ 9,326,107	\$ 65,702,097	\$ 11,606,395

	June 30, 2021			
	Fair Value	Less than 1 Year	1 to 5 Years	6 to 10 Years
Mutual funds - fixed Income	\$ 79,524,899	\$ 7,864,700	\$ 26,045,665	\$ 45,614,534
Corporate bonds and notes	425,700	-	240,339	184,361
US government obligations	1,050,980	272,575	481,653	296,752
Total	\$ 81,001,579	\$ 8,137,275	\$ 26,767,657	\$ 46,095,647



Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is mitigated by limiting investments to those approved by Board policy and by diversifying the investment portfolio so that the failure of any one issuer or backer will not place an undue financial burden on the University. The University had the following debt instruments subject to interest rate fluctuations at June 30, 2022 and 2021:

	Market Value June 30, 2022	Rating	Rating Agency	Market Value June 30, 2021	Rating	Rating Agency
Mutual funds - fixed income	\$ 803,496	5-star	Morningstar	\$ 169,432	5-star	Morningstar
Mutual funds - fixed income	17,292,683	4-star	Morningstar	15,570,261	4-star	Morningstar
Mutual funds - fixed income	36,723,708	3-star	Morningstar	39,133,949	3-star	Morningstar
Mutual funds - fixed income	389,675	Not available		101,835	Not available	
Mutual funds - fixed income	18,795,075	AA Average Quality		17,788,766	AA Average Quality	
Mutual funds - fixed income	5,650,449	AA- Average Quality		6,760,656	AA- Average Quality	
Mutual funds - fixed income	5,649,010	A+ Average Quality		-		
Corporate bonds and notes						
Arrow Electrs Note	10,038	BBB-	S&P	10,516	BBB-	S&P
Abbvie Inc Sr Note	9,028	BBB+	S&P	9,652	BBB+	S&P
Boeing Co Debenture	24,564	BBB-	S&P	27,637	BBB-	S&P
Stryker Corp Sr Note	9,834	A-	S&P	10,924	A-	S&P
Walgreens Boots Alliance Inc Note	8,762	BBB	S&P	9,804	BBB	S&P
Coca Cola Enterprises Inc Debenture	10,369	A+	S&P	31,673	A+	S&P
Baker Hughes A GE Co LLC Sr Note	-			10,334	A-	S&P
Microsoft Corp Note	10,081	AAA	S&P	10,738	AAA	S&P
Raytheon Co Debenture	12,331	A-	S&P	14,280	A-	S&P
Celgene Corp Sr Note	14,729	A+	S&P	16,668	A+	S&P
Apple Inc.	-			25,537	AA+	S&P
Chevron Corp	24,937	AA-	S&P	26,464	AA-	S&P
Intel Corp	22,307	A+	S&P	26,312	A+	S&P
Pfizer	24,986	A+	S&P	26,273	A+	S&P
Royal Bank of Canada	24,130	A	S&P	26,198	A	S&P
Visa Inc	24,610	AA-	S&P	27,350	AA-	S&P
Prudential PLC	-			10,828	Not available	
Comcast Corp	46,608	A-	S&P	52,443	A-	S&P
State Street Corp	43,610	A	S&P	52,069	A	S&P
Blackrock Inc	20,648	AA-	S&P	-		
Merck & Co Inc	21,505	A+	S&P	-		
US government obligations						
Fed Farm Credit Bk	60,862	AA+	S&P	68,295	AA+	S&P
Fed Home Ln Mtg Corp	-			10,122	AA+	S&P
US Treasury Notes	857,791	AAA	Moody's	920,507	AAA	Moody's
Fed National Mortgage Assn	48,773	AA+	S&P	52,056	AA+	S&P
Total	<u>\$ 86,634,599</u>			<u>\$ 81,001,579</u>		

Custodial credit risk: deposits

For deposits, custodial credit risk is present if the University's deposits would not be covered by depository insurance or collateralized by the bank. Deposits were reflected in the accounts of the banks of \$53,290,476 and \$35,866,361 as of June 30, 2022 and 2021, respectively. The University had \$13,524,154 and \$15,391,342 exposed to custodial credit risk because the deposits were uninsured or uncollateralized, as of June 30, 2022 and 2021, respectively.

Custodial credit risk: investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investments or collateral securities that are in the possession of 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 and book entry form. All investments are in the name of the University or Fund, as applicable, and the investments are held in accounts with each financial institution from which they were purchased.

Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. Neither the University's nor the Fund's investment policy has specific limits on concentration of credit risk. The following investments comprise more than 5% of the total investments as of June 30:

	Market Value June 30, 2022	Market Value June 30, 2021
Vanguard Total Bond Market	\$ 36,486,424	\$ 38,500,794
Vanguard Total Stock Market ETF	18,496,454	22,762,178
Vanguard International Equity Index Fund	16,690,276	21,464,300
Commonfund Core Equity Fund *	N/A	11,505,342
Total	\$ 71,673,154	\$ 94,232,614

* This investment does not comprise more than 5% of total investments at June 30, 2022.

Foreign currency risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. All of the University's foreign investments at June 30, 2022 and 2021 are valued in US dollars, therefore the University was not subject to foreign currency risk.



Investments and Investment Return

Investments, carried at fair value, at June 30, are categorized as follows:

	2022	2021
INVESTMENT PORTFOLIO		
Marketable securities		
Equities	\$ 22,879,083	\$ 30,103,411
Equity mutual funds	57,552,966	72,026,434
Fixed income mutual funds	86,634,599	81,001,579
Total marketable securities	167,066,648	183,131,424
Alternative investments		
Hedge funds	8,050,302	7,153,471
Real estate and natural resources	11,874,087	8,423,652
Private equity limited partnerships	27,509,045	19,558,811
Global credit	2,312,213	2,045,657
Total alternative investments	49,745,647	37,181,591
Closely-held stock	20,000	20,000
Land held for investment	11,368,583	9,147,719
Total investments	\$ 228,200,878	\$ 229,480,734

The University's net investment return is comprised of the following for the years ended June 30:

	2022	2021
INVESTMENT RETURN		
Dividends and interest	\$ 3,551,413	\$ 3,236,534
Net gain (loss) on sale of investments	3,094,095	5,418,037
Net (decrease) increase in the fair value of investments	(13,560,593)	18,797,009
Investment fees	(625,449)	(504,950)
Total investment return	\$ (7,540,534)	\$ 26,946,630

The following tables present information about the University's assets measured at fair value on a recurring basis at June 30, 2022 and 2021 and the valuation techniques used by the University to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the University has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset.

In instances where 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 judgement and considers factors specific to each asset.



The fair values of investments measured on a recurring basis at June 30, 2022 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$ 22,879,083	\$ 22,879,083	\$ -	\$ -
Equity mutual funds	42,630,399	42,630,399	-	-
Fixed income mutual funds	56,540,066	56,176,990	363,076	-
Land held for investment	11,368,583	-	-	11,368,583
Closely-held stock	20,000	-	-	20,000
Total investments by fair value level	133,438,131	\$ 121,686,472	\$ 363,076	\$ 11,388,583
Investments measured at the net asset value:				
Commonfund equity funds	14,922,566			
Commonfund fixed income funds	30,094,534			
Hedge funds	8,050,302			
Real estate and natural resources	11,874,087			
Private equity limited partnerships	27,509,045			
Global credit	2,312,213			
Total investments at the net asset value	94,762,747			
Total investments	\$ 228,200,878			
Beneficial interest in charitable remainder trusts at the net asset value	\$ 6,806,179	\$ -	\$ -	\$ 6,806,179

The fair values of investments measured on a recurring basis at June 30, 2021 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$ 30,103,411	\$ 30,103,411	\$ -	\$ -
Equity mutual funds	53,632,124	53,632,124	-	-
Fixed income mutual funds	56,452,156	56,026,456	425,700	-
Land held for investment	9,147,719	-	-	9,147,719
Closely-held stock	20,000	-	-	20,000
Total investments by fair value level	149,355,410	\$ 139,761,991	\$ 425,700	\$ 9,167,719
Investments measured at the net asset value:				
Commonfund equity funds	18,394,310			
Commonfund fixed income funds	24,549,423			
Hedge funds	7,153,471			
Real estate and natural resources	8,423,652			
Private equity limited partnerships	19,558,811			
Global credit	2,045,657			
Total investments at the net asset value	80,125,324			
Total investments	\$ 229,480,734			
Beneficial interest in charitable remainder trusts at the net asset value	\$ 7,778,511	\$ -	\$ -	\$ 7,778,511

2022 Financial Report

The University holds shares or interests in investment companies whereby the fair value of the investments are measured on a recurring basis using net asset values per share (or its equivalent) of the investment companies as a practical expedient. At year-end, the net asset value, the unfunded commitments, and redemptions rules of those investments are as follows:

	Net Asset Value FY 2022	Net Asset Value FY 2021	Unfunded Commitments FY 2022	Unfunded Commitments FY 2021	Redemption Frequency	Redemption Notice Period
Commonfund equity funds (1)	\$ 14,922,566	\$ 18,394,310	\$ -	\$ -	Monthly	5 business days
Commonfund fixed income funds (2)	30,094,534	24,549,423	-	-	Monthly	5 business days
Hedge funds (3)	8,050,302	7,153,471	-	-	Quarterly Quarterly for one fund - not redeemable for others	90 calendar days + 5 business days Quarterly for one fund - NA for other funds
Real estate and natural resources (4)	11,874,086	8,423,652	5,058,399	1,314,376	NA	NA
Private equity limited partnerships (5)	27,509,046	19,558,811	14,710,553	11,575,128	NA	NA
Global credit (6)	2,312,213	2,045,657	-	200,000	Semi- annually	90 calendar days
Total	\$ 94,762,747	\$ 80,125,324	\$ 19,768,952	\$ 13,089,504		

Strategy

- (1) This category includes two funds which have the objective to outperform the S&P 500 by reducing risk through diversification of manager allocations and by investing in lower volatility stocks.
- (2) This category includes three funds which have the objective to outperform their benchmarks by reducing risk through diversification of manager allocations, by generating a higher current yield than short-term money market funds, and by investing in securities and strategies that offer the potential for increased yield.
- (3) This category includes one multi-strategy hedge fund.
- (4) This category includes funds that invest in commercial and residential real estate funds with U.S. properties and natural resource sector funds.
- (5) This category includes numerous private equity limited partnerships that invest in leverage buyouts, venture capital, growth equity financing, opportunistic situations, high yield, and subordinated debt across the primary and secondary markets.
- (6) This category includes one fund that invests in public and private credit markets, focusing on core, yield-oriented investments, supplemented by opportunistic positions with higher expected returns.





(3) RECEIVABLES

Accounts receivable of the University are summarized as follows as of June 30:

ACCOUNTS RECEIVABLE

	<u>2022</u>	<u>2021</u>
Student tuition and fees	\$ 408,672	\$ 397,555
State appropriations		
Operating	9,340,342	9,235,488
Capital	237,334	348,933
Grants and contracts	11,261,682	9,354,617
Auxiliary activities	301,024	291,585
Other	882,231	641,655
Less allowance for doubtful accounts	(102,875)	(102,875)
Accounts receivable, net	<u>\$ 22,328,410</u>	<u>\$ 20,166,958</u>

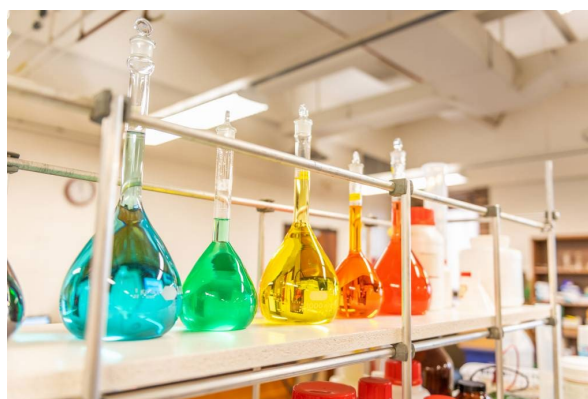
In addition, the University has student loans receivable in the amount of \$4,677,979 and \$6,208,258, recorded at June 30, 2022 and 2021, respectively. These amounts are net of an allowance for uncollectible accounts of \$174,000 at June 30, 2022 and 2021.

Pledges receivable of the University are summarized as follows as of June 30:

PLEDGES RECEIVABLE

	<u>2022</u>	<u>2021</u>
Pledges receivable in less than one year	\$ 2,664,292	\$ 3,550,576
Pledges receivable in one to five years	6,884,903	6,819,569
Pledges receivable in more than five years	13,089,691	13,054,000
Less:		
Allowance for uncollectible pledges	(1,191,799)	(1,888,938)
Present value discount	(2,358,667)	(2,496,530)
Net pledges receivable	<u>\$ 19,088,420</u>	<u>\$ 19,038,677</u>

The present value of future cash flows were estimated using .25% over the risk-adjusted rate at the date of the gift. For fiscal year 2022, rates range from .5% to 1.7%.



(4) CAPITAL ASSETS

The following table presents the changes in the capital asset class categories for the year ended June 30, 2022:

CHANGES IN CAPITAL ASSETS

	<u>Beginning Balance</u>	<u>Additions/ Transfers</u>	<u>Disposals/ Transfers</u>	<u>Ending Balance</u>
Nondepreciable capital assets				
Land	\$ 10,762,548	\$ -	\$ (49,000)	\$ 10,713,548
Mineral collections	6,221,172	-	-	6,221,172
Timber holdings	376,088	-	-	376,088
Construction in progress	4,434,138	9,284,274	(3,565,983)	10,152,429
Cost of nondepreciable capital assets	21,793,946	9,284,274	(3,614,983)	27,463,237
Depreciable capital assets				
Land improvements	1,433,979	-	(270,736)	1,163,243
Infrastructure	6,778,890	73,250	-	6,852,140
Buildings	395,465,558	3,492,732	(2,000)	398,956,290
Equipment	40,849,793	5,230,835	(10,353,122)	35,727,506
Library books	158,937	12,844	(96,261)	75,520
Cost of depreciable capital assets	444,687,157	8,809,661	(10,722,119)	442,774,699
Total cost of capital assets	466,481,103	18,093,935	(14,337,102)	470,237,936
Less: accumulated depreciation				
Land improvements	604,073	58,850	(270,736)	392,187
Infrastructure	3,474,883	343,976	-	3,818,859
Buildings	215,621,454	9,225,448	(1,800)	224,845,102
Equipment	25,101,455	4,677,409	(10,074,379)	19,704,485
Library books	126,114	12,382	(96,261)	42,235
Total accumulated depreciation	244,927,979	14,318,065	(10,443,176)	248,802,868
Capital assets, net	\$ 221,553,124	\$ 3,775,870	\$ (3,893,926)	\$ 221,435,068

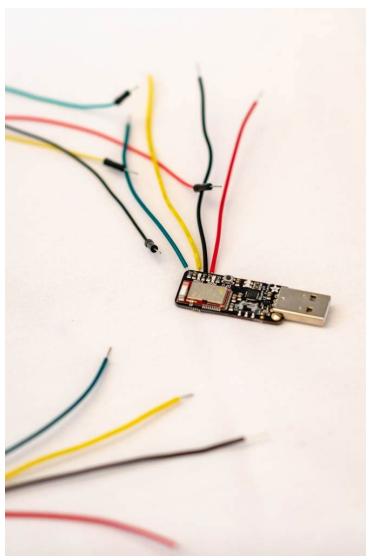




The following table presents the changes in the capital asset class categories for the year ended June 30, 2021:

CHANGES IN CAPITAL ASSETS

	Beginning Balance	Additions/ Transfers	Disposals/ Transfers	Ending Balance
Nondepreciable capital assets				
Land	\$ 10,762,548	\$ -	\$ -	\$ 10,762,548
Mineral collections	6,221,172	-	-	6,221,172
Timber holdings	376,088	-	-	376,088
Construction in progress	3,991,360	2,981,494	(2,538,716)	4,434,138
Cost of nondepreciable capital assets	21,351,168	2,981,494	(2,538,716)	21,793,946
Depreciable capital assets				
Land improvements	1,433,979	-	-	1,433,979
Infrastructure	6,778,890	-	-	6,778,890
Buildings	392,926,842	2,538,716	-	395,465,558
Equipment	35,753,257	5,602,391	(505,855)	40,849,793
Library books	146,385	12,552	-	158,937
Cost of depreciable capital assets	437,039,353	8,153,659	(505,855)	444,687,157
Total cost of capital assets	458,390,521	11,135,153	(3,044,571)	466,481,103
Less: accumulated depreciation				
Land improvements	533,869	70,204	-	604,073
Infrastructure	3,133,043	341,840	-	3,474,883
Buildings	206,427,030	9,194,424	-	215,621,454
Equipment	20,690,180	4,834,795	(423,520)	25,101,455
Library books	102,489	23,625	-	126,114
Total accumulated depreciation	230,886,611	14,464,888	(423,520)	244,927,979
Capital assets, net	\$ 227,503,910	\$ (3,329,735)	\$ (2,621,051)	\$ 221,553,124



Construction in Progress

One of the critical factors in continuing the quality of the University's academic programs, research programs, and residential life is the development and renewal of its capital assets. The University continues to maintain and amend its long-range capital plan to modernize its complement of older facilities balanced with new construction. Construction in progress reflects multiyear projects which, once completed and placed into service, are categorized as buildings, land improvements, and infrastructure. At June 30, construction in progress consisted of several building renovation projects and the costs of one new building as detailed below.

CONSTRUCTION IN PROGRESS

Project	2022	2021
Athletic Facilities renovations	\$ 784,361	\$ 1,325,184
H-STEM Complex planning and construction	5,890,442	1,586,747
Residence Hall renovations	1,803,302	-
Research space	780,042	-
Instructional space	256,525	-
Office space	437,861	-
Elevator replacements	47,300	949,711
Infrastructure and other projects	152,596	572,496
Total	\$ 10,152,429	\$ 4,434,138





(5) LINE OF CREDIT

The University has an unused line of credit arrangement with one bank, under which it may borrow up to \$20 million. This agreement is set at variable rates of interest, based on the 30-day London Interbank Offered Rate ("LIBOR") plus 135 basis points. There were no amounts outstanding under the line of credit at June 30, 2022 and 2021. There are no restrictive covenants associated with this line of credit. The line of credit expires on October 15, 2022.

(6) ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities of the University are summarized as follows as of June 30:

	2022	2021
Vendors for supplies and services	\$ 3,947,703	\$ 3,669,295
Employee benefits	1,724,477	1,345,623
Construction payables	4,500,087	2,163,207
Payroll and payroll taxes	9,885,787	8,890,547
Compensated absences	4,772,729	5,015,537
Deposits payable	1,454,562	1,433,694
Total accounts payable	\$ 26,285,345	\$ 22,517,903



(7) NONCURRENT LIABILITIES

NONCURRENT LIABILITIES

AS OF JUNE 30, 2022

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
General revenue bonds					
General revenue and refunding bonds, 2008	\$ 255,000	\$ -	\$ 10,000	\$ 245,000	\$ 10,000
General revenue bonds, 2009A/2009B	13,840,000	-	485,000	13,355,000	505,000
General revenue and refunding bonds, 2012A	23,570,000	-	23,570,000	-	-
General revenue refunding bonds, 2013A	9,880,000	-	715,000	9,165,000	1,010,000
General revenue bonds, 2015A	22,035,000	-	515,000	21,520,000	540,000
General revenue refunding bonds, 2020A - direct placement	4,560,000	-	170,000	4,390,000	175,000
General revenue refunding bonds, 2020B - direct placement	7,725,000	-	285,000	7,440,000	295,000
General revenue and refunding bonds, 2021	-	29,870,000	-	29,870,000	-
Total bonds payable	81,865,000	29,870,000	25,750,000	85,985,000	2,535,000
Bond premium	3,000,847	8,033,391	1,912,533	9,121,705	-
Note payable	434,793	-	325,897	108,896	18,875
Total debt	85,300,640	37,903,391	27,988,430	95,215,601	2,553,875
Other liabilities					
Insurance reserves	1,434,353	17,350,905	17,427,315	1,357,943	1,357,943
Enrollment deposits	466,150	3,950	161,650	308,450	-
Annuity and pooled income obligations	5,651,045	269,885	494,408	5,426,522	452,757
Total	\$ 92,852,188	\$ 55,528,131	\$ 46,071,803	\$ 102,308,516	\$ 4,364,575
Due within one year				(4,364,575)	
Total noncurrent liabilities (excluding net pension and OPEB liabilities)				\$ 97,943,941	

NONCURRENT LIABILITIES

AS OF JUNE 30, 2021

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
General revenue bonds					
General revenue and refunding bonds, 2008	\$ 265,000	\$ -	\$ 10,000	\$ 255,000	\$ 10,000
General revenue bonds, 2009A/2009B	14,305,000	-	465,000	13,840,000	485,000
General revenue bonds, 2010A	7,655,000	-	7,655,000	-	-
General revenue and refunding bonds, 2012A	24,985,000	-	1,415,000	23,570,000	1,490,000
General revenue refunding bonds, 2013A	10,570,000	-	690,000	9,880,000	715,000
General revenue bonds, 2015A	22,525,000	-	490,000	22,035,000	515,000
General revenue refunding bonds, 2020A - direct placement	4,725,000	-	165,000	4,560,000	170,000
General revenue refunding bonds, 2020B - direct placement	-	7,725,000	-	7,725,000	285,000
Total bonds payable	85,030,000	7,725,000	10,890,000	81,865,000	3,670,000
Bond premium	3,195,595	-	194,748	3,000,847	-
Note payable	871,720	-	436,927	434,793	325,897
Total debt	89,097,315	7,725,000	11,521,675	85,300,640	3,995,897
Other liabilities					
Insurance reserves	1,332,756	17,224,915	17,123,318	1,434,353	1,434,353
Enrollment deposits	635,651	15,200	184,701	466,150	-
Annuity and pooled income obligations	5,775,592	309,479	434,026	5,651,045	432,612
Total	\$ 96,841,314	\$ 25,274,594	\$ 29,263,720	\$ 92,852,188	\$ 5,862,862
Due within one year				(5,862,862)	
Total noncurrent liabilities (excluding net pension and OPEB liabilities)				\$ 86,989,326	



Bonds

The principal and interest on bonds are payable only from certain general revenues. The obligations are generally callable. Premiums on bonds payable are recorded in total and amortized over the life of the bonds using straight line amortization.

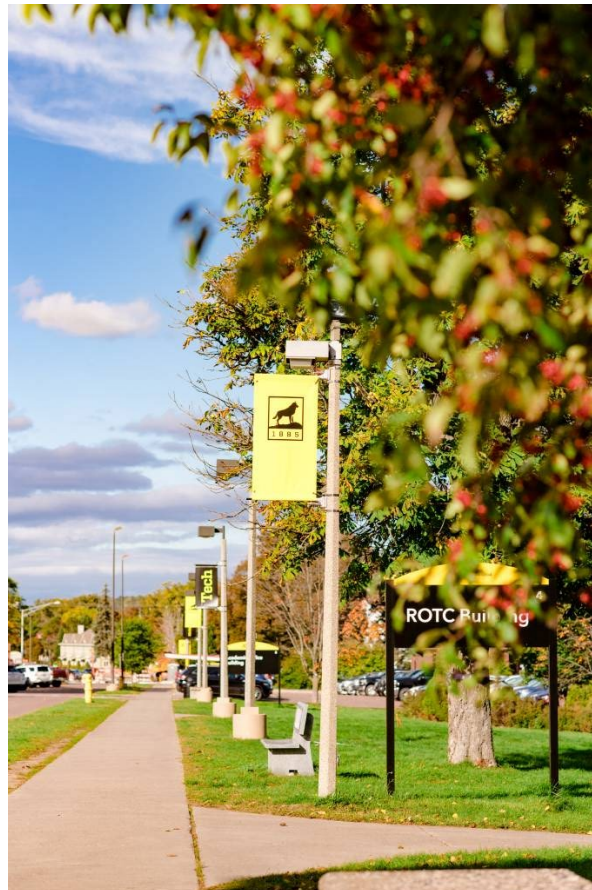
All bonds of the University, unless otherwise specified, have received an underlying rating of A1 from Moody's.

Public Debt Issuances

During fiscal year 2009, the University's Board of Trustees approved the issuance of General Revenue and Refunding Bonds, Series 2008 in the amount of \$15.88 million. The proceeds of this bond issue were used to refund the \$10 million of Series 1998 bonds outstanding with the remainder funding the remodeling of the Michigan Tech Lakeshore Center building, remodeling of the Memorial Union ballroom and providing initial construction funds for the Keweenaw Research Center. These bonds bear fixed interest rates at 3.0% to 5.25% and mature at various dates from October 2009 through October 2038. These bonds are secured by an irrevocable pledge of general revenues as provided in the indenture. Outstanding principal of \$11.55 million was refunded with the series 2013A bonds and outstanding principal of \$4.67 million was refunded with the series 2020A bonds.

During fiscal year 2010, the University's Board of Trustees approved the issuance of General Revenue Bonds, Series 2009A and 2009B. The combined amount of bonds issued was \$18.235 million. Series 2009A, in the amount of \$17.885 million, was issued as taxable Build America Bonds. Under this federal program, 35% of the interest related to this bond issue in the principal and interest amounts due is anticipated to be paid by the federal government for the life of the Build America Bonds. This bond series consists of serial bonds in the amount of \$3.580 million with maturities of October 2011 through October 2019 and interest rates ranging from 2.58% to 5.30%. Two term bonds totaling \$14.305 million were also issued in this series. The first term bond in the amount of \$5.650 million matures in October 2029 and bears an interest rate of 6.44%. The second term bond in the amount of \$8.655 million matures in October 2039 and bears an interest rate of 6.69%. Series 2009B, issued as a tax-exempt bond in the amount of \$350,000 matured in October 2010. The proceeds of this bond issue were used to construct a student residential facility and for the construction of a new facility at the Keweenaw Research Center. These bonds are secured by an irrevocable pledge of general revenues as provided in the indenture.

During fiscal year 2012, the University's Board of Trustees approved the issuance of General Revenue and Refunding Bonds, Series 2012A in the amount of \$33.070 million. The proceeds of this bond issue were used to partially refund Series 2003 bonds in the amount of \$3.965 million, to partially refund Series 2004 bonds in the amount of \$27.150 million with the remainder funding the replacement of the ice plant and rink slab in the hockey arena and partial replacement of the roof of the Student Development Center. The Series 2003 bonds refunded were called for redemption on April 1, 2013 and the Series 2004 bonds refunded were called for redemption on October 1, 2013 each at a redemption price equal to 100% of the principal amount plus accrued interest. The 2012A bond series

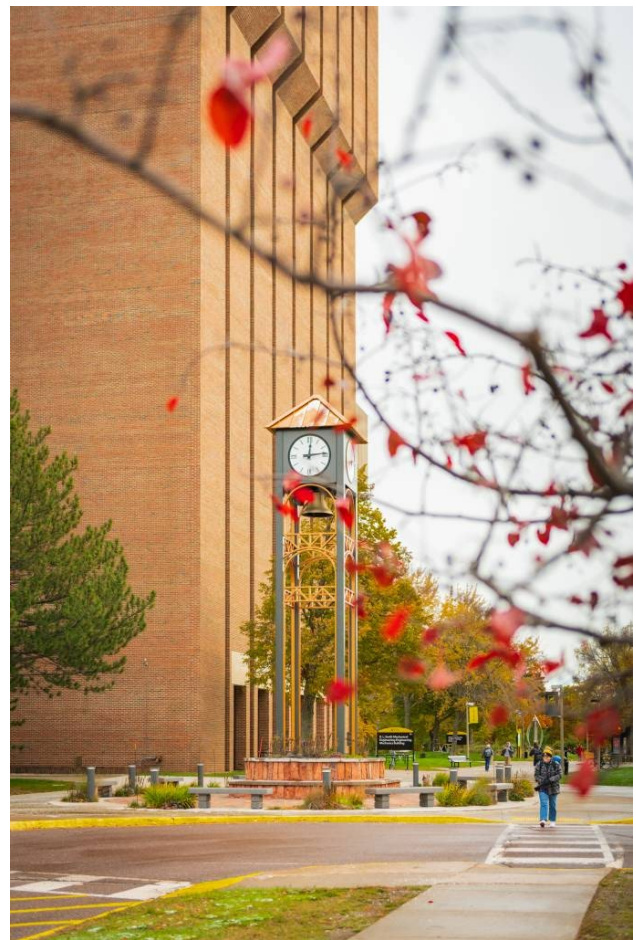


consists of serial bonds in the amount of \$19.75 million with maturities of October 2012 through October 2027 and interest rates ranging from 3.0% to 5.0%. The issue also included two term bonds totaling \$13.32 million. The first term bond in the amount of \$5.32 million matures in October 2030 and bears an interest rate of 4.0%. The second term bond in the amount of \$8.0 million matures in October 2034 and bears an interest rate of 5.0%. These bonds are secured by an irrevocable pledge of general revenues as provided in the indenture and have been rated as Aa3 by Moody's. Outstanding principal of \$22.08 million was refunded during fiscal year 2022 with the Series 2021 bonds.

During fiscal year 2013, the University's Board of Trustees approved the issuance of General Revenue Refunding Bonds, Series 2013A in the amount of \$14.265 million. The proceeds of this bond issue were used to refund Series 2006 bonds in the amount of \$2.715 million and to partially refund Series 2008 bonds in the amount of \$11.550 million. The Series 2006 bonds to be refunded were called for redemption on April 1, 2016 at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest to the redemption date. Principal and interest on the Series 2008 bonds will be paid at maturity on October 1, 2016, October 1, 2017, and October 1, 2018, respectively. The advance refunding of the \$2.715 million of Series 2006 bonds and the \$11.550 million of Series 2008 bonds provided resources to purchase US government securities that were placed in an escrow fund for the purpose of generating resources for all future debt service payments on \$14.265 million of refunded debt. The 2013A bond series consists of serial bonds in the amount of \$8.325 million with maturities of October 2013 through October 2026 and interest rates ranging from 2.0% to 5.0%. The issue also included three term bonds totaling \$5.940 million. The first term bond in the amount of \$2.200 million matures in October 2025 and bears an interest rate of 3.0%. The second term bond in the amount of \$2.470 million matures in October 2028 and bears an interest rate of 3.25%. The third term bond in the amount of \$1.270 million matures in October 2036 and bears an interest rate of 4.0%. These bonds are secured by an irrevocable pledge of general revenues as provided in the indenture.

During fiscal year 2015, the University's Board of Trustees approved the issuance of General Revenue Bonds, Series 2015A in the amount of \$24.295 million. The proceeds of this bond issue were used to renovate Daniell Heights student apartments, construct a fuel storage tank facility, renovate a campus dining facility, upgrade information technology and safety systems, renovate a chemical storage facility and undergraduate laboratories, and renovate bathrooms in the McNair Hall dormitory. The bonds bear fixed interest rates ranging from 2.0% to 5.0%, and mature at various dates from October 2016 through October 2045. All bonds of this issuance are rated A1 by Moody's; \$8.605 million of the issuance are insured and rated AA by Standard & Poor's.

During fiscal year 2022, the University's Board of Trustees approved the issuance of General Revenue Bonds Series 2021 in the amount of \$29.870 million. The proceeds of this bond issue were used to refund Series 2012A bonds and to construct the H-STEM Complex. Outstanding principal of the Series 2012A bonds refunded by the Series 2021 bonds amounted to \$22.08 million and had a call date of October 1, 2021. The present value of debt service savings resulting from the refunding totaled \$4.7 million. The





Series 2021 bonds bear a fixed interest rates ranging from 4% to 5% and are comprised of serial and term bonds that mature on various dates with the latest date being October 1, 2051. These bonds are secured by an irrevocable pledge of general revenues as provided in the indenture and have been rated A1 by Moody's.

Direct Placement Debt Issuances

During fiscal year 2020, the University's Board of Trustees approved the issuance of General Revenue Refunding Bonds Series 2020A in the amount of \$4.725 million. The Series 2020A bonds bear a fixed interest rate of 2.190% and mature on October 1, 2038. The proceeds of this bond issue were used to refund certain portions of the outstanding Series 2008 bond in the aggregate principal amount of \$4.670 million, maturing on October 1 of the years 2020 (4.375% interest rate), 2023 (4.500% interest rate), 2028 (4.750% interest rate), and 2038 (5.000% interest rate). The refunded Series 2008 bonds were called for redemption on June 8, 2020. These bonds are secured by an irrevocable pledge of general revenues as provided in the indenture.

During fiscal year 2021, the University's Board of Trustees approved the issuance of General Revenue Refunding Bonds Series 2020B in the amount of \$7.725 million. The Series 2020B bonds bear a fixed interest rate of 2.190% and mature on October 1, 2040. The proceeds of this bond issue were used to refund certain portions of the outstanding Series 2010A Bond maturing on October 1 of the years 2025, 2030, and 2040, in the aggregate principal of \$7.410 million. These bonds are secured by an irrevocable pledge of general revenues as provided in the indenture.

PRINCIPAL AND INTEREST AMOUNTS DUE ON BONDED DEBT FOR FISCAL YEARS ENDING JUNE 30

Fiscal Year	All Other Debt		Direct Placement Debt		Total		Total Principal and Interest
	Principal	Interest	Principal	Interest	Principal	Interest	
2023	\$ 2,065,000	\$ 3,494,964	\$ 470,000	\$ 253,931	\$ 2,535,000	\$ 3,748,895	\$ 6,283,895
2024	2,145,000	3,397,649	490,000	243,419	2,635,000	3,641,068	6,276,068
2025	2,245,000	3,296,258	510,000	232,469	2,755,000	3,528,727	6,283,727
2026	3,320,000	3,171,059	525,000	221,136	3,845,000	3,392,195	7,237,195
2027	3,475,000	3,010,484	545,000	209,419	4,020,000	3,219,903	7,239,903
Total 5 years	13,250,000	16,370,414	2,540,000	1,160,374	15,790,000	17,530,788	33,320,788
2028 to 2032	19,675,000	12,462,658	3,015,000	856,019	22,690,000	13,318,677	36,008,677
2033 to 2037	19,005,000	7,244,710	3,580,000	497,349	22,585,000	7,742,059	30,327,059
2038 to 2042	10,685,000	3,721,146	2,695,000	104,848	13,380,000	3,825,994	17,205,994
2043 to 2047	8,075,000	1,526,150	-	-	8,075,000	1,526,150	9,601,150
2048 to 2052	3,465,000	357,500	-	-	3,465,000	357,500	3,822,500
Total bonded debt	\$ 74,155,000	\$ 41,682,578	\$ 11,830,000	\$ 2,618,590	\$ 85,985,000	\$ 44,301,168	\$ 130,286,168



(8) INSURANCE**Self-Insurance**

The University is essentially self-insured for medical benefits claims, unemployment compensation, and workers' compensation. Stop-loss coverage has been purchased by the University for its medical and workers' compensation coverages. Liabilities for estimates of losses retained by the University under self-insurance programs have been determined and accrued for and included in insurance and benefit reserves on the accompanying Statements of Net Position. There were no claims or settlements that exceeded insurance coverage in the last three years. Changes in the estimated liability for self-insured plans during the past three fiscal years are as follows:

	SELF-INSURED CLAIMS LIABILITY		
	2022	2021	2020
Balance, beginning of year	\$ 1,434,353	\$ 1,332,756	\$ 940,371
Claims incurred, including changes in estimates	17,350,905	17,224,915	17,927,775
Less: claims paid	(17,427,315)	(17,123,318)	(17,535,390)
Balance, end of year	\$ 1,357,943	\$ 1,434,353	\$ 1,332,756

Liability and Property Insurance

The University participates with eleven other Michigan universities in the Michigan Universities Self-Insurance Corporation ("MUSIC"). MUSIC's purpose is to provide indemnity to members against auto, comprehensive general liability, errors and omissions, and property losses commonly covered by insurance. Premiums are assessed annually for (1) insurance risks retained by MUSIC, (2) costs related to excess coverage, and (3) general and administrative expenses. MUSIC also provides risk-management and loss control services and programs.

Loss coverages are structured on a three-layer basis with each member retaining a portion of its losses, MUSIC covering the second layer of losses, and commercial carriers covering the third layer.

Comprehensive general liability coverage is provided on a per-occurrence basis; errors and omissions coverage is provided on a claims-made basis. In the event of excess assets, MUSIC will return the surplus, credit the surplus toward future payments, or provide for increased coverage. Recommended reserves for both MUSIC and each member are actuarially determined on an annual basis. MUSIC will be self-sustaining through member payments and will purchase commercial coverage for claims in excess of established annual limits for each line of coverage. Members may fund their respective reserves as they deem appropriate.

(9) RETIREMENT BENEFITS**Retirement Plans**

The University has a defined contribution retirement plan and a defined benefit retirement plan for qualified employees. The defined benefit plan is discussed in note 10.

Defined Contribution Plan

The University has a defined contribution plan with Teachers Insurance and Annuities Association College Retirement Equities Fund (TIAA-CREF) and Fidelity. Any regular employee who works in a position of half-time or greater is eligible to participate in the defined contribution plan.

Plan participants maintain individual investment accounts with TIAA-CREF and/or with Fidelity Investments. At June 30, 2021, the University had approximately 3,504 plan participants. Employees may also deposit supplemental retirement funds into 403(b) and/or 457(b) plans up to permissible limits. The University



contributes a specified percentage of employee wages up to 7.75%, and has no liability beyond its own contribution. University contributions to this program are summarized in the Retirement Plan Contributions table for the years ended June 30.

DEFINED CONTRIBUTION RETIREMENT PLAN CONTRIBUTIONS

	2022	2021
University contributions to TIAA-CREF/Fidelity	\$ 7,427,307	\$ 7,118,192
Payroll covered under TIAA-CREF/Fidelity	\$ 106,603,530	\$ 103,854,435

(10) MICHIGAN PUBLIC SCHOOLS EMPLOYEES' RETIREMENT SYSTEM

Defined Benefit Plan

The University contributes to the Michigan Public Schools Employees Retirement System (MPSERS), a cost-sharing multi-employer pension plan administered by the State of Michigan Department of Management and Budget, Office of Retirement Services. Benefit provisions are established and may be amended by state statute. Due to State of Michigan House Bill HB4047, University employees hired after December 31, 1995 can no longer participate in this retirement plan, unless they were previously enrolled in the plan at the University or one of the other six universities that are part of MPSERS. The Office of Retirement Services (ORS) issues a publicly available financial report that includes financial statements and required supplementary information for MPSERS. That report can be found on the ORS website at michigan.gov/orsschools. In July 2015, ORS determined that MPSERS has two reporting units: universities and non-universities. ORS provided the universities a separate net pension liability and net other postemployment benefits liability/asset. Separate pension and OBEB information related to the universities reporting unit included in this plan is not available.

University participants are enrolled in one of multiple plans based on date of hire and certain voluntary elections. A summary of the pension plans offered by MPSERS is as follows:

Plan Name	Plan Type	Plan Status
Member Investment Plan (MIP)	Defined Benefit	Closed
Basic	Defined Benefit	Closed
Defined Contribution	Defined Contribution	Open

The MIP includes additional subgroups based on hire date. The MIP Fixed plan includes members hired prior to January 1, 1990. The MIP Graded plan includes members first hired from January 1, 1990 through December 31, 1995. The MIP Plus plan includes members first hired from July 1, 2008 through June 30, 2010. Members who initially enrolled in the MIP plan and made a voluntary election to contribute a higher rate are participants in the MIP 7% plan.

Members hired between July 1, 2010 and September 3, 2012 were enrolled in the Pension Plus plan. Members hired on or after September 4, 2012 are automatically enrolled in this plan unless an election is made to participate in the defined contribution plan. The plan includes a pension component as well as a savings component. Member contributions to the savings component are matched at a rate of 50% by the employer (up to a maximum of 1%) and invested in a 401(k) plan.

Effective February 1, 2013, members that initially enrolled in MIP were provided the option to convert to a defined contribution plan (Basic 4%). In these instances, any service credit accumulated under the defined benefit plan before February 1, 2013 is retained. For service performed after this date, the converted plan member receives 4% employer contributions to a personal 401(k) account.

A member first enrolling in MPSERS on or after September 4, 2012 may elect to enroll in the *defined contribution* plan. Employer and employee contribution rates and vesting requirements are consistent with the defined contribution component of the Pension Plus plan as described above.

Benefits Provided

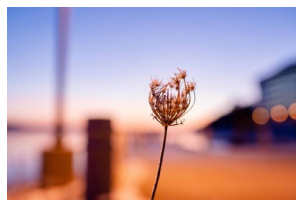
MPSERS provides retirement, death, disability and postemployment healthcare benefits to eligible participants. Retirement benefits are calculated as a percentage of the employee's final average compensation multiplied by the employee's years of service. All participants qualify for a benefit multiplier of 1.5% for the first 30 years of service. Certain benefit groups receive a reduced rate of 1.25% for service above 30 years. Disability benefits are calculated the same as regular service retirement. Participants are eligible to receive full retirement benefits upon reaching the age and years of service requirements below. Most plans offer additional options for early retirement if certain stipulations have been met. Voluntary contributions vest immediately.

Plan Name	Eligibility Based on Years of Service	Vesting
Member Investment Plan (MIP)	Age 46 with 30 years or age 60 with 10 years	10 years
Basic	Age 55 with 30 years or age 60 with 10 years	10 years
Defined Contribution	---	4 years

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

Public Act 300 of 2012 granted all active members of the MPSERS, who earned service credit in the 12 months ending September 3, 2012 or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their retirement healthcare. Any changes to a member's healthcare benefit are effective as of the member's transition date, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3% contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.





Contributions

Employer contributions to the plans are based on a percentage of covered payroll that has been actuarially determined as an amount that, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Member contributions are determined based on date of hire and the plan selected. Contribution rates are adjusted annually by the ORS.

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer OPEB contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2019 valuation will be amortized over a 19-year period beginning October 1, 2019 and ending September 30, 2038.

The schedules below summarize the contribution rates in effect for fiscal years 2022 and 2021:

PENSION CONTRIBUTION RATES

Benefit Structure	Member	Employer (7/1/20 to 9/30/20)	Employer (10/1/20 to 9/30/21)	Employer (10/1/21 to 9/30/22)
Member Investment Plan (MIP)	3.00% - 7.00%	26.03%	26.26%	26.38%
Basic	0.00% - 4.00%	26.03%	26.26%	26.38%
Defined Contribution	0.00%	19.74%	19.74%	19.86%

OPEB CONTRIBUTION RATES

Benefit Structure	Member	Employer (7/1/20 to 9/30/20)	Employer (10/1/20 to 9/30/21)	Employer (10/1/21 to 9/30/22)
Premium Subsidy	3.00%	6.57%	6.91%	6.79%
Personal Healthcare Fund	0.00%	5.99%	5.99%	5.87%

The University's contributions to MPSERS under all pension plans as described above for the years ended June 30, 2022 and 2021 were \$15,861,576 and \$5,769,605, respectively. The University's required and actual pension contributions include an allocation of \$11,039,481 and \$1,078,884 in revenue received from the State of Michigan and remitted to the System to fund the MPSERS unfunded actuarial accrued liability (UAAL) stabilization rate for the year ended June 30, 2022 and 2021, respectively. The University's contributions to the OPEB plan from the University were \$1,513,665 and \$1,413,381 for the years ended June 30, 2022 and June 30, 2021, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022 and 2021, the University reported a liability of \$63.411 million and \$77.330 million respectively, for its proportionate share of the net pension liability as calculated for the universities reporting unit of MPSERS. The net pension liability was measured as of September 30, 2021 and 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 30, 2020 and 2019, respectively. The University's proportion of the net pension liability was based on a projection of the University's long-term share of contributions to the pension plan relative to the projected contributions of all participating universities, actuarially determined. At September 30, 2021, 2020 and 2019, the University's proportion (as calculated by MPSERS) was 11.28598%, 11.32182% and 11.27592%, respectively. Subsequent to the University's year-end on July 14, 2022, Michigan Act No. 144 of Public Act of 2022 was approved. The Act's Section 236h provides total appropriations of \$300 million for all universities to pay MPSERS towards the unfunded pension liability. This additional appropriation and subsequent payment to MPSERS will significantly reduce the net pension liability.

For the years ended June 30, 2022 and 2021, the University recognized pension expense of \$1.198 million and \$6.098 million, respectively. At June 30, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 8,537,664
Total amortized deferrals	-	8,537,664
University contributions subsequent to the measurement date	14,970,540	-
Total	\$ 14,970,540	\$ 8,537,664

	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 98,336	\$ -
Total amortized deferrals	98,336	-
University contributions subsequent to the measurement date	5,190,036	-
Total	\$ 5,288,372	\$ -

The amount of deferred outflows of resources related to University contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the next year. The \$11,039,481 and \$1,078,884 reported as deferred inflows of resources resulting from the pension portion of state aid payments received pursuant to Sections 236(4) and 236(h) of the State School Aid Act (PA 94 of 1979), will be recognized as net pension expense for the years ended June 30, 2022 and 2021,



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

<u>Fiscal Year</u>	<u>Amount</u>
2023	(2,279,609)
2024	(1,867,563)
2025	(2,096,929)
2026	(2,293,563)
Total	<u><u>\$ (8,537,664)</u></u>

OPEB Asset or Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2022 and 2021, the University reported an asset of \$4,825,977 and a liability of \$4,770,992 respectively, for its proportionate share of the MPSERS net OPEB liability/asset calculated for the universities reporting unit. The net OPEB liability was measured as of September 30, 2020 and 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2019 and 2018, respectively. The University's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period. At September 30, 2021, 2020 and 2019, the University's proportion was 11.25511%, 11.29115% and 11.29560%, respectively.

For the years ended June 30, 2022 and June 30, 2021, the University recognized OPEB expense (recovery) of (\$4,825,977) and (\$4,793,213), respectively. At June 30, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on OPEB plan investments	\$ -	\$ 2,760,822
Total amortized deferrals	-	2,760,822
University contributions subsequent to the measurement date	1,321,292	-
Total	<u><u>\$ 1,321,292</u></u>	<u><u>\$ 2,760,822</u></u>

	<u>2021</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 129,959
Changes of assumptions	23,277	-
Net difference between projected and actual earnings on OPEB plan investments	99,256	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	223
Total amortized deferrals	122,533	130,182
University contributions subsequent to the measurement date	1,245,499	-
Total	<u><u>\$ 1,368,032</u></u>	<u><u>\$ 130,182</u></u>

University contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2023	(716,714)
2024	(623,935)
2025	(678,898)
2026	(741,275)
Total	<u><u>\$ (2,760,822)</u></u>

Actuarial Assumptions

The total pension and OPEB liabilities measured as of September 30, 2021 are based on the results of an actuarial valuation date of September 30, 2020 and rolled forward using generally accepted actuarial procedures.

Actuarial Cost Method	Entry age, normal cost
Assumed rate of return	6.80 percent, net of investment expenses based on the groups (Pension) 6.95 percent, net of investment expenses based on the groups (OPEB)
Salary increases	2.75% --11.55 percent, including wage inflation of 2.75%
Cost-of-Living Pension Adjustment	3% Annual Non-Compounded for MIP members
Healthcare cost trend rate	Pre-65: 7.75% Year 1 graded to 3.5% Year 15; 3.0% Year 120 Post-65: 5.25% Year 1 graded to 3.5% Year 15; 3.0% Year 120
Mortality basis:	
Retirees	RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Active	RP-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

The actuarial assumptions used for the September 30, 2020 valuation were based on the results of an actuarial experience study for the periods 2012-2017.

Significant assumption changes since the prior measurement date, September 30, 2020, for the OPEB plan include an increase in the health care cost trend rate of 0.75 percentage points for members under 65 and a reduction from 7.0 percent to 5.25 percent for members over 65.

Significant assumption changes since the prior measurement date, September 30, 2021, for the pension and OPEB plan include a reduction of both plans' discount rates to 6.0 percent. The change increases the total plan's net OPEB liability by approximately \$1.1 billion.



The total pension and OPEB liabilities measured as of September 30, 2019 are based on the results of an actuarial valuation date of September 30, 2018 and rolled forward using generally accepted actuarial procedures.

Actuarial Cost Method	Entry age, normal cost
Assumed rate of return	6.80 percent, net of investment expenses based on the groups (Pension) 6.95 percent, net of investment expenses based on the groups (OPEB)
Salary increases	2.75% --11.55 percent, including wage inflation of 2.75%
Cost-of-Living Pension Adjustment	3% Annual Non-Compounded for MIP members
Healthcare cost trend rate	7.50 percent, year 1 graded to 3.5% year 12
Mortality basis:	
Retirees	RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Active	RP-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

The actuarial assumptions used for the September 30, 2019 valuation were based on the results of an actuarial experience study for the periods 2012-2017.

There were no significant changes to the benefit terms for the pension or OPEB plans since the prior measurement date of September 30, 2019.



Long-Term Expected Return on Plan Assets

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

inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

September 30, 2021		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity pools	25.0%	5.4%
Private equity pools	16.0%	9.1%
International equity pools	15.0%	7.5%
Fixed income pools	10.5%	-0.7%
Real estate and infrastructure pools	10.0%	5.4%
Absolute return pools	9.0%	2.6%
Real return/opportunistic pools	12.5%	6.1%
Short-term investment pools	2.0%	-1.3%
Total	100.0%	

September 30, 2020		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity pools	25.0%	5.6%
Private equity pools	16.0%	9.3%
International equity pools	15.0%	7.4%
Fixed income pools	10.5%	0.5%
Real estate and infrastructure pools	10.0%	4.9%
Absolute return pools	9.0%	3.2%
Real return/opportunistic pools	12.5%	6.6%
Short-term investment pools	2.0%	0.1%
Total	100.0%	

Rate of Return

For the fiscal year ended September 30, 2021, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 27.3%. For OBEP plan investment, the annual money-weighted rate of return was 27.14%, net of OBEP plan investment expense.

Discount Rate

The discount rate used to measure the total pension liability for June 30, 2022 and 2021 was 6.80%. A discount rate of 6.95% was used to measure the total OPEB liability for June 30, 2022 and 2021. This discount rate was based on the long-term expected rate of return on pension and OPEB plan investments of 6.95%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the University's contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities.



Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the University, calculated using the discount rate of 6.80% for fiscal years 2022 and 2021, as well as what the University's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

NET PENSION LIABILITY			
Fiscal Year	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
2022	\$ 76,188,276	\$ 63,410,817	\$ 52,502,576

Fiscal Year	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
2021	\$ 90,626,431	\$ 77,330,320	\$ 65,991,453

Sensitivity of the Net OPEB Asset or Liability to Changes in the Discount Rate

The following presents the University's net OPEB asset or liability calculated using a discount rate of 6.95% for fiscal years ended June 30, 2022 and 2021, as well as what the University's net OPEB asset or liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

NET OPEB ASSET			
Fiscal Year	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
2022	\$ 2,953,088	\$ 4,825,977	\$ 6,429,136

NET OPEB LIABILITY			
Fiscal Year	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
2021	\$ 7,132,512	\$ 4,770,992	\$ 2,758,323

Sensitivity of the Net OPEB Asset or Liability to Healthcare Cost Trend Rate

The following presents the University's proportionate share of the net OPEB asset or liability calculated using assumed trend rates, as well as what the University's proportionate share of net OPEB asset or liability would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage point higher:

NET OPEB ASSET			
Fiscal Year	1% Decrease	Current Trend	1% Increase
2022	\$ 6,549,525	\$ 4,825,977	\$ 2,860,199

NET OPEB LIABILITY			
Fiscal Year	1% Decrease	Current Trend	1% Increase
2021	\$ 2,625,562	\$ 4,770,992	\$ 7,226,394

Pension and OPEB Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued MPSERS financial statements available on the State of Michigan Office of Retirement Services website at www.michigan.gov/orsschools.

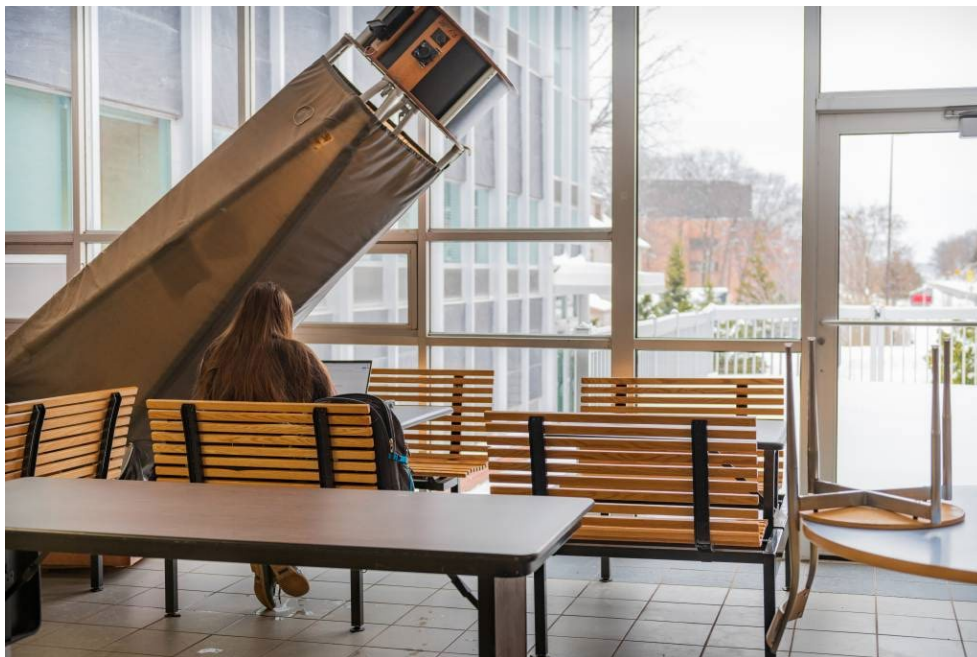
(11) OTHER POSTEMPLOYMENT BENEFIT PLAN

Plan Description

The University offers postemployment benefits to its retirees through a single-employer plan, administered by the University. The University offers health coverage to its retirees and their covered dependents. The plan provides health, dental, and vision insurance benefits to eligible participants. To be eligible, a retiree from the University must be at least 65 years old with at least 10 years of service or his or her years of service plus age must be equal to, or greater than, 80. Retirees are responsible for the full cost of insurance premiums which are set at COBRA rates. Prior to January 1, 2014, the University subsidized the insurance premium costs for retirees. The phasing-out of subsidies for new retirees occurred from January 1, 2007 to December 31, 2013. The OPEB liability recognized by the University is associated with retirees and covered dependents who continue to receive subsidized premiums.

Contributions

The contribution requirements of the plan members are established annually by the University. The required contribution is based on annual projected pay-as-you go financing requirements. Prior to 2007, the University utilized its COBRA rates as the full cost value of early retiree medical and dental benefits. Depending upon specific fiscal years of retirement, these non-Medicare retirees paid a certain percentage of this COBRA rate. Even for those early retirees where their contribution requirement was 100% of the COBRA rate, there was an implied subsidy as the age-adjusted full cost for pre-Medicare eligible retirees is significantly higher. Beginning in 2007, the University began a seven year phase out of the subsidy implied when utilizing the COBRA rates so that starting on January 1, 2014 retiree contributions were established on the expected full cost of the retiree medical and dental plans (pre-Medicare and Medicare eligible populations). The University has not prefunded any of its OPEB liability, nor does it presently intend to prefund its OPEB liability. Therefore, as of June 30, 2022, the most recent measurement date, the Plan was 0% funded.





At June 30, 2022 and 2021, the University reported a liability of \$5,045,999 and \$5,445,459 respectively, for its Retiree Benefit Program. The net OPEB liability was measured as of June 30, 2022, rolled forward from a valuation date of July 1, 2021. Changes in the OPEB liability for the years ended June 30 are summarized as follows:

	2022	2021
Balance, beginning of year	\$ 5,045,999	\$ 5,445,459
Interest cost	106,043	115,498
Differences between expected and actual experience	(1,115,278)	-
Changes in assumptions	(1,031,161)	(73,904)
Benefit payments	(274,705)	(441,054)
Balance, end of year	<u>\$ 2,730,898</u>	<u>\$ 5,045,999</u>

On the above, there were no benefit changes. The decrease in the liability from June 30, 2021 to June 30, 2022 is due to the net impact of the changes in the trend, mortality assumptions and the removal of the excise tax which were largely offset by the decrease in the assumed discount rate from 2.21% as of June 30, 2021 to 2.16% as of June 30, 2022.

The number of plan participants consisted of the following:

	June 30, 2022	June 30, 2021
Retirees younger than 65 years old	-	-
Retirees 65 years old or older	82	105
Total inactive participants	<u>82</u>	<u>105</u>



Sensitivity of the Net OPEB Liability to Changes in Discount Rate and Healthcare Cost Trend Rate

The following presents the University's net OPEB liability calculated using a discount rate of 2.16% and 2.21% for fiscal years ended June 30, 2022 and 2021, respectively, as well as what the University's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

NET OPEB LIABILITY			
Fiscal Year	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
2022	\$ 2,916,397	\$ 2,730,898	\$ 2,566,655
Fiscal Year	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
2021	\$ 5,424,273	\$ 5,045,999	\$ 4,704,929

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The following presents the University's net OPEB liability calculated using assumed healthcare trend rates, as well as what the University's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

NET OPEB LIABILITY

<u>Fiscal Year</u>	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
2022	\$ 2,541,804	\$ 2,730,898	\$ 2,940,580
<u>Fiscal Year</u>	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
2021	\$ 4,617,704	\$ 5,054,999	\$ 5,516,457

Actuarial Assumptions

SUMMARY OF ACTUARIAL ASSUMPTIONS

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Actuarial Cost Method	Entry Age, Normal	Entry Age, Normal
Valuation Date	July 1, 2021	July 1, 2019
CPI	3.00%	3.00%
Wage Inflation Rate	Since the population is inactive, a wage inflator is not necessary.	Since the population is inactive, a wage inflator is not necessary.
Healthcare Cost Trend	S&P Healthcare Economic Index and internal trend guidance	S&P Healthcare Economic Index and internal trend guidance
Mortality	PRI-2012 Mortality, projected generational from a central year of 2012 with Scale MP-2021	PRI-2012 Mortality, projected generational from a central year of 2012 with Scale MP-2020

Discount Rate

A discount rate of 2.16% was used to measure the total OPEB liability for June 30, 2022 (2.21% for June 30, 2021). The discount rate was determined using the interest rate reported under the 20-YEAR Municipal Bond Index on the last Friday prior to the measurement date.

Retirement Supplemental Voluntary Plan

The University has a Retirement Supplemental Voluntary Plan (RSVP) to facilitate the voluntary retirement of eligible employees. The RSVP is not an early retirement program. The decision to retire is left to the discretion of the individual employee and remains entirely voluntary. However, if an employee decides to retire, the RSVP provides several options upon retirement: a monetary option; a phased retirement option; a combination of the monetary and phased retirement options; and a program for employment after retirement. The University recognizes the related costs in the year the employee decides to retire. There was no RSVP liability at June 30, 2022 and 2021.

(12) COMMITMENTS AND CONTINGENCIES

The University has internally funded reserves for certain employee benefits. Accrued liabilities are generally based on actuarial valuations and represent the present value of unpaid expected claims, including estimates of claims incurred but not reported.

The University receives grants and other forms of reimbursement from various federal and state agencies. These activities are subject to audit by agents of the funding authority, the purpose of which is to ensure compliance with conditions precedent to providing such funds. University administration believes there is no liability for reimbursement which may arise as the result of audits.

Certain institution facilities, including the Great Lakes Research Center, have been financed in part by State Building Authority (SBA) bond issuances, which are secured by a pledge of rentals to be received by



the State of Michigan pursuant to an arrangement between SBA, the State of Michigan, and the Institution. While the SBA bonds are outstanding, the SBA will hold title to the respective building, although the University has capitalized the building and pays all operating and maintenance costs. Once the SBA bonds are fully paid, the SBA will transfer title of the building to the institution.

The University received approval for the construction of the H-STEM Engineering and Health Technologies Complex from the State Building Authority in December of 2020. The total cost will be \$53,100,000 with the State Building Authority share of \$29,699,800, the State General Fund share of \$200, and the University share of \$23,400,000. The H-STEM Complex is on schedule to be operational in the spring of 2024.

In the normal course of its activities, the University is a party in various legal actions. Although some actions have been brought for large amounts, the University has not experienced any significant losses or costs. The University and its legal counsel are of the opinion that the outcome of asserted and unasserted claims outstanding will not have a material effect on the financial statements.

(13) FUNCTIONAL CLASSIFICATION OF OPERATING EXPENSES

The University's operating expenses by functional classification were as follows for years ended June 30:

OPERATING EXPENSES BY FUNCTIONAL CLASSIFICATION

	<u>2022</u>	<u>2021</u>
Instruction	\$ 63,503,367	\$ 62,431,697
Research	67,515,569	60,016,828
Public service	9,935,341	11,027,767
Academic support	23,709,211	21,078,846
Student services	15,254,827	13,810,086
Institutional support	20,145,820	23,081,412
Operations and maintenance of plant	14,540,735	13,640,128
Student financial support	19,381,790	16,267,506
Departmental activities	6,193,379	4,232,924
Student residents	6,671,888	8,440,627
Depreciation	14,318,065	14,464,888
Total	<u>\$ 261,169,992</u>	<u>\$ 248,492,709</u>



(14) IMPACT OF COVID-19

Federal Relief Legislation

The Coronavirus Aid, Relief and Economic Security (CARES) Act, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the American Rescue Plan (ARP) were passed by Congress and signed into law to provide economic relief from COVID-19. The University received the following grants under the CARES Act, CRRSAA, and ARP through the US Department of Education:

- \$2,302,890 Student Portion of the Higher Education Emergency Relief Fund (HEERF I)
- \$2,302,889 Institutional Portion of the Higher Education Emergency Relief Fund (HEERF I)
- \$2,302,890 Student Portion of the Higher Education Emergency Relief Fund (HEERF II)
- \$4,688,924 Institutional Portion of the Higher Education Emergency Relief Fund (HEERF II)
- \$6,187,436 Student Portion of the Higher Education Emergency Relief Fund (HEERF III)
- \$6,177,354 Institutional Portion of the Higher Education Emergency Relief Fund (HEERF III)

The Higher Education Emergency Relief Funding provided funding to universities to use for emergency financial aid grants to students for expenses related to the disruption of campus operations due to the coronavirus. During fiscal year ended June 30, 2022, the University recognized \$12,420,301 in revenue from HEERF I, HEERF II, and HEERF III funding, which is shown on the Statements of Revenues, Expenses and Changes in Net Position under Nonoperating Revenues (Expenses). During fiscal year ended June 30, 2021, the University recognized \$11,456,581 in revenue from HEERF I and HEERF II funding, and \$5,615,100 in revenue from the State of Michigan Coronavirus Relief Funds, which is shown on the Statements of Revenues, Expenses and Changes in Net Position under Nonoperating Revenues (Expenses).





REQUIRED SUPPLEMENTARY INFORMATION

MPSERS Cost-sharing Multiple Employer Plan

SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (PLAN YEAR OCTOBER 1 - SEPTEMBER 30)

	2021	2020	2019	2018	2017	2016	2015	2014
University's proportion of the net pension liability	11.28598%	11.32182%	11.27592%	11.24088%	11.26247%	11.20220%	10.00520%	9.64907%
University's proportionate share of the net pension liability	\$ 63,410,817	\$ 77,330,320	\$ 75,502,509	\$ 71,833,414	\$ 64,788,673	\$ 62,759,225	\$ 54,888,547	\$ 36,194,241
University's covered payroll	\$ 24,974,000	\$ 24,484,000	\$ 24,004,000	\$ 23,533,179	\$ 23,879,000	\$ 8,943,572	\$ 9,118,081	\$ 9,156,216
University's proportionate share of the net pension liability as a percentage of its covered payroll	253.91%	315.84%	314.54%	305.24%	271.32%	701.72%	601.97%	252.97%
Plan fiduciary net position as a percentage of the total pension liability	52.26%	43.07%	44.24%	45.87%	47.42%	46.77%	47.45%	63.00%

SCHEDULE OF UNIVERSITY PENSION CONTRIBUTIONS (FISCAL YEAR JULY 1 - JUNE 30)

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required pension contributions	\$ 6,519,482	\$ 5,735,218	\$ 5,635,665	\$ 5,683,916	\$ 4,919,399	\$ 4,283,370	\$ 4,150,666	\$ 3,395,404
Contributions in relation to the contractually required contribution	\$ 6,519,482	\$ 5,735,218	\$ 5,635,665	\$ 5,683,916	\$ 4,919,399	\$ 4,283,370	\$ 4,150,666	\$ 3,395,404
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 25,348,610	\$ 24,851,260	\$ 24,364,060	\$ 23,886,295	\$ 23,619,500	\$ 8,526,091	\$ 8,606,261	\$ 8,877,145
Contributions as a percentage of covered payroll	25.72%	23.08%	23.13%	23.80%	20.83%	50.24%	48.23%	38.25%

SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (PLAN YEAR OCTOBER 1 - SEPTEMBER 30)

	2021	2020	2019	2018	2017
University's proportion of the net OPEB liability	11.25511%	11.29115%	11.29560%	11.29059%	11.22486%
University's proportionate share of the net OPEB (asset) liability	\$ (4,825,977)	\$ 4,770,992	\$ 10,367,445	\$ 13,395,226	\$ 15,973,138
University's covered payroll	\$ 24,974,000	\$ 24,484,000	\$ 24,004,000	\$ 23,533,179	\$ 23,879,000
University's proportionate share of the net OPEB liability as a percentage of its covered payroll	-19.32%	19.49%	43.19%	56.92%	66.89%
Plan fiduciary net position as a percentage of the total OPEB liability	123.91%	77.20%	61.07%	51.90%	44.11%

SCHEDULE OF UNIVERSITY OPEB CONTRIBUTIONS (FISCAL YEAR JULY 1 - JUNE 30)

	2022	2021	2020	2019	2018
Contractually required OPEB contributions	\$ 1,535,302	\$ 1,497,010	\$ 1,466,062	\$ 1,465,359	\$ 1,608,346
Contributions in relation to the contractually required contribution	\$ 1,535,302	\$ 1,497,010	\$ 1,466,062	\$ 1,465,359	\$ 1,608,346
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 25,348,610	\$ 24,851,260	\$ 24,364,060	\$ 23,886,295	\$ 23,619,500
Contributions as a percentage of covered payroll	6.06%	6.02%	6.02%	6.13%	6.81%

Notes to Required Supplementary Information

The amounts presented for the fiscal year in the above Schedule of the University's Proportionate Share of the Net Pension and OPEB Liability were determined as of September 30 of the preceding year.

GASB 68 was implemented in fiscal year 2015 and GASB 75 was implemented in fiscal year 2018. These schedules are being built prospectively. Ultimately, 10 years of data will be presented.

RSI Covered – payroll

The employers' covered payroll to be reported in the requirement supplementary information is defined by GASB 82, Pension Issues – an amendment to GASB Statements No. 67, No. 68, and No. 73, as payroll on which contributions to a pension plan are based; and by GASB 85, Omnibus 2017, as payroll on which contributions to the OPEB plan are based. For university employers, covered payroll for both pension and OPEB is the greater of 1) university payroll on which contributions to the plan are based or 2) the required

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minimum payroll amount required by PA 136 of 2016. For non-university employers, covered payroll represents payroll on which contributions to both plans are based.

Changes of benefit terms: There were no changes of benefit terms for each of the reported plan years ended September 30.

Changes of assumptions:

Michigan Public School Employees Retirement System (Pension) – There were no significant changes of assumptions for each of the reported plan years ended September 30, except for the following:

2019 – The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.25% percentage points.

2018 – The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.45% percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017.

2017 – The discount rate used in the September 30, 2016 actuarial valuation decreased by 0.50% percentage points.

Michigan Public School Employees Retirement System (OPEB) – There were no significant changes of assumptions for each of the reported plan years ended September 30, except for the following:

2020 – The healthcare cost trend rate used in the September 30, 2019 actuarial valuation decreased by 0.50% percentage points and actual per person health benefit costs were lower than projected.

2019 – The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.20% percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017.

2018 – The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.35% percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017.

University's Single Employer Plan

SCHEDULE OF CHANGES IN THE UNIVERSITY'S TOTAL OPEB LIABILITY AND RELATED INFORMATION

	2022	2021	2020	2019	2018
Plan fiduciary net position, beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -
University contributions	274,705	441,054	436,592	449,629	435,886
Participant contributions	-	-	182,800	202,321	200,805
Benefit payments	(274,705)	(441,054)	(619,392)	(651,950)	(636,691)
Plan fiduciary net position, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability	\$ 2,730,898	\$ 5,045,999	\$ 5,445,459	\$ 6,019,259	\$ 6,077,123
Plan fiduciary net position as a percentage of net OPEB liability	-	-	-	-	-
University's covered payroll*	-	-	-	-	-
Net OPEB liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

* No active employees are covered, thus there is no employee payroll.

Discount rates used in determining the total reported liability for other post employment benefits were 2.16%, 2.21%, 3.50%, and 3.87% at the measurement dates of June 30, 2022, 2021, 2020, and 2019, respectively.

GASB 75 was implemented in fiscal year 2018. These schedules are being built prospectively. Ultimately, 10 years of data will be presented.



SUPPLEMENTARY *INFORMATION*



MICHIGAN TECHNOLOGICAL UNIVERSITY
SCHEDULE OF NET POSITION BY FUND AT JUNE 30, 2022

	General	Designated	Auxiliary Activities	Retirement & Insurance	Expendable Restricted	Total Current Funds	Student Loan	Plant	Agency	Michigan Tech Fund	Eliminations	2022	2021
Assets													
Current assets:													
Cash and cash equivalents	\$ (15,896,388)	\$ 31,503,605	\$ 1,321,185	\$ (13,627,254)	\$ 7,846,099	\$ 11,147,247	\$ 1,862,614	\$ 15,225,982	\$ 3,872,661	\$ 10,227,593	\$ -	\$ 42,336,097	\$ 35,658,834
Accounts receivable, net	9,991,141	44,927	279,741	110,104	11,841,460	22,267,373	-	237,333	90,722	-	(267,018)	22,328,410	20,166,958
Insurance receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-	-	1,452,494	-	1,452,494	1,661,638
Other assets	291,577	13,525	905,637	20,000	-	1,230,739	-	-	-	6,926	-	1,237,665	1,205,252
Total current assets	(5,613,670)	31,562,057	2,506,563	(13,497,150)	19,687,559	34,645,359	1,862,614	15,463,315	3,963,383	11,687,013	(267,018)	67,354,666	58,692,682
Noncurrent assets:													
Student loans receivable, net	-	-	-	-	-	-	4,677,979	-	-	-	-	4,677,979	6,208,258
Pledges receivable, net	-	-	-	-	-	-	-	-	-	17,615,926	-	17,615,926	17,377,039
Restricted cash for capital projects	-	-	-	-	-	-	-	10,549,369	-	-	-	10,549,369	-
Investments	15,799,510	-	-	29,217,591	-	45,017,101	-	11,203,583	-	171,980,194	-	228,200,878	229,480,734
Beneficial interest in charitable remainder trusts	-	-	-	-	-	-	-	-	-	6,806,179	-	6,806,179	7,778,511
Capital assets, net	-	-	-	-	-	-	-	221,435,068	-	-	-	221,435,068	221,553,124
Net OPEB asset - MPSERS	-	-	-	4,825,977	-	4,825,977	-	-	-	-	-	4,825,977	-
Other assets	-	-	-	-	-	-	-	978,544	-	2,499,402	(271,000)	3,206,946	2,024,338
Total noncurrent assets	15,799,510	-	-	34,043,568	-	49,843,078	4,677,979	244,166,564	-	198,901,701	(271,000)	497,318,322	484,422,004
Total assets	10,185,840	31,562,057	2,506,563	20,546,418	19,687,559	84,488,437	6,540,593	259,629,879	3,963,383	210,588,714	(538,018)	564,672,988	543,114,686
Deferred outflows of resources	-	-	-	16,291,832	-	16,291,832	-	-	-	-	-	16,291,832	6,656,404
Liabilities													
Current liabilities													
Accounts payable and accrued liabilities	8,969,560	412,599	631,689	6,497,112	1,271,528	17,782,488	11,981	4,501,546	3,963,383	292,965	(267,018)	26,285,345	22,517,903
Unearned revenue	27,707	-	-	101,504	4,488,170	4,617,381	-	181,250	-	-	-	4,798,631	3,902,502
Annuity obligations, current portion	-	-	-	-	-	-	-	-	-	452,757	-	452,757	432,612
Insurance and benefit reserves, current portion	-	-	-	1,357,943	-	1,357,943	-	-	-	-	-	1,357,943	1,434,353
Long-term debt, current portion	-	-	-	-	-	-	-	2,553,875	-	-	-	2,553,875	3,995,897
Total current liabilities	8,997,267	412,599	631,689	7,956,559	5,759,698	23,757,812	11,981	7,236,671	3,963,383	745,722	(267,018)	35,448,551	32,283,267
Noncurrent liabilities													
Enrollment deposits	308,450	271,000	-	-	-	579,450	-	-	-	-	(271,000)	308,450	466,150
Annuity obligations, net of current portion	-	-	-	-	-	-	-	-	-	4,973,765	-	4,973,765	5,218,433
Long-term debt, net of current portion	-	-	-	-	-	-	-	92,661,726	-	-	-	92,661,726	81,304,743
Net pension liability	-	-	-	63,410,817	-	63,410,817	-	-	-	-	-	63,410,817	77,330,320
Net OPEB liability	-	-	-	2,730,898	-	2,730,898	-	-	-	-	-	2,730,898	9,816,991
Total noncurrent liabilities	308,450	271,000	-	66,141,715	-	66,721,165	-	92,661,726	-	4,973,765	(271,000)	164,085,656	174,136,637
Total liabilities	9,305,717	683,599	631,689	74,098,274	5,759,698	90,478,977	11,981	99,898,397	3,963,383	5,719,487	(538,018)	199,534,207	206,419,904
Deferred inflows of resources	-	-	-	22,337,967	-	22,337,967	-	1,450,004	-	10,989,955	-	34,777,926	13,324,871
Net position													
Net investment in capital assets	-	-	-	-	-	-	-	135,834,427	-	-	-	135,834,427	135,790,477
Restricted:													
Nonexpendable	-	-	-	-	-	-	-	-	-	112,022,233	-	112,022,233	106,282,134
Expendable	10,813	-	81,099	-	13,927,861	14,019,773	6,905,878	14,420,741	-	72,667,830	-	108,014,222	116,071,789
Unrestricted (deficit)	869,310	30,878,458	1,793,775	(59,597,991)	-	(26,056,448)	(377,266)	8,026,310	-	9,189,209	-	(9,218,195)	(28,118,085)
Total net position	\$ 880,123	\$ 30,878,458	\$ 1,874,874	\$ (59,597,991)	\$ 13,927,861	\$ (12,036,675)	\$ 6,528,612	\$ 158,281,478	\$ -	\$ 193,879,272	\$ -	\$ 346,652,687	\$ 330,026,315

MICHIGAN TECHNOLOGICAL UNIVERSITY
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY FUND BY OBJECT
FOR THE YEAR ENDED JUNE 30, 2022

	General	Designated	Auxiliary	Retirement & Insurance	Expendable Restricted	Total Current Funds	Student Loan	Plant	Michigan Tech		2022	2021
									Fund	Eliminations		
Revenues												
Operating revenues												
Student tuition and fees, net	\$ 151,048,702	\$ 27,344	\$ 1,230,060	\$ -	\$ 20,757	\$ 152,326,863	\$ -	\$ -	\$ -	\$ (50,169,849)	\$ 102,157,014	\$ 98,248,502
Federal grants and contracts	34,571	-	-	-	36,803,812	36,838,383	(1,583,372)	-	-	-	35,255,011	30,484,175
State and local grants and contracts	-	-	-	-	4,828,756	4,828,756	-	-	-	-	4,828,756	3,800,457
Nongovernmental grants and contracts	-	-	-	-	23,902,095	23,902,095	-	25,628	-	-	23,927,723	21,323,554
Indirect cost recoveries	17,402,254	-	-	-	(17,402,254)	-	-	-	-	-	-	-
Educational activities	424,903	2,527,903	723,718	528,381	685,283	4,890,188	2,286	-	-	-	4,892,474	4,456,771
Departmental activities	54,418	97,241	9,272,819	-	455	9,424,933	-	50,901	-	-	9,475,834	5,418,921
Student residence fees, net	-	-	29,426,535	-	-	29,426,535	-	42,615	-	(9,742,905)	19,726,245	15,102,209
Total operating revenues	168,964,848	2,652,488	40,653,132	528,381	48,838,904	261,637,753	(1,581,086)	119,144	-	(59,912,754)	200,263,057	178,834,589
Expenses												
Operating expenses												
Salaries and wages	90,983,360	7,322,815	8,560,508	3,681,683	23,728,210	134,276,576	-	-	-	-	134,276,576	128,525,731
Fringe benefits	36,037,728	2,043,245	2,712,720	(18,576,525)	6,163,123	28,380,291	-	-	-	-	28,380,291	35,155,840
Supplies and services	17,534,272	6,866,639	15,621,017	1,361,607	20,377,915	61,761,450	317,792	16,549,846	12,332,766	(30,230,192)	60,731,662	48,752,132
Student financial support	58,329,072	800,428	10,000	-	17,720,039	76,859,539	-	-	3,025,139	(62,937,893)	16,946,785	15,330,746
Utilities	3,989,064	227,647	2,278,525	-	21,377	6,516,613	-	-	-	-	6,516,613	6,263,372
Depreciation	-	-	-	-	-	-	-	14,318,065	-	-	14,318,065	14,464,888
Total operating expenses	206,873,496	17,260,774	29,182,770	(13,533,235)	68,010,664	307,794,469	317,792	30,867,911	15,357,905	(93,168,085)	261,169,992	248,492,709
Operating (loss) income	(37,908,648)	(14,608,286)	11,470,362	14,061,616	(19,171,760)	(46,156,716)	(1,898,878)	(30,748,767)	(15,357,905)	33,255,331	(60,906,935)	(69,658,120)
Net transfers (out) in	(18,254,719)	14,802,971	(11,245,471)	841,085	(1,970,031)	(15,826,165)	(307,222)	16,133,387	-	-	-	-
Nonoperating revenues (expenses)												
Federal Pell grants	-	-	-	-	5,031,356	5,031,356	-	-	-	-	5,031,356	5,104,880
Federal grants, other	-	-	-	-	-	-	-	529,047	-	-	529,047	628,494
Federal coronavirus relief funds	-	-	-	-	12,420,301	12,420,301	-	-	-	-	12,420,301	17,071,681
State appropriations	53,337,200	-	-	-	-	53,337,200	-	-	-	-	53,337,200	50,795,200
Gifts	4,153,496	3,489,019	282,649	-	4,989,297	12,914,461	-	760	10,581,204	(12,963,954)	10,532,471	26,059,645
Investment (loss) return	(382,869)	-	-	(2,553,177)	353	(2,935,693)	305,805	2,316,062	(7,226,708)	-	(7,540,534)	26,946,630
Interest on capital asset-related debt	-	-	-	-	-	-	-	(3,551,392)	-	-	(3,551,392)	(3,551,233)
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	-	(327,947)	(327,947)	(82,333)
Net nonoperating revenues (expenses)	57,107,827	3,489,019	282,649	(2,553,177)	22,441,307	80,767,625	305,805	(705,523)	3,354,496	(13,291,901)	70,430,502	122,972,964
Income (loss) before other revenues	944,460	3,683,704	507,540	12,349,524	1,299,516	18,784,744	(1,900,295)	(15,320,903)	(12,003,409)	19,963,430	9,523,567	53,314,844
Other revenues												
Capital grants and gifts	-	-	-	-	-	-	-	2,312,722	1,292,298	(1,998,328)	1,606,692	779,867
Gifts for permanent endowment purposes	-	-	-	-	-	-	-	-	5,385,720	-	5,385,720	8,975,679
Other revenues	-	-	-	-	-	-	-	-	110,393	-	110,393	61,031
Fund additions	-	-	-	-	-	-	-	17,965,102	-	(17,965,102)	-	-
Total other revenues	-	-	-	-	-	-	-	20,277,824	6,788,411	(19,963,430)	7,102,805	9,816,577
Net increase (decrease) in net position	944,460	3,683,704	507,540	12,349,524	1,299,516	18,784,744	(1,900,295)	4,956,921	(5,214,998)	-	16,626,372	63,131,421
Net position, beginning of year	(64,337)	27,194,754	1,367,334	(71,947,515)	12,628,345	(30,821,419)	8,428,907	153,324,557	199,094,270	-	330,026,315	266,894,894
Net position, end of year	\$ 880,123	\$ 30,878,458	\$ 1,874,874	\$ (59,597,991)	\$ 13,927,861	\$ (12,036,675)	\$ 6,528,612	\$ 158,281,478	\$ 193,879,272	\$ -	\$ 346,652,687	\$ 330,026,315



MICHIGAN TECHNOLOGICAL UNIVERSITY
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY FUND BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2022

	General	Designated	Auxiliary	Retirement & Insurance	Expendable Restricted	Total Current Funds	Student Loan	Plant	Michigan Tech Fund	Eliminations	2022	2021
Revenues												
Operating revenues												
Student tuition and fees, net	\$ 151,048,702	\$ 27,344	\$ 1,230,060	\$ -	\$ 20,757	\$ 152,326,863	\$ -	\$ -	\$ -	\$ (50,169,849)	\$ 102,157,014	\$ 98,248,502
Federal grants and contracts	34,571	-	-	-	36,803,812	36,838,383	(1,583,372)	-	-	-	35,255,011	30,484,175
State and local grants and contracts	-	-	-	-	4,828,756	4,828,756	-	-	-	-	4,828,756	3,800,457
Nongovernmental grants and contracts	-	-	-	-	23,902,095	23,902,095	-	25,628	-	-	23,927,723	21,323,554
Indirect cost recoveries	17,402,254	-	-	-	(17,402,254)	-	-	-	-	-	-	-
Educational activities	424,903	2,527,903	723,718	528,381	685,283	4,890,188	2,286	-	-	-	4,892,474	4,456,771
Departmental activities	54,418	97,241	9,272,819	-	455	9,424,933	-	50,901	-	-	9,475,834	5,418,921
Student residence fees, net	-	-	29,426,535	-	-	29,426,535	-	42,615	-	(9,742,905)	19,726,245	15,102,209
Total operating revenues	168,964,848	2,652,488	40,653,132	528,381	48,838,904	261,637,753	(1,581,086)	119,144	-	(59,912,754)	200,263,057	178,834,589
Expenses												
Operating expenses												
Instruction	65,826,212	2,434,716	-	(4,401,797)	126,010	63,985,141	-	-	-	(481,774)	63,503,367	62,431,697
Research	19,442,370	11,213,625	-	(3,828,273)	43,816,679	70,644,401	-	-	-	(3,128,832)	67,515,569	60,016,828
Public service	1,704,325	454,659	-	(530,509)	8,258,296	9,886,771	-	-	-	48,570	9,935,341	11,027,767
Academic support	25,058,385	526,177	-	(1,505,500)	1,082	24,080,144	-	-	-	(370,933)	23,709,211	21,078,846
Student services	9,667,013	597,485	5,774,123	(831,609)	119,186	15,326,198	-	-	-	(71,371)	15,254,827	13,810,086
Institutional support	19,821,874	362,675	-	(1,245,484)	849,332	19,788,397	-	526,393	12,332,766	(12,501,736)	20,145,820	23,081,412
Student financial support	54,393,768	-	-	-	14,840,079	69,233,847	317,792	-	3,025,139	(53,194,988)	19,381,790	16,267,506
Operations and maintenance of plant	10,959,549	1,671,437	-	(559,186)	-	12,071,800	-	16,023,453	-	(13,554,518)	14,540,735	13,640,128
Sales and services of dept activities	-	-	-	-	-	-	-	-	-	6,193,379	6,193,379	4,232,924
Student residents	-	-	23,408,647	(630,877)	-	22,777,770	-	-	-	(16,105,882)	6,671,888	8,440,627
Depreciation	-	-	-	-	-	-	-	14,318,065	-	-	14,318,065	14,464,888
Total operating expenses	206,873,496	17,260,774	29,182,770	(13,533,235)	68,010,664	307,794,469	317,792	30,867,911	15,357,905	(93,168,085)	261,169,992	248,492,709
Operating (loss) income	(37,908,648)	(14,608,286)	11,470,362	14,061,616	(19,171,760)	(46,156,716)	(1,898,878)	(30,748,767)	(15,357,905)	33,255,331	(60,906,935)	(69,658,120)
Net transfers (out) in	(18,254,719)	14,802,971	(11,245,471)	841,085	(1,970,031)	(15,826,165)	(307,222)	16,133,387	-	-	-	-
Nonoperating revenues (expenses)												
Federal Pell grants	-	-	-	-	5,031,356	5,031,356	-	-	-	-	5,031,356	5,104,880
Federal grants, other	-	-	-	-	-	-	-	529,047	-	-	529,047	628,494
Federal coronavirus relief funds	-	-	-	-	12,420,301	12,420,301	-	-	-	-	12,420,301	17,071,681
State appropriations	53,337,200	-	-	-	-	53,337,200	-	-	-	-	53,337,200	50,795,200
Gifts	4,153,496	3,489,019	282,649	-	4,989,297	12,914,461	-	760	10,581,204	(12,963,954)	10,532,471	26,059,645
Investment return	(382,869)	-	-	(2,553,177)	353	(2,935,693)	305,805	2,316,062	(7,226,708)	-	(7,540,534)	26,946,630
Interest on capital asset-related debt	-	-	-	-	-	-	-	(3,551,392)	-	-	(3,551,392)	(3,551,233)
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	-	(327,947)	(327,947)	(82,333)
Net nonoperating revenues (expenses)	57,107,827	3,489,019	282,649	(2,553,177)	22,441,307	80,767,625	305,805	(705,523)	3,354,496	(13,291,901)	70,430,502	122,972,964
Income (loss) before other revenues	944,460	3,683,704	507,540	12,349,524	1,299,516	18,784,744	(1,900,295)	(15,320,903)	(12,003,409)	19,963,430	9,523,567	53,314,844
Other revenues												
Capital grants and gifts	-	-	-	-	-	-	-	2,312,722	1,292,298	(1,998,328)	1,606,692	779,867
Gifts for permanent endowment purposes	-	-	-	-	-	-	-	-	5,385,720	-	5,385,720	8,975,679
Other revenues	-	-	-	-	-	-	-	-	110,393	-	110,393	61,031
Fund additions	-	-	-	-	-	-	-	17,965,102	-	(17,965,102)	-	-
Total other revenues	-	-	-	-	-	-	-	20,277,824	6,788,411	(19,963,430)	7,102,805	9,816,577
Net increase (decrease) in net position	944,460	3,683,704	507,540	12,349,524	1,299,516	18,784,744	(1,900,295)	4,956,921	(5,214,998)	-	16,626,372	63,131,421
Net position, beginning of year	(64,337)	27,194,754	1,367,334	(71,947,515)	12,628,345	(30,821,419)	8,428,907	153,324,557	199,094,270	-	330,026,315	266,894,894
Net position, end of year	\$ 880,123	\$ 30,878,458	\$ 1,874,874	\$ (59,597,991)	\$ 13,927,861	\$ (12,036,675)	\$ 6,528,612	\$ 158,281,478	\$ 193,879,272	\$ -	\$ 346,652,687	\$ 330,026,315

2022 FINANCIAL REPORT



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