

2023 FINANCIAL REPORT



**Michigan
Technological
University**



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THE MICHIGAN TECH *STRATEGIC PLAN*

VISION

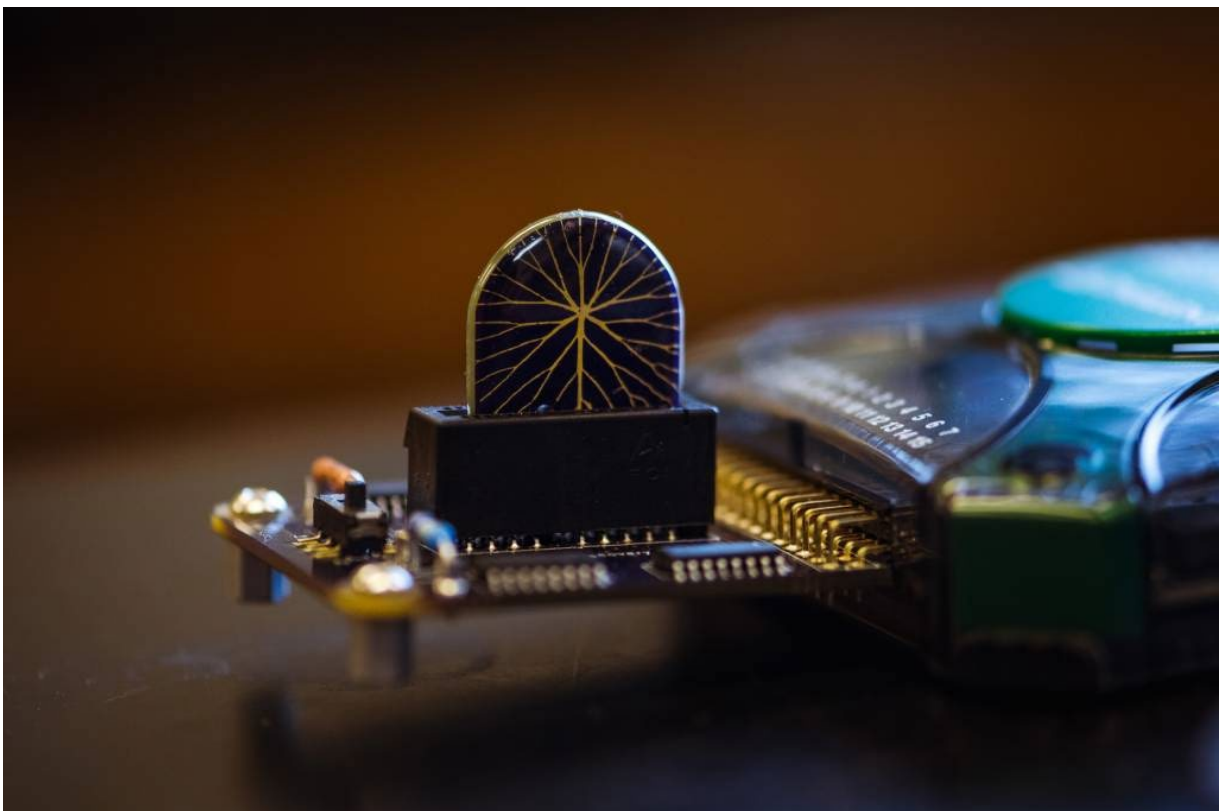
Michigan Tech is a globally recognized technological university that educates students, advances knowledge, and innovates to improve the quality of life and to promote mutual respect and equity for all people within the state, the nation, and the global community.

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*

"Driving Force," the cover story of the latest Michigan Tech Magazine, sums up what we do best. Specifically established to drive industry forward, Michigan Tech has earned a place amongst Michigan's top universities in regards to research, innovation, and workforce development.

And, there are no signs of a slowdown.

Our incoming class of first-year students in fall 2022 was the second-largest in school history and is the most academically proficient on record as measured by high school GPA and SAT.

Our research expenditures are outpacing fiscal year 2022's all-time historic high.

And, last year, the Michigan Tech Fund recorded one of the largest fundraising totals in MTU's history.

Looking ahead, we are pleased to report that Michigan Tech's financial forecast remains healthy. The fiscal year 2024 budget includes continuing our faculty hiring initiative, increasing our deferred maintenance budget, instituting selected unit budget enhancements, and implementing salary increases.

Enrollment is well positioned for the coming academic year. Construction of our new H-STEM Complex is proceeding on schedule, with an anticipated opening in early 2024, and the planning phase of the campus master plan's East Residence Hall project is well underway. Also, after a long hiatus, we will welcome a new class of nursing students to campus this fall.

Finally, we are on the cusp of launching a capital campaign to strengthen Michigan Tech's unique and extraordinary educational experience.

We've had an exceptional year because of the exceptionally talented faculty and staff at Michigan Tech. Their talents are best reflected in the success of our students. With a career placement rate above 90 percent for the past four years, Michigan Tech's alumni are the driving force helping to shape our future—all thanks to your efforts.

Sincerely,

Rick Koubek
President



ADMINISTRATIVE OFFICERS

BOARD OF TRUSTEES

TERMS ENDING DECEMBER 31 OF YEAR SHOWN

2024	Derhun Sanders	Steven Tomaszewski, Vice Chair
2026	John Bacon	Jeffrey Littmann, Chair
2028	Andrea Dickson	Jon Jipping
2030	Matthew Johnson	Monique Wells

EXECUTIVE AND BOARD OFFICERS

Richard Koubek
President

Andrew Storer
Provost and Senior Vice President for Academic
Affairs

Nick Stevens
Chief Financial Officer and Senior
Vice President for Administration

Wayne Gersie
Vice President for Diversity and Inclusion

Laura Bulleit
Interim Dean of Students

David Reed
Vice President for Research

William Roberts
Vice President for Advancement and Alumni
Engagement

John Lehman
Vice President for University Relations and Enrollment

Sarah Schulte
Secretary of the Board of Trustees

Julie Seppala
Treasurer of the Board of Trustees

Suzanne Sanregret
Vice President for Athletics and Recreation





UNIVERSITY *UPDATE*

Michigan Technological University will enter the 2023-24 academic year with one of the strongest long-term enrollment records seen among Michigan's public universities and many exciting projects underway, including ongoing construction of our H-STEM Engineering and Health Technologies Complex and the groundbreaking for our new residence hall. Both buildings are part of the University's new campus master plan, approved by Michigan Tech's Board of Trustees in October 2022.

Following last year's record-breaking enrollment, Michigan Tech welcomed 7,073 students to campus for fall 2022, including 1,388 incoming first-year students. Last year's class of new first-year students and this year's class represent the two largest since 1984. The average GPA of 3.83 for this year's incoming class is a new University record. Overall enrollment grew 1 percent.

University President Rick Koubek noted at the start of the academic year that Tech is on track to hit its 2035 goals of 10,000 students, \$200 million in research expenditures, a 40 percent increase in faculty, a \$300 million endowment, and refreshed campus infrastructure. To meet those goals, four key initiatives launched during the 2022-23 academic year:

- A national student recruitment campaign
- A faculty/staff hiring initiative
- Initiation of a capital campaign
- Execution of the campus master plan

Additionally, in May 2023, the Michigan Tech Board of Trustees voted to approve a Bachelor of Science in Nursing program. MTU will rehome nearby Finlandia University's nursing program and build on its strong foundation to serve as a major asset for both the community and the region. The program will begin admitting new students after approval processes are complete.



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, 2023 and 2022 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, 2023 and 2022 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 Michigan Tech Fund, a blended 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 Supplementary 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 supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our 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 audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 accompanying Michigan Tech strategic plan, the letter from the president, the listing of administrative officers, and the university update, which are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Our opinion on the financial statements does not cover such information, and we do not express an opinion or any form of assurance thereon.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2023 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 5, 2023



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, 2023, 2022, and 2021. 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.



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>2023</u>	<u>2022</u>	<u>2021</u>
Assets			
Current assets	\$ 56,563,855	\$ 67,354,666	\$ 58,692,682
Noncurrent assets:			
Capital assets, net	248,501,370	221,435,068	221,553,124
Other	297,337,953	275,883,254	262,868,880
Total assets	602,403,178	564,672,988	543,114,686
Deferred outflows of resources	6,175,737	16,291,832	6,656,404
Liabilities			
Current liabilities	36,401,314	35,448,551	32,283,267
Noncurrent liabilities	163,547,411	164,085,656	174,136,637
Total liabilities	199,948,725	199,534,207	206,419,904
Deferred inflows of resources	12,405,892	34,777,926	13,324,871
Net position			
Net investment in capital assets	149,340,220	135,834,427	135,790,477
Restricted			
Nonexpendable	118,486,008	112,022,233	106,282,134
Expendable	104,030,039	108,014,222	116,071,789
Unrestricted	24,368,031	(9,218,195)	(28,118,085)
Total net position	\$ 396,224,298	\$ 346,652,687	\$ 330,026,315

Changes from 2022 to 2023

Total assets of the University increased by \$37.7 million. The main drivers of the increase in assets were investments and capital assets, net. Investments increased due to decent investment returns and from the investment of a portion of the unspent bond proceeds from the 2023A and 2023B bond issuances. Capital assets, net increased due to the continued construction of the H-STEM Complex.

Total liabilities increased by \$415,000 in fiscal year 2023. Long-term debt increased during the fiscal year resulting from the 2023A and 2023B bond issuances totaling \$28.2 million to renovate campus classroom and lab space and build a high bay building used for research. The net pension liability that is passed through to the University from the Michigan Public Schools Employees Retirement System (MPSERS) decreased significantly, by \$27.4 million, due to the State of Michigan paying down the UAAL.

Deferred outflows of resources decreased by \$10.1 million and deferred inflows decreased by \$22.3 million. The notable changes to those line items were the recognition of revenue in fiscal year 2023 from \$11.0 million of special allocation of funding that was received in fiscal year 2022 from the State of Michigan for the MPSERS unfunded liability.



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 (MPERS) decreased significantly.

Deferred outflows of resources increased 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 MPERS 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 MPERS net pension and OPEB liabilities.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net investment in capital assets	\$ 149,340,220	\$ 135,834,427	\$ 135,790,477
Restricted-nonexpendable net position - endowment	118,486,008	112,022,233	106,282,134
Restricted-expendable net position			
Gifts and sponsored programs	43,223,325	42,427,034	47,795,171
Capital projects and debt service	9,065,615	14,420,741	2,530,518
Student loans	5,327,123	6,905,878	8,760,339
Net appreciation on permanent endowment funds and land held for investment	46,413,976	44,260,569	56,985,761
Total restricted-expendable net position	104,030,039	108,014,222	116,071,789
Unrestricted net position (deficit)			
Capital projects and repairs	9,082,009	8,026,310	6,942,720
Auxiliary enterprises	1,064,037	1,793,775	1,291,901
Designated for departmental use	31,472,831	30,878,458	27,194,753
Pension and OPEB plans	(28,177,244)	(67,361,873)	(81,699,973)
Uncommitted	10,926,398	17,445,135	18,152,514
Total unrestricted net position (deficit)	24,368,031	(9,218,195)	(28,118,085)
Total net position	\$ 396,224,298	\$ 346,652,687	\$ 330,026,315

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**

	2023	2022	2021
Operating revenues			
Tuition and fees, net	\$ 106,273,322	\$ 102,157,014	\$ 98,248,502
Grants and contracts	69,269,326	64,011,490	55,608,186
Educational activities	5,809,854	4,892,474	4,456,771
Auxiliary and departmental activities, net	31,018,583	29,202,079	20,521,130
Total operating revenues	212,371,085	200,263,057	178,834,589
Operating expenses			
Compensation and benefits	192,430,943	162,656,867	163,681,571
Supplies and services	68,594,543	60,731,662	48,752,132
Student financial support	11,498,389	16,946,785	15,330,746
Utilities	7,081,475	6,516,613	6,263,372
Depreciation and amortization	16,457,358	14,318,065	14,464,888
Total operating expenses	296,062,708	261,169,992	248,492,709
Operating loss	(83,691,623)	(60,906,935)	(69,658,120)
Nonoperating revenues (expenses) and other revenues			
Federal Pell grants	4,944,840	5,031,356	5,104,880
State appropriations	96,816,078	53,337,200	50,795,200
Other nonoperating revenues and expenses, net	31,502,316	19,164,751	76,889,461
Net nonoperating revenues (expenses) and other revenues	133,263,234	77,533,307	132,789,541
Net increase in net position	49,571,611	16,626,372	63,131,421
Net position			
Beginning of year	346,652,687	330,026,315	266,894,894
End of year	\$ 396,224,298	\$ 346,652,687	\$ 330,026,315

Changes from 2022 to 2023

Overall, the University experienced a \$12.1 million increase in operating revenues. Tuition and fees, net and research grants and contracts were the drivers of the increase from higher enrollment and more research grants awarded.

Operating expenses increased by \$34.9 million. Compensation and benefits increased by \$29.7 million, with salaries and wages making up \$8.1 million of that increase and benefits making up \$21.6 million. The increase in benefits is mostly due to MPSERS actuarial changes. Supplies and services increased by \$7.9 million with more spending on research grants and contracts.

Nonoperating revenues (expenses) and other revenues increased by \$55.9 million. The large increases came from special State appropriations designated to pay down the unfunded MPSERS net pension liability, and positive investment returns. No federal coronavirus relief funds were received in fiscal year 2023.

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.

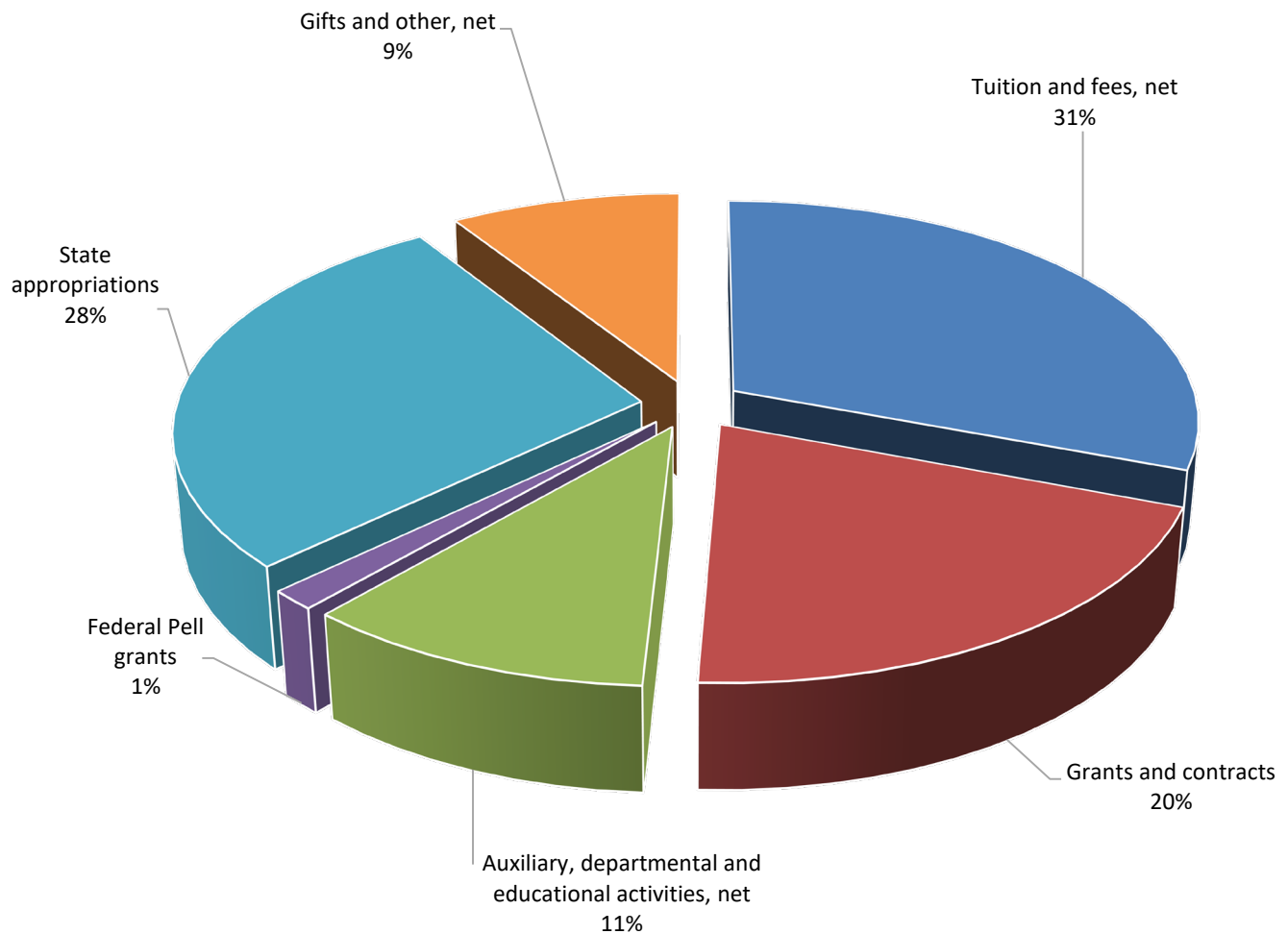
Nonoperating revenues (expenses) and other revenues decreased by \$55.3 million. The large decreases came from investment losses, decreased gifts and less revenue from Federal coronavirus relief funds.

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 2023 revenues by source:

SOURCES OF REVENUES



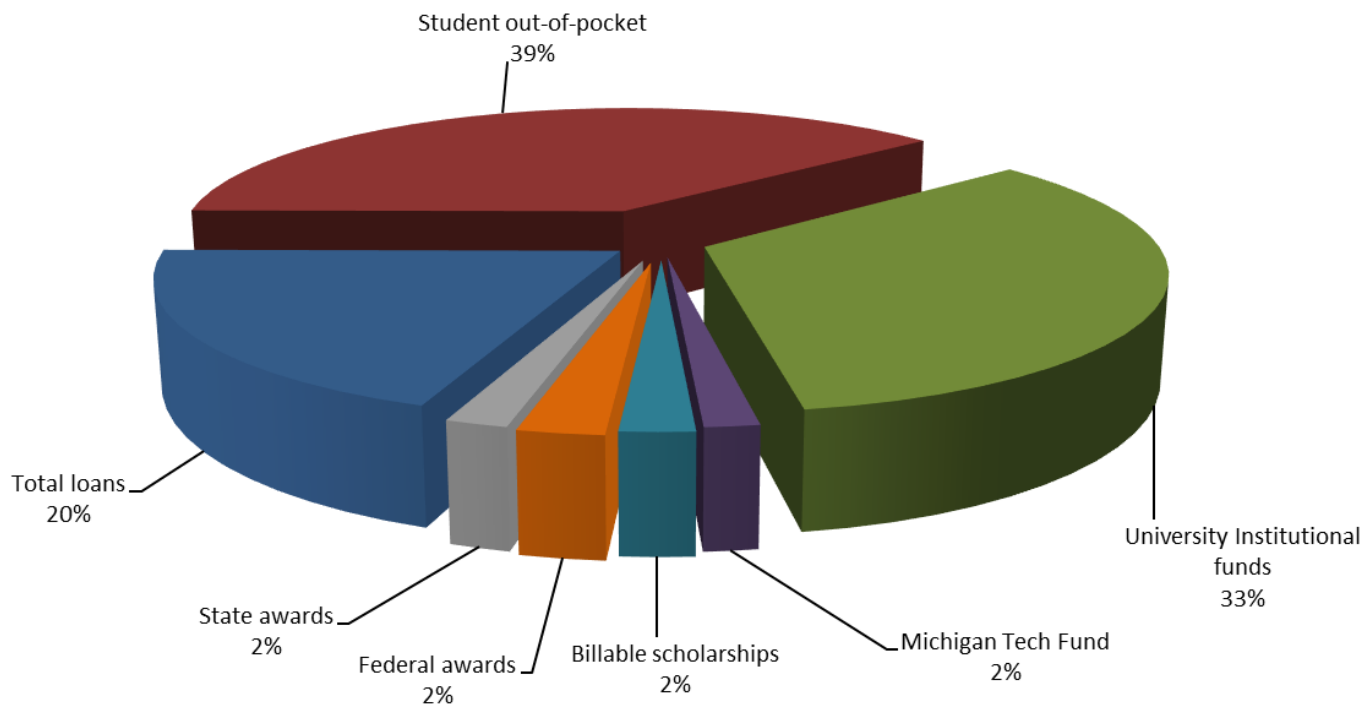
TUITION AND FEES REVENUE

The University provides students with the opportunity to obtain a quality education at a price that is subsidized by state funding. For fiscal year 2023, the University implemented a 3.8% average increase in tuition and mandatory fees for Michigan resident undergraduates. Graduate students saw a 3.9% 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, 2023. 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.

STUDENT FINANCIAL AID REPORT



GRANT AND CONTRACT REVENUE

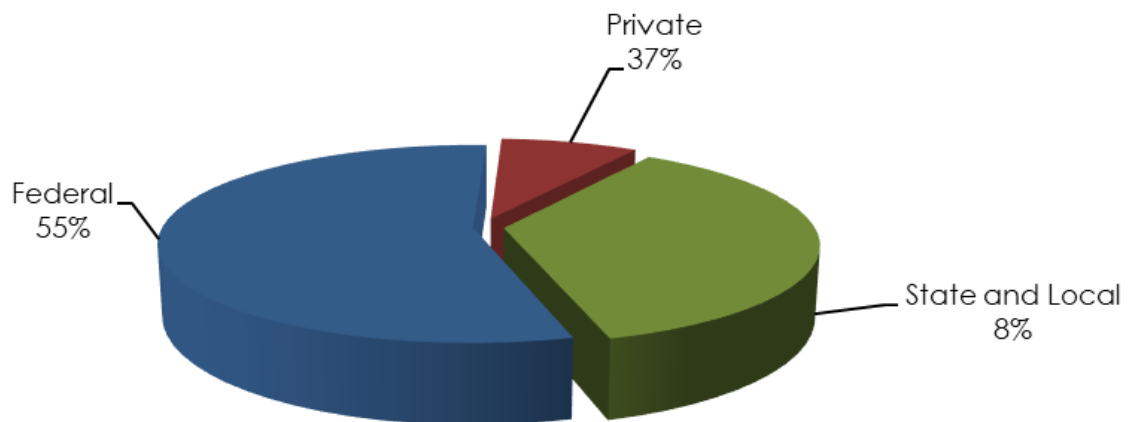
The University receives revenues for sponsored programs from governmental and private sources, which provide for the direct and indirect costs of performing sponsored activities. The University also receives revenues from the federal government and its agencies for student grants. There were \$82.8 and \$79.1 million of research and sponsored programs awarded to the University in fiscal years 2023 and 2022, respectively. The University currently has 16 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>2023</u>	<u>2022</u>	<u>2021</u>
Federal sources:			
Department of Agriculture	\$ 2,643,317	\$ 2,013,267	\$ 1,836,306
Department of Defense	9,906,909	12,375,121	12,033,433
Department of Education (net of Pell grants)	707,384	478,114	531,842
Department of Energy	3,304,589	3,453,939	2,508,254
Department of Interior	992,277	637,551	1,070,028
Department of Transportation	1,379,795	789,291	406,975
Environmental Protection Agency	139,120	132,896	162,853
National Aeronautics and Space Administration	5,418,171	4,807,182	3,927,372
National Science Foundation	10,671,183	8,567,875	6,935,289
Health and Human Services	3,379,278	2,912,673	2,266,570
Other federal sources	940,264	670,474	546,908
Repayments	(1,261,180)	(1,583,372)	(1,741,655)
Total federal sources	38,221,107	35,255,011	30,484,175
Non-federal sources:			
State and local	5,794,903	4,828,756	3,800,457
Private	25,253,316	23,927,723	21,323,554
Total non-federal sources	31,048,219	28,756,479	25,124,011
Total all sources	\$ 69,269,326	\$ 64,011,490	\$ 55,608,186

The following graph illustrates the fiscal year 2023 grant and contract revenue by source.





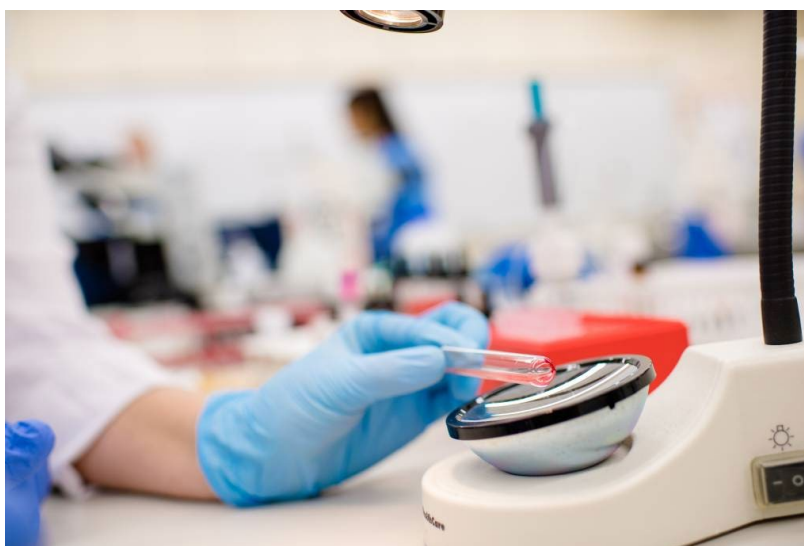
OPERATING EXPENSES BY FUNCTION

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Instruction	\$ 72,434,387	\$ 63,503,367	\$ 62,431,697
Research	78,635,226	67,515,569	60,016,828
Public service	12,687,152	9,935,341	11,027,767
Academic support	25,928,148	23,709,211	21,078,846
Student services	19,166,852	15,254,827	13,810,086
Institutional support	22,405,236	20,145,820	23,081,412
Operations and maintenance of plant	17,229,588	14,540,735	13,640,128
Student financial support	13,814,036	19,381,790	16,267,506
Departmental activities	8,758,759	6,193,379	4,232,924
Student residents	8,545,966	6,671,888	8,440,627
Depreciation	16,457,358	14,318,065	14,464,888
Total	<u>\$ 296,062,708</u>	<u>\$ 261,169,992</u>	<u>\$ 248,492,709</u>

Overall, expenses increased by 13% in fiscal year 2023 compared to fiscal year 2022 and increased by 5% in fiscal year 2022 compared to fiscal year 2021. Notable increases across the categories can be attributed to increased enrollment and occupancy in on-campus housing, more research grants and contracts awarded, and maintenance projects that had been on hold during the pandemic being under way.



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>2023</u>	<u>2022</u>	<u>2021</u>
Cash (used in) provided by			
Operating activities	\$ (109,931,427)	\$ (59,133,307)	\$ (59,517,363)
Noncapital financing activities	110,818,446	78,088,967	73,776,014
Capital and related financing activities	(10,035,837)	1,837,583	(7,321,222)
Investing activities	(8,514,737)	(3,566,611)	(921,726)
Net change in cash and cash equivalents	(17,663,555)	17,226,632	6,015,703
Cash and cash equivalents, beginning of the year	52,885,466	35,658,834	29,643,131
Cash and cash equivalents, end of the year	\$ 35,221,911	\$ 52,885,466	\$ 35,658,834

Changes from 2022 to 2023

Cash from operating activities decreased by \$50.8 million. The largest driver of the decrease was in payments for benefits, in which an additional \$33.8 million was paid to the MPSERS pension plan during fiscal year 2023. Payments to employees and payments to suppliers increased as well, which decreased cash from operating activities.

Cash from noncapital financing activities increased by \$32.7 million. State appropriations increased significantly from a special allocation of funding for the MPSERS pension plan. There was a decrease in receipts of federal coronavirus relief funds as none of those funds were received in fiscal year 2023.

Cash from capital and related financing activities decreased by \$11.9 million. More capital assets were purchased during fiscal year 2023, for the H-STEM Complex. The proceeds from issuing the 2023A and 2023B bonds were \$7.9 million less than the Series 2021 bonds issued in fiscal year 2022.

Cash from investing activities decreased by \$4.9 million due to the purchase of investments being greater than the sales of investments during fiscal year 2023. Purchases of investments increased from investing a portion of the unspent bond proceeds of the 2023A and 2023B bonds.

Overall, cash decreased by \$17.6 million with most of the decrease coming from spending on the H-STEM Complex and no receipt of federal coronavirus relief funds.

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.



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 18% of accepted students enroll at the University. Michigan residents account for 69% 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 SEMESTERS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
First-Year Students	7,394	6,895	5,260	4,442	4,313
Transfer Students	332	339	296	310	298
Graduate Students	<u>2,753</u>	<u>1,433</u>	<u>1,525</u>	<u>1,655</u>	<u>1,566</u>
Total	<u>10,479</u>	<u>8,667</u>	<u>7,081</u>	<u>6,407</u>	<u>6,177</u>

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

	Michigan Tech	National
2022	27.3	19.8
2021	27.7	20.3
2020	27.5	20.6
2019	27.6	20.7
2018	27.3	20.8

SELECTED ENROLLMENT DATA* SUMMER AND FALL SEMESTERS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
First-Year Students	1,388	1,479	1,201	1,301	1,245
New Transfer Students	144	151	149	159	156
Graduate Students	<u>389</u>	<u>385</u>	<u>242</u>	<u>389</u>	<u>396</u>
Total	<u>1,921</u>	<u>2,015</u>	<u>1,592</u>	<u>1,849</u>	<u>1,797</u>

ENROLLMENT BY RESIDENCY, FALL SEMESTER*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Resident	4,745	4,818	4,704	4,755	4,746
Non-Resident	1,404	1,408	1,376	1,389	1,470
International	<u>714</u>	<u>598</u>	<u>607</u>	<u>768</u>	<u>900</u>
Total	<u>6,863</u>	<u>6,824</u>	<u>6,687</u>	<u>6,912</u>	<u>7,116</u>

*Does not include Distance Learning

FULL-TIME EQUIVALENT STUDENTS BY RESIDENCY, FALL SEMESTER*

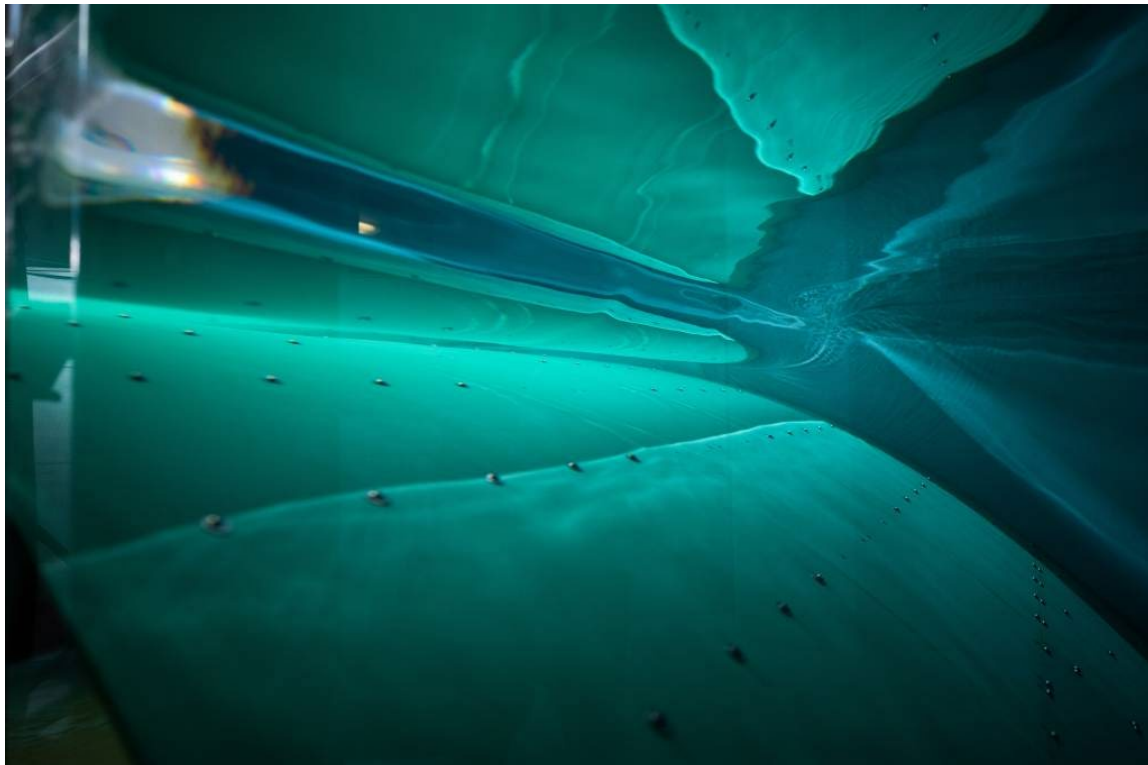
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Resident	4,507	4,582	4,443	4,475	4,482
Non-Resident	1,347	1,344	1,307	1,324	1,401
International	697	562	559	730	858
Total	<u>6,551</u>	<u>6,488</u>	<u>6,309</u>	<u>6,529</u>	<u>6,741</u>

**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				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Associate's	3	5	5	2	1
Bachelor's	1,109	1,164	1,173	1,170	1,160
Master's	385	353	424	357	448
Doctoral	86	74	84	85	86
Total	<u>1,583</u>	<u>1,596</u>	<u>1,686</u>	<u>1,614</u>	<u>1,695</u>





MICHIGAN TECHNOLOGICAL UNIVERSITY
STATEMENTS OF NET POSITION

	June 30	
	2023	2022
Assets		
Current assets		
Cash and cash equivalents	\$ 25,133,658	\$ 42,336,097
Accounts receivable, net	28,201,559	22,328,410
Pledges receivable, net	1,975,457	1,452,494
Other assets	1,253,181	1,237,665
Total current assets	56,563,855	67,354,666
Noncurrent assets		
Student loans receivable, net	3,336,525	4,677,979
Pledges receivable, net of allowance and current portion	17,251,715	17,615,926
Restricted cash for capital projects - unspent bond proceeds	10,088,253	10,549,369
Restricted investments for capital projects - unspent bond proceeds	18,496,797	-
Investments	234,279,866	228,200,878
Beneficial interest in charitable remainder trusts	6,989,028	6,806,179
Capital assets, net	248,501,370	221,435,068
Net OPEB asset - MPSERS	4,226,637	4,825,977
Other assets	2,669,132	3,206,946
Total noncurrent assets	545,839,323	497,318,322
Total assets	602,403,178	564,672,988
Deferred outflows of resources		
Deferred pension amounts	5,062,918	14,970,540
Deferred OPEB amounts	1,112,819	1,321,292
Total deferred outflows of resources	6,175,737	16,291,832
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	25,457,322	26,285,345
Unearned revenue	4,986,774	4,798,631
Annuity obligations, current portion	447,020	452,757
Insurance and benefit reserves	1,332,031	1,357,943
Long-term debt, current portion	4,178,167	2,553,875
Total current liabilities	36,401,314	35,448,551
Noncurrent liabilities		
Enrollment deposits	169,050	308,450
Annuity obligations, net of current portion	4,766,738	4,973,765
Long-term debt, net of current portion	120,038,457	92,661,726
Net pension liability	36,025,076	63,410,817
Net OPEB liability - single employer plan	2,548,090	2,730,898
Total noncurrent liabilities	163,547,411	164,085,656
Total liabilities	199,948,725	199,534,207
Deferred inflows of resources		
Deferred pension amounts	6,452	19,577,145
Deferred OPEB amounts	-	2,760,822
Deferred gain on refunding	1,329,170	1,450,004
Deferred split-interest agreement amounts	11,070,270	10,989,955
Total deferred inflows of resources	12,405,892	34,777,926
Net position		
Net investment in capital assets	149,340,220	135,834,427
Restricted:		
Nonexpendable	118,486,008	112,022,233
Expendable:		
Academic support and student financial support	89,637,301	86,687,603
Capital projects	9,065,615	14,420,741
Student loans	5,327,123	6,905,878
Unrestricted	24,368,031	(9,218,195)
Total net position	\$ 396,224,298	\$ 346,652,687

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	
	2023	2022
Revenues		
Operating revenues		
Student tuition and fees (net of scholarship allowances of \$54,174,620 and \$50,169,849 in 2023 and 2022, respectively)	\$ 106,273,322	\$ 102,157,014
Federal grants and contracts	38,221,107	35,255,011
State and local grants and contracts	5,794,903	4,828,756
Nongovernmental grants and contracts	25,253,316	23,927,723
Educational activities	5,809,854	4,892,474
Departmental activities	11,158,971	9,475,834
Student residence fees (net of scholarship allowances of \$10,162,767 and \$9,742,905 in 2023 and 2022, respectively)	19,859,612	19,726,245
Total operating revenues	212,371,085	200,263,057
Expenses		
Operating expenses		
Compensation and benefits	192,430,943	162,656,867
Supplies and services	68,594,543	60,731,662
Student financial support	11,498,389	16,946,785
Utilities	7,081,475	6,516,613
Depreciation and amortization	16,457,358	14,318,065
Total operating expenses	296,062,708	261,169,992
Operating loss	(83,691,623)	(60,906,935)
Nonoperating revenues (expenses)		
Federal Pell grants	4,944,840	5,031,356
Federal grants, other	1,236,195	529,047
Federal coronavirus relief funds	-	12,420,301
State appropriations	96,816,078	53,337,200
Gifts	9,921,860	10,532,471
Investment return (loss)	13,165,036	(7,540,534)
Interest on capital asset-related debt	(4,061,359)	(3,551,392)
Loss on disposal of capital assets	(281,228)	(327,947)
Net nonoperating revenues	121,741,422	70,430,502
Income (loss) before other revenues	38,049,799	9,523,567
Other revenues		
Capital grants and gifts	5,642,138	1,606,692
Gifts for permanent endowment purposes	5,761,062	5,385,720
Other revenues	118,612	110,393
Total other revenues	11,521,812	7,102,805
Change in net position	49,571,611	16,626,372
Net position		
Beginning of year	346,652,687	330,026,315
End of year	\$ 396,224,298	\$ 346,652,687

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



MICHIGAN TECHNOLOGICAL UNIVERSITY
STATEMENTS OF CASH FLOWS

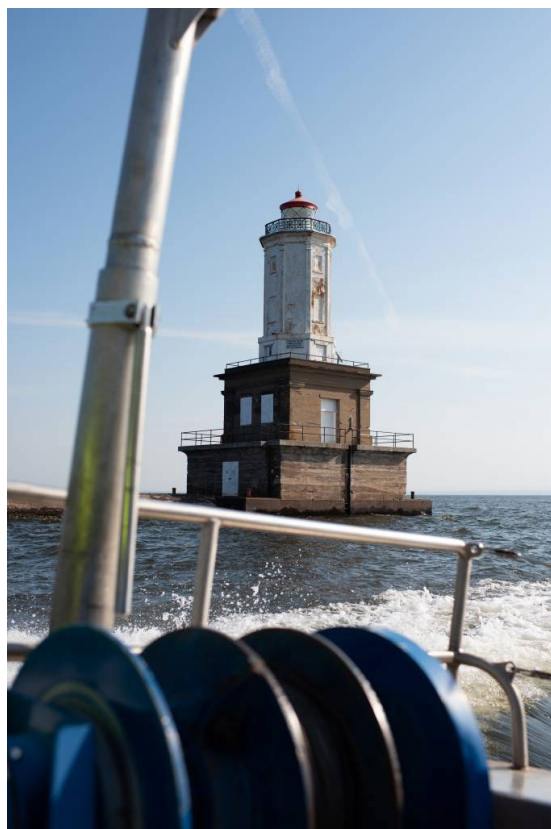
	Year Ended June 30	
	2023	2022
Cash flows from operating activities		
Student tuition and fees	\$ 106,294,205	\$ 101,834,719
Grants and contracts	68,233,966	62,457,389
Payments to employees	(146,443,514)	(133,281,335)
Payments for benefits	(89,424,602)	(42,582,346)
Payments to suppliers	(66,974,647)	(60,186,239)
Payments for utilities	(7,081,475)	(6,516,613)
Payments for financial aid	(11,498,389)	(16,946,785)
Loans issued to students	(106,822)	(104,757)
Collection of loans to students	1,448,579	1,635,033
Departmental activities	11,136,318	9,438,322
Educational activities	4,679,021	5,426,555
Student residence fees	19,990,646	19,643,426
William D. Ford direct lending cash received	24,481,433	25,099,679
William D. Ford direct lending cash disbursed	(24,490,551)	(25,117,885)
Other (payments) receipts	(175,595)	67,530
Net cash used in operating activities	(109,931,427)	(59,133,307)
Cash flows from noncapital financing activities		
Federal Pell grants	5,145,180	4,874,132
Federal grants, other	1,236,195	-
Federal coronavirus relief funds	-	12,949,348
State appropriations	96,710,785	53,232,346
Gifts and grants for other than capital purposes	8,061,769	7,356,276
Payments to annuitants	(454,095)	(433,528)
Other receipts	118,612	110,393
Net cash from noncapital financing activities	110,818,446	78,088,967
Cash flows from capital and related financing activities		
Grants and gifts received for capital and endowment purposes	5,996,514	6,537,752
Proceeds from sale of capital assets	22,653	37,512
Purchases of capital assets	(37,631,034)	(12,271,154)
Proceeds from issuance of debt	29,995,568	37,903,391
Principal paid on capital debt and leases	(4,290,206)	(26,941,886)
Interest paid on capital debt and leases	(4,129,332)	(3,428,032)
Net cash from (used in) capital and related financing activities	(10,035,837)	1,837,583
Cash flows from investing activities		
Proceeds from sales and maturities of investments	41,987,657	31,728,964
Purchase of investments	(56,673,395)	(39,004,371)
Income on investments	6,171,001	3,708,796
Net cash used in investing activities	(8,514,737)	(3,566,611)
Net change in cash and cash equivalents	(17,663,555)	17,226,632
Cash and cash equivalents, beginning of year	52,885,466	35,658,834
Cash and cash equivalents, end of year	\$ 35,221,911	\$ 52,885,466
Cash and cash equivalents per statement of net position	\$ 25,133,658	\$ 42,336,097
Restricted cash for capital projects - unspent bond proceeds	10,088,253	10,549,369
Total cash and cash equivalents per statement of net position	\$ 35,221,911	\$ 52,885,466

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

**MICHIGAN TECHNOLOGICAL UNIVERSITY
STATEMENTS OF CASH FLOWS (CONTINUED)**

	Year Ended June 30	
	2023	2022
Reconciliation of operating loss to net cash from operating activities		
Operating loss	\$ (83,691,623)	\$ (60,906,935)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation and amortization expense	16,457,358	14,318,065
Noncash gifts	1,221,346	(192,682)
Changes in operating assets and liabilities:		
Receivables, net	(1,861,246)	(2,112,000)
Other assets	(14,767)	(33,472)
Student loans receivable	1,341,454	1,530,279
Accounts payable and other accrued liabilities	(4,019,318)	1,919,520
Unearned revenue	213,144	896,128
Enrollment deposits	(246,400)	(137,700)
Insurance and benefit reserves	(25,912)	(76,410)
Change in net pension and OPEB liabilities and assets and deferred amounts	(39,305,463)	(14,338,100)
Net cash used in operating activities	<u>\$ (109,931,427)</u>	<u>\$ (59,133,307)</u>
 Supplemental disclosure of non-cash items		
Capital gifts-in-kind received	\$ 1,296,013	\$ 314,393

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, 2023, 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.

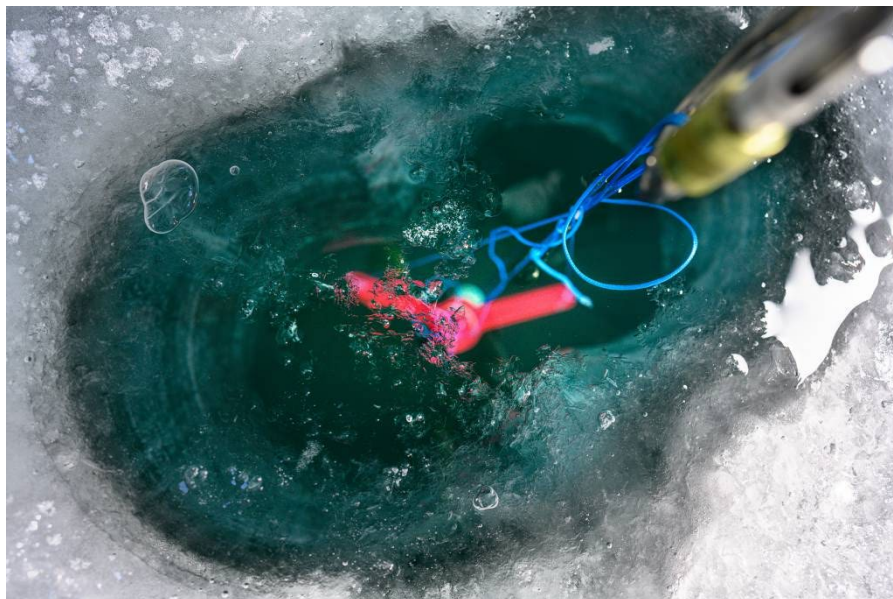
The financial statements include the operations of the University and the Fund, collectively known as the University's financial statements. All significant accounts and transactions between the Fund and the University have been eliminated.



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

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

	2023	2022
Assets		
Current assets	\$ 13,827,017	\$ 11,687,013
Noncurrent assets:		
Investments	182,301,018	171,980,194
Accounts receivable from the University	164,000	271,000
Other	25,931,331	26,650,507
Total assets	222,223,366	210,588,714
Liabilities		
Current liabilities:		
Accounts payable to the University	-	267,018
Other	465,741	478,704
Noncurrent liabilities	4,766,738	4,973,765
Total liabilities	5,232,479	5,719,487
Deferred inflows	11,070,270	10,989,955
Net position		
Restricted		
Nonexpendable	118,486,008	112,022,233
Expendable	77,517,839	72,667,830
Unrestricted	9,916,770	9,189,209
Total net position	\$ 205,920,617	\$ 193,879,272





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

	<u>2023</u>	<u>2022</u>
Operating expenses		
Supplies and services	\$ 10,574,539	\$ 12,332,766
Student financial support	3,567,901	3,025,139
Total operating expenses	<u>14,142,440</u>	<u>15,357,905</u>
Operating loss	(14,142,440)	(15,357,905)
Nonoperating revenues (expenses) and other revenues		
Gifts	9,651,844	10,581,204
Investment return (loss)	9,780,395	(7,226,708)
Gifts for capital and permanent endowment purposes	6,632,934	6,678,018
Other revenues	118,612	110,393
Net nonoperating revenues and other revenues	<u>26,183,785</u>	<u>10,142,907</u>
Change in net position	12,041,345	(5,214,998)
Net position		
Beginning of year	193,879,272	199,094,270
End of year	<u>\$ 205,920,617</u>	<u>\$ 193,879,272</u>

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

	<u>2023</u>	<u>2022</u>
Cash flows from		
Operating activities	\$ (13,195,338)	\$ (15,265,328)
Noncapital financing activities	7,456,270	7,081,874
Capital and related financing activities	6,362,193	6,768,877
Investing activities	993,167	473,910
Net change in cash and cash equivalents	1,616,292	(940,667)
Cash and cash equivalents, beginning of year	10,227,593	11,168,260
Cash and cash equivalents, end of year	<u>\$ 11,843,885</u>	<u>\$ 10,227,593</u>

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:

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

Subscriptions

The University obtains the right to use vendors' information technology software through various long-term contracts. The University recognizes a subscription liability and an intangible right-of-use subscription asset (the "subscription asset") in the applicable governmental or business-type activities column in the government-wide financial statements. The University recognizes subscription assets and liabilities with an initial value of \$0 or more.



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

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

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

The subscription term includes the noncancelable period of the subscription.

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

Subscription assets are reported with other capital assets, and subscription liabilities are reported with long-term debt on the Statement of Net Position.

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 2023 and 2022 are \$4,944,840 and \$5,031,356 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 and amortization 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. The University incurred insignificant amounts of income taxes for fiscal years 2023 and 2022. 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, 3.6% and 3.8% 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 2023 and 2022.

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, 2023, the University adopted GASB Statement No. 96 ("GASB 96"). This statement requires a government to recognize a financial subscription liability and an intangible right-to-use subscription asset for Subscription-Based Information Technology Arrangements ("SBITAs"). At July 1, 2022, the University had \$2.5 million in right-to-use assets and liabilities. Due to the immaterial nature of the University's SBITAs in prior years, the University adopted the provisions of GASB 96 as of July 1, 2022; therefore no restatements were recorded in prior years.

Upcoming GASB Statements

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, 2023			
	Fair Value	Less than 1 Year	1 to 5 Years	6 to 10 Years
Mutual funds - fixed Income	\$ 83,191,344	\$ 6,384,935	\$ 23,889,942	\$ 52,916,467
Corporate bonds and notes	416,368	43,441	257,568	115,359
US government obligations	19,513,131	9,393,462	9,919,145	200,524
Total	\$ 103,120,843	\$ 15,821,838	\$ 34,066,655	\$ 53,232,350

	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



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, 2023 and 2022:

	Market Value June 30, 2023	Rating	Rating Agency	Market Value June 30, 2022	Rating	Rating Agency
Mutual funds - fixed income	\$ 1,125,370	5-star	Morningstar	\$ 803,496	5-star	Morningstar
Mutual funds - fixed income	12,442,121	4-star	Morningstar	17,292,683	4-star	Morningstar
Mutual funds - fixed income	41,436,414	3-star	Morningstar	36,723,708	3-star	Morningstar
Mutual funds - fixed income	182,892	2-star	Morningstar	-		
Mutual funds - fixed income	27,992		Not available	389,675		Not available
Mutual funds - fixed income	16,847,017		AA Average Quality	18,795,075		AA Average Quality
Mutual funds - fixed income	5,230,205		AA- Average Quality	5,650,449		AA- Average Quality
Mutual funds - fixed income	5,899,333		A+ Average Quality	5,649,010		A+ Average Quality
Corporate bonds and notes						
Arrow Electrs Note	-			10,038	BBB-	S&P
Abbvie Inc Sr Note	8,937	BBB+	S&P	9,028	BBB+	S&P
Boeing Co Debenture	23,485	BBB-	S&P	24,564	BBB-	S&P
Stryker Corp Sr Note	9,562	BBB+	S&P	9,834	A-	S&P
Walgreens Boots Alliance Inc Note	8,438	BBB	S&P	8,762	BBB	S&P
Coca Cola Enterprises Inc Debenture	9,724	A+	S&P	10,369	A+	S&P
Microsoft Corp Note	9,941	AAA	S&P	10,081	AAA	S&P
Raytheon Co Debenture	11,721	A-	S&P	12,331	A-	S&P
Celgene Corp Sr Note	14,041	A+	S&P	14,729	A+	S&P
Chevron Corp	24,564	AA-	S&P	24,937	AA-	S&P
Intel Corp	21,621	A+	S&P	22,307	A+	S&P
Pfizer	-	A+	S&P	24,986	A+	S&P
Royal Bank of Canada	23,855	A	S&P	24,130	A	S&P
Visa Inc	23,963	AA-	S&P	24,610	AA-	S&P
Comcast Corp	45,907	A-	S&P	46,608	A-	S&P
State Street Corp	43,139	A	S&P	43,610	A	S&P
Blackrock Inc	20,161	AA-	S&P	20,648	AA-	S&P
Merck & Co Inc	20,714	A+	S&P	21,505	A+	S&P
Toyota Motor Credit Corp	22,353	A+	S&P	-		
UnitedHealth Group Inc	23,892	A+	S&P	-		
Westpac Banking Corp	25,371	AA-	S&P	-		
John Deere Capital Corp	24,979	A	S&P	-		
US government obligations						
Federal Farm Credit Banks	1,277,067	AA+	S&P	60,862	AA+	S&P
US Treasury Notes	10,439,708	AAA	Moody's	857,791	AAA	Moody's
Federal Home Loan Banks	6,521,868	AAA	Moody's	-		
Federal Home Loan Mortgage Corp	1,251,413	AAA	Moody's	-		
Fed National Mortgage Assn	23,075	AA+	S&P	48,773	AA+	S&P
Total	\$ 103,120,843			\$ 86,634,599		



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 \$35,282,000 and \$53,290,476 as of June 30, 2023 and 2022, respectively. The University had \$21,506,824 and \$13,524,154 exposed to custodial credit risk because the deposits were uninsured or uncollateralized, as of June 30, 2023 and 2022, 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, 2023	Market Value June 30, 2022
Vanguard Total Bond Market	\$ 41,100,162	\$ 36,486,424
Vanguard Total Stock Market ETF	19,440,591	18,496,454
Vanguard International Equity Index Fund	17,968,957	16,690,276
Total	\$ 78,509,710	\$ 71,673,154

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, 2023 and 2022 are valued in US dollars, therefore the University was not subject to foreign currency risk.





Investments and Investment Return

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

INVESTMENT PORTFOLIO

	<u>2023</u>	<u>2022</u>
Marketable securities		
Equities	\$ 24,269,285	\$ 22,879,083
Equity mutual funds	59,199,454	57,552,966
Fixed income mutual funds	103,120,843	86,634,599
Total marketable securities	186,589,582	167,066,648
Alternative investments		
Hedge funds	10,300,610	8,050,302
Real estate and natural resources	14,117,572	11,874,087
Private equity limited partnerships	28,555,520	27,509,045
Global credit	2,330,624	2,312,213
Total alternative investments	55,304,326	49,745,647
Closely-held stock	20,000	20,000
Land held for investment	10,862,755	11,368,583
Total investments	\$ 252,776,663	\$ 228,200,878

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

INVESTMENT RETURN

	<u>2023</u>	<u>2022</u>
Dividends and interest	\$ 6,350,443	\$ 3,551,413
Net gain on sale of investments	1,018,313	3,094,095
Net increase (decrease) in the fair value of investments	6,353,986	(13,560,593)
Investment fees	(557,706)	(625,449)
Total investment return (loss)	\$ 13,165,036	\$ (7,540,534)

The following tables present information about the University's assets measured at fair value on a recurring basis at June 30, 2023 and 2022 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.

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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 and restricted investments measured on a recurring basis at June 30, 2023 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	\$ 24,269,285	\$ 24,269,285	\$ -	\$ -
Equity mutual funds	45,894,917	45,894,917	-	-
Fixed income mutual funds	75,144,288	74,727,920	416,368	-
Land held for investment	10,862,755	-	-	10,862,755
Closely-held stock	20,000	-	-	20,000
Total investments by fair value level	156,191,245	\$ 144,892,122	\$ 416,368	\$ 10,882,755
Investments measured at the net asset value:				
Commonfund equity funds	13,304,537			
Commonfund fixed income funds	27,976,555			
Hedge funds	10,300,610			
Real estate and natural resources	14,117,572			
Private equity limited partnerships	28,555,520			
Global credit	2,330,624			
Total investments at the net asset value	96,585,418			
Total investments	\$ 252,776,663			
Beneficial interest in charitable remainder trusts at the net asset value	\$ 6,989,028	\$ -	\$ -	\$ 6,989,028

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 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:

	<u>Net Asset Value FY 2023</u>	<u>Net Asset Value FY 2022</u>	<u>Unfunded Commitments FY 2023</u>	<u>Unfunded Commitments FY 2022</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Commonfund equity funds (1)	\$ 13,304,537	\$ 14,922,566	\$ -	\$ -	Monthly	5 business days
Commonfund fixed income funds (2)	27,976,555	30,094,534	-	-	Monthly	5 business days
Hedge funds (3)	10,300,610	8,050,302	-	-	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)	14,117,572	11,874,086	5,053,525	5,058,399	NA	NA
Private equity limited partnerships (5)	28,555,520	27,509,046	26,474,017	14,710,553	NA	NA
Global credit (6)	2,330,624	2,312,213	-	-	Semi- annually	90 calendar days
Total	\$ 96,585,418	\$ 94,762,747	\$ 31,527,542	\$ 19,768,952		

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 four 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 two multi-strategy hedge funds.
- (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>2023</u>	<u>2022</u>
Student tuition and fees	\$ 455,646	\$ 408,672
State appropriations		
Operating	9,445,635	9,340,342
Capital	4,077,266	237,334
Grants and contracts	13,028,987	11,261,682
Auxiliary activities	116,097	301,024
Other	1,180,803	882,231
Less allowance for doubtful accounts	<u>(102,875)</u>	<u>(102,875)</u>
Accounts receivable, net	<u>\$ 28,201,559</u>	<u>\$ 22,328,410</u>

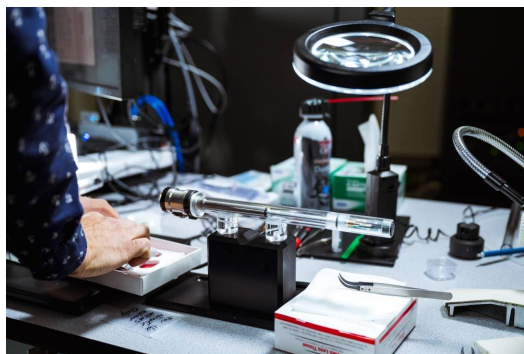
In addition, the University has student loans receivable in the amount of \$3,336,525 and \$4,677,979, recorded at June 30, 2023 and 2022, respectively. These amounts are net of an allowance for uncollectible accounts of \$174,000 at June 30, 2023 and 2022.

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

PLEDGES RECEIVABLE

	<u>2023</u>	<u>2022</u>
Pledges receivable in less than one year	\$ 3,501,854	\$ 2,644,292
Pledges receivable in one to five years	8,685,579	6,884,903
Pledges receivable in more than five years	10,794,257	13,089,691
Less:		
Allowance for uncollectible pledges	(1,526,397)	(1,191,799)
Present value discount	<u>(2,228,121)</u>	<u>(2,358,667)</u>
Pledges receivable, net	<u>\$ 19,227,172</u>	<u>\$ 19,068,420</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 2023, rates range from 4.1% to 5.1%.

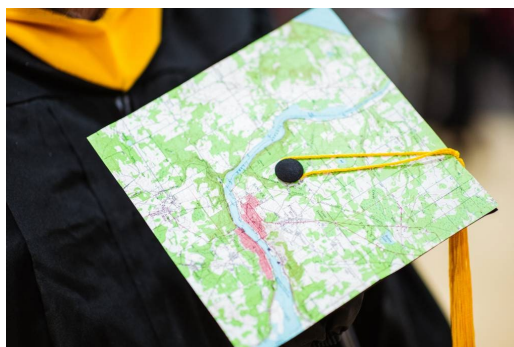




(4) CAPITAL ASSETS

The following table presents the changes in the capital asset class categories for the year ended June 30, 2023:

CHANGES IN CAPITAL ASSETS				
	Beginning Balance	Additions/ Transfers	Disposals/ Transfers	Ending Balance
Nondepreciable capital assets				
Land	\$ 10,713,548	\$ -	\$ (5,900)	\$ 10,707,648
Mineral collections	6,221,172	12,720	-	6,233,892
Timber holdings	376,088	-	(1,880)	374,208
Construction in progress	10,152,429	32,840,925	(4,941,605)	38,051,749
Cost of nondepreciable capital assets	27,463,237	32,853,645	(4,949,385)	55,367,497
Depreciable capital assets				
Land improvements	1,163,243	-	-	1,163,243
Infrastructure	6,852,140	-	(16,111)	6,836,029
Buildings	398,956,290	4,928,240	-	403,884,530
Equipment	35,727,506	7,261,374	(5,034,541)	37,954,339
Library books	75,520	8,924	(22,044)	62,400
Cost of depreciable capital assets	442,774,699	12,198,538	(5,072,696)	449,900,541
Right-to-use assets (SBITAs)	-	3,694,309	-	3,694,309
Total cost of capital assets	470,237,936	48,746,492	(10,022,081)	508,962,347
Less: accumulated depreciation				
Land improvements	392,187	58,850	-	451,037
Infrastructure	3,818,859	344,563	-	4,163,422
Buildings	224,845,102	9,326,417	(4,761,093)	229,410,426
Equipment	19,704,485	4,870,199	(16,111)	24,558,573
Library books	42,235	10,697	(22,044)	30,888
Total accumulated depreciation	248,802,868	14,610,726	(4,799,248)	258,614,346
Less: accumulated amortization				
Right-to-use assets (SBITAs)	-	1,846,631	-	1,846,631
Capital assets, net	\$ 221,435,068	\$ 32,289,135	\$ (5,222,833)	\$ 248,501,370



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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





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	2023	2022
Athletic Facilities renovations	\$ 271,842	\$ 784,361
H-STEM Complex planning and construction	30,929,534	5,890,442
Residence Hall renovations	124,400	1,803,302
Research space	2,451,805	780,042
Instructional space	1,674,877	256,525
Office space	105,883	437,861
Elevator additions/replacements	844,868	47,300
Infrastructure and other projects	1,648,540	152,596
Total	\$ 38,051,749	\$ 10,152,429



(5) LINE OF CREDIT

The University has a revolving line of credit agreement with one bank, which is secured by a pledge of general revenues of the University. The maximum amount available to be borrowed is \$20 million, with an interest rate per annum equal to Term SOFR (Secured Overnight Financing Rate) plus 110 basis points. The revolving line of credit agreement expires on May 22, 2025. There were no amounts outstanding under the line of credit at June 30, 2023 and 2022.

(6) ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Vendors for supplies and services	\$ 4,620,498	\$ 3,947,703
Employee benefits	1,350,393	1,724,477
Construction payables	7,240,357	4,500,087
Payroll and payroll taxes	5,842,003	9,885,787
Compensated absences	5,058,887	4,772,729
Deposits payable	1,345,184	1,454,562
Total accounts payable	\$ 25,457,322	\$ 26,285,345





(7) NONCURRENT LIABILITIES

NONCURRENT LIABILITIES

AS OF JUNE 30, 2023

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
General revenue bonds					
General revenue and refunding bonds, 2008	\$ 245,000	\$ -	\$ 10,000	\$ 235,000	\$ 10,000
General revenue bonds, 2009A/2009B	13,355,000	-	505,000	12,850,000	525,000
General revenue refunding bonds, 2013A	9,165,000	-	1,010,000	8,155,000	1,040,000
General revenue bonds, 2015A	21,520,000	-	540,000	20,980,000	570,000
General revenue refunding bonds, 2020A - direct placement	4,390,000	-	175,000	4,215,000	185,000
General revenue refunding bonds, 2020B - direct placement	7,440,000	-	295,000	7,145,000	305,000
General revenue and refunding bonds, 2021	29,870,000	-	-	29,870,000	-
General revenue bonds, 2023A	-	22,705,000	-	22,705,000	50,000
General revenue bonds, 2023B	-	5,525,000	-	5,525,000	440,000
Total bonds payable	85,985,000	28,230,000	2,535,000	111,680,000	3,125,000
Bond premium	9,121,705	1,765,568	398,648	10,488,625	-
Note payable	108,896	-	18,875	90,021	19,408
Subscription obligations (SBITAs)	-	3,864,907	1,906,929	1,957,978	1,033,759
Total debt	95,215,601	33,860,475	4,859,452	124,216,624	4,178,167
Other liabilities					
Insurance reserves	1,357,943	18,526,472	18,552,384	1,332,031	1,332,031
Enrollment deposits	308,450	800	140,200	169,050	-
Annuity and pooled income obligations	5,426,522	298,809	511,573	5,213,758	447,020
Total	\$ 102,308,516	\$ 52,686,556	\$ 24,063,609	\$ 130,931,463	\$ 5,957,218
Due within one year				(5,957,218)	
Total noncurrent liabilities (excluding net pension and OPEB liabilities)				\$ 124,974,245	

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	

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.

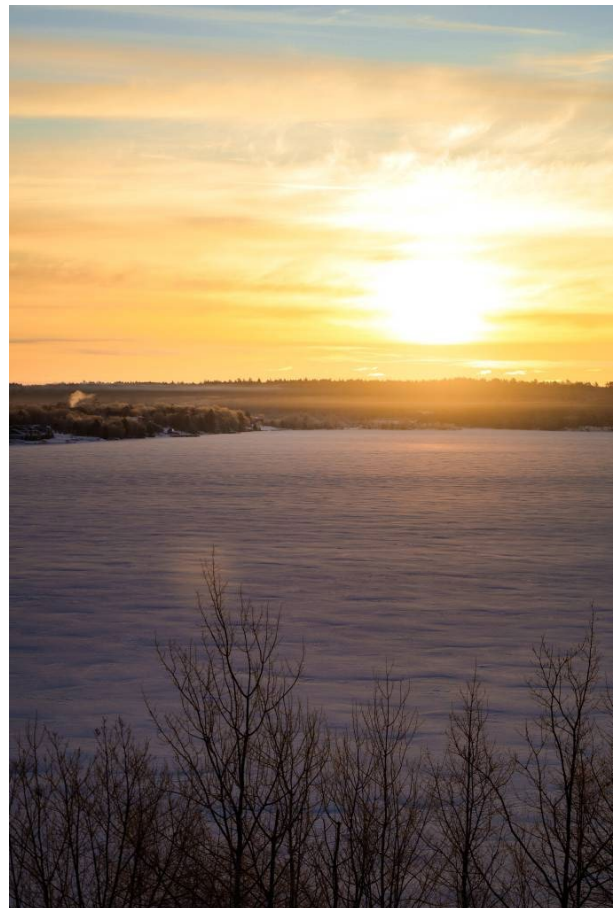
All bonds of the University, unless otherwise specified, have received an underlying rating of A1 from Moody's.

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 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.



During fiscal year 2023, the University's Board of Trustees approved the issuance of General Revenue Bonds, Series 2023A in the amount of \$22.705 million and Series 2023B in the amount of \$5.525 million. The proceeds of the 2023A issuance were used to renovate classroom and lab space, replace an HVAC system, and construct a parking lot. The proceeds of the 2023B issuance were used to construct a high bay building used for research. The 2023A bonds are term bonds which mature on various dates from October 2023 to October 2052, bearing fixed interest rates ranging from 5.00% to 5.25%. The 2023B bonds are taxable and payable from October 2023 through October 2032, with fixed interest rates ranging from 4.81% to 5.18%. Both bond issuances are secured by an irrevocable pledge of University general revenues. All bonds of this issuance were rated A1 by Moody's and after the issuance of bond insurance by AGM, were rated AA by Standard & Poor'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	
2024	\$ 2,635,000	\$ 4,816,570	\$ 490,000	\$ 243,419	\$ 3,125,000	\$ 5,059,989	\$ 8,184,989
2025	2,755,000	4,691,011	510,000	232,469	3,265,000	4,923,480	8,188,480
2026	3,855,000	4,540,392	525,000	221,136	4,380,000	4,761,528	9,141,528
2027	4,030,000	4,353,135	545,000	209,419	4,575,000	4,562,554	9,137,554
2028	4,190,000	4,162,823	570,000	197,210	4,760,000	4,360,033	9,120,033
Total 5 years	17,465,000	22,563,931	2,640,000	1,103,653	20,105,000	23,667,584	43,772,584
2029 to 2033	23,915,000	17,589,109	3,110,000	788,950	27,025,000	18,378,059	45,403,059
2034 to 2038	20,560,000	11,547,304	3,725,000	417,360	24,285,000	11,964,664	36,249,664
2039 to 2043	14,740,000	7,387,841	1,885,000	54,696	16,625,000	7,442,537	24,067,537
2044 to 2048	13,015,000	4,010,600	-	-	13,015,000	4,010,600	17,025,600
2049 to 2053	10,625,000	1,298,763	-	-	10,625,000	1,298,763	11,923,763
Total bonded debt	\$ 100,320,000	\$ 64,397,548	\$ 11,360,000	\$ 2,364,659	\$ 111,680,000	\$ 66,762,207	\$ 178,442,207

Subscriptions

The University obtains the right to use vendors' information technology software through various long-term contracts. Payments are generally fixed monthly, with certain variable payments not included in the measurement of the subscription liability required based on uncertainty of future usage of the software.

Subscription asset activity of the University is included in Note 4.

Future principal and interest payment requirements related to the University's subscription liability at June 30, 2023 are as follows:

SCHEDULED MATURITIES OF SUBSCRIPTIONS FOR FISCAL YEARS ENDING JUNE 30

Fiscal Year	Principal	Interest	Total
2024	\$ 1,033,759	\$ 63,020	\$ 1,096,779
2025	716,734	18,002	734,736
2026	160,716	5,453	166,169
2027	46,769	195	46,964
Total	\$ 1,957,978	\$ 86,670	\$ 2,044,648



(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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 1,357,943	\$ 1,434,353	\$ 1,332,756
Claims incurred, including changes in estimates	18,526,472	17,350,905	17,224,915
Less: claims paid	<u>(18,552,384)</u>	<u>(17,427,315)</u>	<u>(17,123,318)</u>
Balance, end of year	<u>\$ 1,332,031</u>	<u>\$ 1,357,943</u>	<u>\$ 1,434,353</u>

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 (TIAA) 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 and/or with Fidelity Investments. At June 30, 2023, the University had approximately 3,500 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 8.5%, 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

	<u>2023</u>	<u>2022</u>
University contributions to TIAA/Fidelity	\$ 8,338,424	\$ 7,427,307
Payroll covered under TIAA/Fidelity	\$ 108,630,402	\$ 106,603,530

(10) MICHIGAN PUBLIC SCHOOLS EMPLOYEES’ RETIREMENT SYSTEM

Defined Benefit Plan

The University contributes to the Michigan Public Schools Employees Retirement System (MPERS), 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 MPERS. The Office of Retirement Services (ORS) issues a publicly available financial report that includes financial statements and required supplementary information for MPERS. That report can be found on the ORS website at michigan.gov/orsschools. In July 2015, ORS determined that MPERS 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 MPERS is as follows:

<u>Plan Name</u>	<u>Plan Type</u>	<u>Plan Status</u>
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 2023 and 2022:

PENSION CONTRIBUTION RATES

Benefit Structure	Member	Employer (10/1/20 to 9/30/21)	Employer (10/1/21 to 9/30/22)	Employer (10/1/22 to 9/30/23)
Member Investment Plan (MIP)	3.00% - 7.00%	26.26%	26.38%	16.52%
Basic	0.00% - 4.00%	26.26%	26.38%	16.52%
Defined Contribution	0.00%	19.74%	19.86%	10.00%

OPEB CONTRIBUTION RATES

Benefit Structure	Member	Employer (10/1/20 to 9/30/21)	Employer (10/1/21 to 9/30/22)	Employer (10/1/22 to 9/30/23)
Premium Subsidy	3.00%	6.91%	6.79%	0.92%
Personal Healthcare Fund	0.00%	5.99%	5.87%	0.00%

The University's contributions to MPSERS under all pension plans as described above for the years ended June 30, 2023 and 2022 were \$37,573,883 and \$15,861,576, respectively. The University's required and actual pension contributions include an allocation of \$33,832,046 and \$11,039,481 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 years ended June 30, 2023 and 2022, respectively. The University's contributions to the OPEB plan from the University were \$967,990 and \$1,513,665 for the years ended June 30, 2023 and June 30, 2022, respectively.

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

At June 30, 2023 and 2022, the University reported a liability of \$36.025 million and \$63.411 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, 2022 and 2021, 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, 2022, 2021 and 2020, the University's proportion (as calculated by MPSERS) was 11.268835%, 11.28598% and 11.32182%, respectively. Subsequent to the University's year-end on July 20, 2023, Michigan Act No. 106 of Public Acts of 2023 was approved. The Act's Section 236h provides total appropriations of \$200 million for all universities to pay MPSERS towards the unfunded pension liability. This additional appropriation and subsequent payment to MPSERS occurred after the September 30, 2022 measurement date and will significantly reduce the net pension liability for the University's June 30, 2024 fiscal year-end.

For the years ended June 30, 2023 and 2022, the University recognized pension expense of \$12.337 million and \$1.198 million, respectively. At June 30, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 1,927,303	\$ -
Total amortized deferrals	1,927,303	-
University contributions subsequent to the measurement date	3,135,615	-
Total	\$ 5,062,918	\$ -

	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

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 reported as deferred inflows of resources as of June 30, 2022, resulting from the pension portion of state aid payments received pursuant to the UAAL payment, was recognized as state appropriations revenue for the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year	Amount
2024	179,250
2025	(49,758)
2026	(246,085)
2027	2,043,896
Total	\$ 1,927,303

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

At June 30, 2023 and 2022, the University reported an asset of \$4,226,637 and \$4,825,977 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, 2022 and 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2020 and 2019, 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, 2022, 2021 and 2020, the University's proportion was 11.28950%, 11.25511% and 11.29115%, respectively.

For the years ended June 30, 2023 and June 30, 2022, the University recognized OPEB recoveries of (\$981,949) and (\$5,318,381), respectively. At June 30, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ 346,465	\$ -
Total amortized deferrals	346,465	-
University contributions subsequent to the measurement date	766,354	-
Total	\$ 1,112,819	\$ -

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
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	\$ 1,321,292	\$ 2,760,822





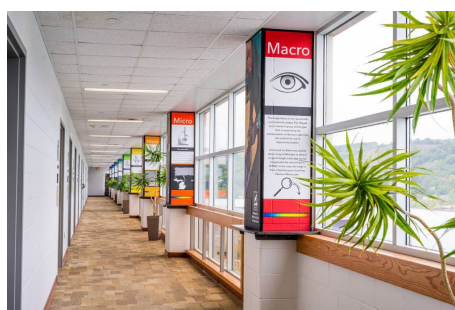
University contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB will be recognized as a reduction of the net OPEB asset in the next year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Amount
2024	(26,635)
2025	(81,765)
2026	(144,330)
2027	599,195
Total	\$ 346,465

Actuarial Assumptions

The total pension and OPEB liabilities and assets measured as of September 30, 2022 are based on the results of an actuarial valuation date of September 30, 2021 and rolled forward using generally accepted actuarial procedures.

Actuarial Cost Method	Entry age, normal cost
Assumed rate of return	6.00%, net of investment expenses based on the groups (Pension) 6.00%, net of investment expenses based on the groups (OPEB)
Salary increases	2.75% --11.55%, 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.



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The total pension and OPEB liabilities and assets 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%, net of investment expenses based on the groups (Pension) 6.95%, net of investment expenses based on the groups (OPEB)
Salary increases	2.75% --11.55%, including wage inflation of 2.75%
Cost-of-Living Pension Adjustment	3% Annual Non-Compounded for MIP members
Healthcare cost trend rate	7.50%, 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.

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, 2022		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity pools	25.0%	5.1%
Private equity pools	16.0%	8.7%
International equity pools	15.0%	6.7%
Fixed income pools	13.0%	-0.2%
Real estate and infrastructure pools	10.0%	5.3%
Absolute return pools	9.0%	2.7%
Real return/opportunistic pools	10.0%	5.8%
Short-term investment pools	2.0%	-0.5%
Total	100.0%	

Long-term rates of return are net of administrative expenses and inflation of 2.2%.



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%	

Long-term rates of return are net of administrative expenses and inflation of 2.0%.

Rate of Return

For the fiscal year ended September 30, 2022, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was (4.18)%. For OPEB plan investment, the annual money-weighted rate of return was (4.99)%, net of OPEB plan investment expense.

Discount Rate

The discount rates used to measure the total pension liability for June 30, 2023 and 2022 were 6.00% and 6.80%, respectively. Discount rates of 6.00% and 6.95% were used to measure the total OPEB liability for June 30, 2023 and 2022, respectively. This discount rate was based on the long-term expected rate of return on pension and OPEB plan investments of 6.00%. 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 discount rates of 6.00% for fiscal years 2023 and 2022, 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 (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
2023	\$ 50,185,783	\$ 36,025,076	\$ 24,004,357
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

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

The following presents the University's net OPEB asset calculated using discount rates of 6.00% and 6.95% for fiscal years ended June 30, 2023 and 2022, as well as what the University's net OPEB asset would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

NET OPEB ASSET			
<u>Fiscal Year</u>	<u>1% Decrease (5.00%)</u>	<u>Current Discount Rate (6.00%)</u>	<u>1% Increase (7.00%)</u>
2023	\$ 2,261,114	\$ 4,226,637	\$ 5,896,314

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

Sensitivity of the Net OPEB Asset to Healthcare Cost Trend Rate

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

NET OPEB ASSET			
<u>Fiscal Year</u>	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
2023	\$ 6,001,119	\$ 4,226,637	\$ 2,191,416

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

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, 2023, the most recent measurement date, the Plan was 0% funded.



At June 30, 2023 and 2022, the University reported a liability of \$2,548,090 and \$2,730,898 respectively, for its Retiree Benefit Program. The net OPEB liability was measured as of June 30, 2023, rolled forward from a valuation date of July 1, 2022. Changes in the OPEB liability for the years ended June 30 are summarized as follows:

	2023	2022
Balance, beginning of year	\$ 2,730,898	\$ 5,045,999
Interest cost	92,146	106,043
Differences between expected and actual experience	-	(1,115,278)
Changes in assumptions	(16,878)	(1,031,161)
Benefit payments	(258,076)	(274,705)
Balance, end of year	<u>\$ 2,548,090</u>	<u>\$ 2,730,898</u>

2023 Financial Report

On the above, there were no benefit changes. The decrease in the liability from June 30, 2022 to June 30, 2023 is due to the increase in the assumed discount rate from 3.54% as of June 30, 2022 to 3.65% as of June 30, 2023.

The number of plan participants consisted of the following:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Retirees younger than 65 years old	-	-
Retirees 65 years old or older	<u>82</u>	<u>82</u>
Total inactive participants	<u><u>82</u></u>	<u><u>82</u></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 3.65% and 3.54% for fiscal years ended June 30, 2023 and 2022, 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

<u>Fiscal Year</u>	<u>1% Decrease (2.65%)</u>	<u>Current Discount Rate (3.65%)</u>	<u>1% Increase (4.65%)</u>
2023	\$ 2,710,082	\$ 2,548,090	\$ 2,404,303

<u>Fiscal Year</u>	<u>1% Decrease (2.54%)</u>	<u>Current Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
2022	\$ 2,916,397	\$ 2,730,898	\$ 2,566,655

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 Rate</u>	<u>1% Increase</u>
2023	\$ 2,356,928	\$ 2,548,090	\$ 2,760,267

<u>Fiscal Year</u>	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
2022	\$ 2,541,804	\$ 2,730,898	\$ 2,940,580



Actuarial Assumptions

SUMMARY OF ACTUARIAL ASSUMPTIONS

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Actuarial Cost Method	Entry Age, Normal	Entry Age, Normal
Valuation Date	July 1, 2021	July 1, 2021
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-2021

Discount Rate

A discount rate of 3.65% was used to measure the total OPEB liability for June 30, 2023 (3.54% for June 30, 2022). The discount rate was determined using the interest rate reported under the 20-YEAR Municipal Bond Index on the last Thursday 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, 2023 and 2022.

(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

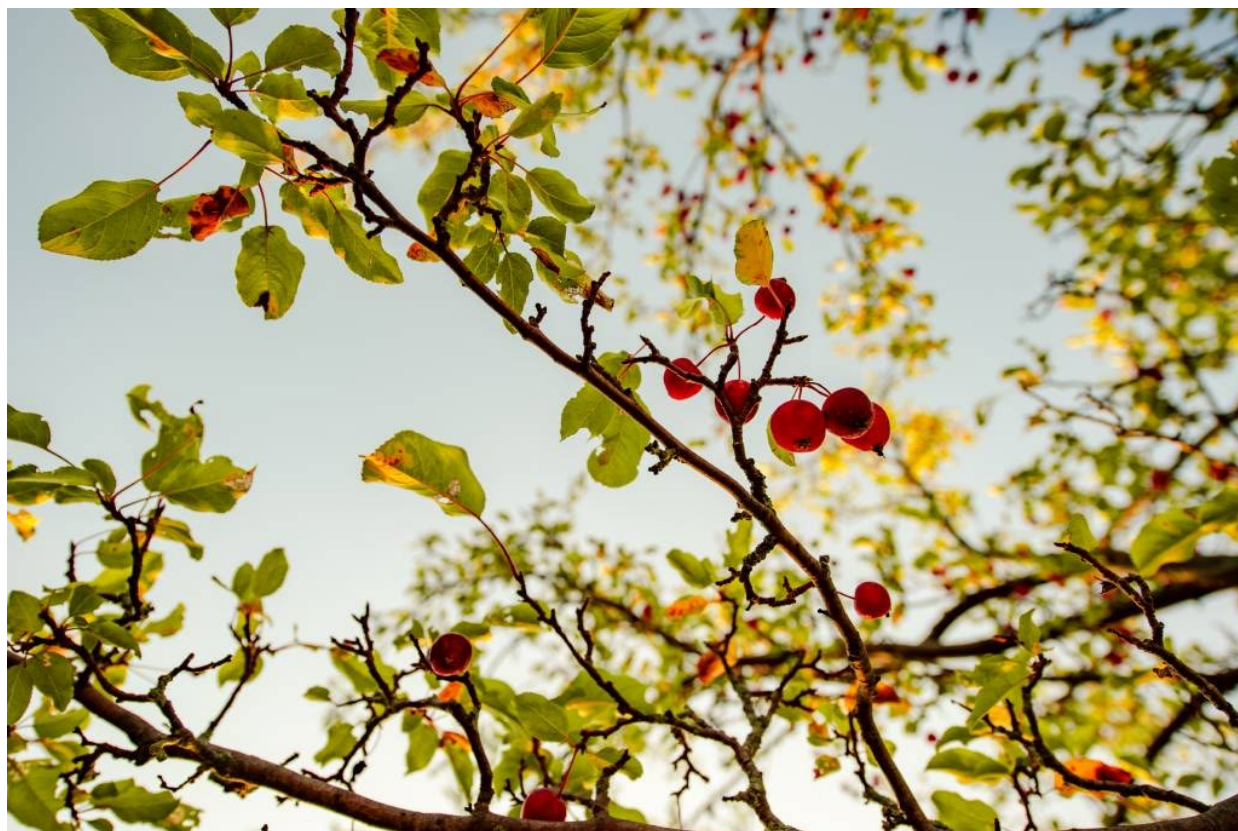
costs. The University and its legal counsel are of the opinion that the outcome of asserted and unasserted claims outstanding will not have a material effect on the financial statements.

(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>2023</u>	<u>2022</u>
Instruction	\$ 72,434,387	\$ 63,503,367
Research	78,635,226	67,515,569
Public service	12,687,152	9,935,341
Academic support	25,928,148	23,709,211
Student services	19,166,852	15,254,827
Institutional support	22,405,236	20,145,820
Operations and maintenance of plant	17,229,588	14,540,735
Student financial support	13,814,036	19,381,790
Departmental activities	8,758,759	6,193,379
Student residents	8,545,966	6,671,888
Depreciation	16,457,358	14,318,065
Total	<u>\$ 296,062,708</u>	<u>\$ 261,169,992</u>





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)

	University's proportion of the net pension liability		University's covered payroll	University's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
	As a percentage	Amount			
2022	11.26835%	\$36,025,076	\$ 25,473,000	141.42%	74.39%
2021	11.28598%	\$63,410,817	\$ 24,974,000	253.91%	52.26%
2020	11.32182%	\$77,330,320	\$ 24,484,000	315.84%	43.07%
2019	11.27592%	\$75,502,509	\$ 24,004,000	314.54%	44.24%
2018	11.24088%	\$71,833,414	\$ 23,533,179	305.24%	45.87%
2017	11.26247%	\$64,788,673	\$ 23,879,000	271.32%	47.42%
2016	11.20220%	\$62,759,225	\$ 8,943,572	701.72%	46.77%
2015	10.00520%	\$54,888,547	\$ 9,118,081	601.97%	47.45%
2014	9.64907%	\$36,194,241	\$ 9,156,216	252.97%	63.00%

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

	Contractually required pension contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	University's covered payroll	Contributions as a percentage of covered payroll
2023	\$ 6,804,792	\$ 6,804,792	\$ -	\$ 25,855,095	26.32%
2022	\$ 6,519,482	\$ 6,519,482	\$ -	\$ 25,348,610	25.72%
2021	\$ 5,735,218	\$ 5,735,218	\$ -	\$ 24,851,260	23.08%
2020	\$ 5,635,665	\$ 5,635,665	\$ -	\$ 24,364,060	23.13%
2019	\$ 5,683,916	\$ 5,683,916	\$ -	\$ 23,886,295	23.80%
2018	\$ 4,919,399	\$ 4,919,399	\$ -	\$ 23,619,500	20.83%
2017	\$ 4,283,370	\$ 4,283,370	\$ -	\$ 8,526,091	50.24%
2016	\$ 4,150,666	\$ 4,150,666	\$ -	\$ 8,606,261	48.23%
2015	\$ 3,395,404	\$ 3,395,404	\$ -	\$ 8,877,145	38.25%

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

	University's proportion of the net OPEB (asset) liability		University's covered payroll	University's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
	As a percentage	Amount			
2022	11.28930%	\$ (4,226,637)	\$ 25,473,000	-16.59%	121.19%
2021	11.25511%	\$ (4,825,977)	\$ 24,974,000	-19.32%	123.91%
2020	11.29115%	\$ 4,770,992	\$ 24,484,000	19.49%	77.20%
2019	11.29560%	\$ 10,367,445	\$ 24,004,000	43.19%	61.07%
2018	11.29059%	\$ 13,395,226	\$ 23,533,179	56.92%	51.90%
2017	11.22486%	\$ 15,973,138	\$ 23,879,000	66.89%	44.11%

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

	Contractually required OPEB contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	University's covered payroll	Contributions as a percentage of covered payroll
2023	\$ 1,525,418	\$ 1,525,418	\$ -	\$ 25,855,095	5.90%
2022	\$ 1,535,302	\$ 1,535,302	\$ -	\$ 25,348,610	6.06%
2021	\$ 1,497,010	\$ 1,497,010	\$ -	\$ 24,851,260	6.02%
2020	\$ 1,466,062	\$ 1,466,062	\$ -	\$ 24,364,060	6.02%
2019	\$ 1,465,359	\$ 1,465,359	\$ -	\$ 23,886,295	6.13%
2018	\$ 1,608,346	\$ 1,608,346	\$ -	\$ 23,619,500	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 minimum payroll amount required by PA 136 of 2016.

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:

2022 – The discount rate and investment rate of return used in the September 30, 2022 actuarial valuation decreased by 0.80% percentage points.

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:

2022 – The discount rate and investment rate of return used in the September 30, 2022 actuarial valuation decreased by 0.95% percentage points.

2021 – The healthcare cost trend rate used in the September 30, 2020 actuarial valuation increased by 0.75% for members under 65 and decreased by 1.75% for members over 65, in addition, actual per person health benefit costs were lower than projected.

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. This reduced the plan's total OPEB liability by \$1.8 billion in 2020, including a reduction of \$42 million for the university employer portion of the total OPEB liability.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Plan fiduciary net position, beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University contributions	258,076	274,705	441,054	436,592	449,629	435,886
Participant contributions	-	-	-	182,800	202,321	200,805
Benefit payments	(258,076)	(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>	<u>\$ -</u>
Net OPEB liability	\$ 2,548,090	\$ 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	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 3.65%, 3.54%, 2.16%, 2.21%, 3.50%, and 3.87% at the measurement dates of June 30, 2023, 2022, 2021, 2020, 2019, and 2018, 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, 2023

	General	Designated	Auxiliary Activities	Retirement & Insurance	Expendable Restricted	Total Current Funds	Student Loan	Plant	Agency	Michigan Tech Fund	Eliminations	2023	2022
Assets													
Current assets:													
Cash and cash equivalents	\$ 24,116,098	\$ 31,852,540	\$ 836,225	\$ (60,095,353)	\$ 4,494,653	\$ 1,204,163	\$ 1,563,618	\$ 7,591,717	\$ 2,930,275	\$ 11,843,885	\$ -	\$ 25,133,658	\$ 42,336,097
Accounts receivable, net	9,875,877	252,148	94,814	498,336	13,272,327	23,993,502	-	4,077,266	130,791	-	-	28,201,559	22,328,410
Insurance receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-	-	1,975,457	-	1,975,457	1,452,494
Other assets	346,594	13,525	865,387	20,000	-	1,245,506	-	-	-	7,675	-	1,253,181	1,237,665
Total current assets	34,338,569	32,118,213	1,796,426	(59,577,017)	17,766,980	26,443,171	1,563,618	11,668,983	3,061,066	13,827,017	-	56,563,855	67,354,666
Noncurrent assets:													
Student loans receivable, net	-	-	-	-	-	-	3,336,525	-	-	-	-	3,336,525	4,677,979
Pledges receivable, net	-	-	-	-	-	-	-	-	-	17,251,715	-	17,251,715	17,615,926
Restricted cash for capital projects	-	-	-	-	-	-	-	10,088,253	-	-	-	10,088,253	10,549,369
Investments	15,963,824	-	-	25,317,269	-	41,281,093	-	29,194,552	-	182,301,018	-	252,776,663	228,200,878
Beneficial interest in charitable remainder trusts	-	-	-	-	-	-	-	-	-	6,989,028	-	6,989,028	6,806,179
Capital assets, net	-	-	-	-	-	-	-	248,501,370	-	-	-	248,501,370	221,435,068
Net OPEB asset - MPERS	-	-	-	4,226,637	-	4,226,637	-	-	-	-	-	4,226,637	4,825,977
Other assets	-	-	-	-	-	-	-	978,544	-	1,854,588	(164,000)	2,669,132	3,206,946
Total noncurrent assets	15,963,824	-	-	29,543,906	-	45,507,730	3,336,525	288,762,719	-	208,396,349	(164,000)	545,839,323	497,318,322
Total assets	50,302,393	32,118,213	1,796,426	(30,033,111)	17,766,980	71,950,901	4,900,143	300,431,702	3,061,066	222,223,366	(164,000)	602,403,178	564,672,988
Deferred outflows of resources	-	-	-	6,175,737	-	6,175,737	-	-	-	-	-	6,175,737	16,291,832
Liabilities													
Current liabilities													
Accounts payable and accrued liabilities	6,531,710	481,382	646,508	6,409,280	1,064,596	15,133,476	2,244	7,241,815	3,061,066	18,721	-	25,457,322	26,285,345
Unearned revenue	50,000	-	-	94,855	4,685,669	4,830,524	-	156,250	-	-	-	4,986,774	4,798,631
Annuity obligations, current portion	-	-	-	-	-	-	-	-	-	447,020	-	447,020	452,757
Insurance and benefit reserves, current portion	-	-	-	1,332,031	-	1,332,031	-	-	-	-	-	1,332,031	1,357,943
Long-term debt, current portion	-	-	-	-	-	-	-	4,178,167	-	-	-	4,178,167	2,553,875
Total current liabilities	6,581,710	481,382	646,508	7,836,166	5,750,265	21,296,031	2,244	11,576,232	3,061,066	465,741	-	36,401,314	35,448,551
Noncurrent liabilities													
Enrollment deposits	169,050	164,000	-	-	-	333,050	-	-	-	-	(164,000)	169,050	308,450
Annuity obligations, net of current portion	-	-	-	-	-	-	-	-	-	4,766,738	-	4,766,738	4,973,765
Long-term debt, net of current portion	-	-	-	-	-	-	-	120,038,457	-	-	-	120,038,457	92,661,726
Net pension liability	-	-	-	36,025,076	-	36,025,076	-	-	-	-	-	36,025,076	63,410,817
Net OPEB liability	-	-	-	2,548,090	-	2,548,090	-	-	-	-	-	2,548,090	2,730,898
Total noncurrent liabilities	169,050	164,000	-	38,573,166	-	38,906,216	-	120,038,457	-	4,766,738	(164,000)	163,547,411	164,085,656
Total liabilities	6,750,760	645,382	646,508	46,409,332	5,750,265	60,202,247	2,244	131,614,689	3,061,066	5,232,479	(164,000)	199,948,725	199,534,207
Deferred inflows of resources	-	-	-	6,452	-	6,452	-	1,329,170	-	11,070,270	-	12,405,892	34,777,926
Net position													
Net investment in capital assets	-	-	-	-	-	-	-	149,340,220	-	-	-	149,340,220	135,834,427
Restricted:													
Nonexpendable	-	-	-	-	-	-	-	-	-	118,486,008	-	118,486,008	112,022,233
Expendable	16,866	-	85,881	-	12,016,715	12,119,462	5,327,123	9,065,615	-	77,517,839	-	104,030,039	108,014,222
Unrestricted (deficit)	43,534,767	31,472,831	1,064,037	(70,273,158)	-	5,798,477	(429,224)	9,082,008	-	9,916,770	-	24,368,031	(9,218,195)
Total net position	\$ 43,551,633	\$ 31,472,831	\$ 1,149,918	\$ (70,273,158)	\$ 12,016,715	\$ 17,917,939	\$ 4,897,899	\$ 167,487,843	\$ -	\$ 205,920,617	\$ -	\$ 396,224,298	\$ 346,652,687

MICHIGAN TECHNOLOGICAL UNIVERSITY
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY FUND BY OBJECT
FOR THE YEAR ENDED JUNE 30, 2023

	General	Designated	Auxiliary	Retirement & Insurance	Expendable Restricted	Total Current Funds	Student Loan	Plant	Michigan Tech Fund	Eliminations	2023	2022
Revenues												
Operating revenues												
Student tuition and fees, net	\$ 159,083,607	\$ 71,350	\$ 1,271,612	\$ -	\$ 21,373	\$ 160,447,942	\$ -	\$ -	\$ -	\$ (54,174,620)	\$ 106,273,322	\$ 102,157,014
Federal grants and contracts	40,519	-	-	-	39,441,768	39,482,287	(1,261,180)	-	-	-	38,221,107	35,255,011
State and local grants and contracts	-	-	-	-	5,794,903	5,794,903	-	-	-	-	5,794,903	4,828,756
Nongovernmental grants and contracts	-	-	-	-	25,253,316	25,253,316	-	-	-	-	25,253,316	23,927,723
Indirect cost recoveries	18,572,776	-	-	-	(18,572,776)	-	-	-	-	-	-	-
Educational activities	401,167	3,788,177	904,989	(83,577)	796,110	5,806,866	488	2,500	-	-	5,809,854	4,892,474
Departmental activities	59,594	117,442	10,930,938	-	96	11,108,070	-	50,901	-	-	11,158,971	9,475,834
Student residence fees, net	-	-	30,005,561	-	-	30,005,561	-	16,818	-	(10,162,767)	19,859,612	19,726,245
Total operating revenues	178,157,663	3,976,969	43,113,100	(83,577)	52,734,790	277,898,945	(1,260,692)	70,219	-	(64,337,387)	212,371,085	200,263,057
Expenses												
Operating expenses												
Salaries and wages	93,610,941	9,034,971	10,077,738	3,836,262	25,839,817	142,399,729	-	-	-	-	142,399,729	134,276,576
Fringe benefits	37,008,110	2,551,468	3,117,718	601,719	6,752,199	50,031,214	-	-	-	-	50,031,214	28,380,291
Supplies and services	20,012,804	9,119,956	18,696,158	1,309,325	20,908,531	70,046,774	467,574	42,745,555	10,574,539	(55,239,899)	68,594,543	60,731,662
Student financial support	62,400,431	908,917	20,000	4,185	12,502,213	75,835,746	-	-	3,567,901	(67,905,258)	11,498,389	16,946,785
Utilities	4,276,209	232,790	2,532,065	-	28,721	7,069,785	-	11,690	-	-	7,081,475	6,516,613
Depreciation	-	-	-	-	-	-	-	16,457,358	-	-	16,457,358	14,318,065
Total operating expenses	217,308,495	21,848,102	34,443,679	5,751,491	66,031,481	345,383,248	467,574	59,214,603	14,142,440	(123,145,157)	296,062,708	261,169,992
Operating (loss) income	(39,150,832)	(17,871,133)	8,669,421	(5,835,068)	(13,296,691)	(67,484,303)	(1,728,266)	(59,144,384)	(14,142,440)	58,807,770	(83,691,623)	(60,906,935)
Net transfers (out) in	(19,838,102)	15,668,822	(9,876,716)	(6,904,259)	1,408,074	(19,542,181)	(244,886)	19,787,067	-	-	-	-
Nonoperating revenues (expenses)												
Federal Pell grants	-	-	-	-	4,944,840	4,944,840	-	-	-	-	4,944,840	5,031,356
Federal grants, other	-	-	-	-	-	-	-	1,236,195	-	-	1,236,195	529,047
Federal coronavirus relief funds	-	-	-	-	-	-	-	-	-	-	-	12,420,301
State appropriations	96,816,078	-	-	-	-	96,816,078	-	-	-	-	96,816,078	53,337,200
Gifts	3,692,813	2,796,684	482,339	-	5,032,083	12,003,919	-	-	9,651,844	(11,733,903)	9,921,860	10,532,471
Investment return (loss)	1,151,553	-	-	2,064,160	548	3,216,261	342,439	(174,059)	9,780,395	-	13,165,036	(7,540,534)
Interest on capital asset-related debt	-	-	-	-	-	-	-	(4,061,359)	-	-	(4,061,359)	(3,551,392)
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	-	(281,228)	(281,228)	(327,947)
Net nonoperating revenues (expenses)	101,660,444	2,796,684	482,339	2,064,160	9,977,471	116,981,098	342,439	(2,999,223)	19,432,239	(12,015,131)	121,741,422	70,430,502
Income (loss) before other revenues	42,671,510	594,373	(724,956)	(10,675,167)	(1,911,146)	29,954,614	(1,630,713)	(42,356,540)	5,289,799	46,792,639	38,049,799	9,523,567
Other revenues												
Capital grants and gifts	-	-	-	-	-	-	-	5,403,615	871,872	(633,349)	5,642,138	1,606,692
Gifts for permanent endowment purposes	-	-	-	-	-	-	-	-	5,761,062	-	5,761,062	5,385,720
Other revenues	-	-	-	-	-	-	-	-	118,612	-	118,612	110,393
Fund additions	-	-	-	-	-	-	-	46,159,290	-	(46,159,290)	-	-
Total other revenues	-	-	-	-	-	-	-	51,562,905	6,751,546	(46,792,639)	11,521,812	7,102,805
Net increase (decrease) in net position	42,671,510	594,373	(724,956)	(10,675,167)	(1,911,146)	29,954,614	(1,630,713)	9,206,365	12,041,345	-	49,571,611	16,626,372
Net position, beginning 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
Net position, end of year	\$ 43,551,633	\$ 31,472,831	\$ 1,149,918	\$ (70,273,158)	\$ 12,016,715	\$ 17,917,939	\$ 4,897,899	\$ 167,487,843	\$ 205,920,617	\$ -	\$ 396,224,298	\$ 346,652,687



MICHIGAN TECHNOLOGICAL UNIVERSITY
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY FUND BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2023

	General	Designated	Auxiliary	Retirement & Insurance	Expendable Restricted	Total Current Funds	Student Loan	Plant	Michigan Tech Fund	Eliminations	2023	2022
Revenues												
Operating revenues												
Student tuition and fees, net	\$ 159,083,607	\$ 71,350	\$ 1,271,612	\$ -	\$ 21,373	\$ 160,447,942	\$ -	\$ -	\$ -	\$ (54,174,620)	\$ 106,273,322	\$ 102,157,014
Federal grants and contracts	40,519	-	-	-	39,441,768	39,482,287	(1,261,180)	-	-	-	38,221,107	35,255,011
State and local grants and contracts	-	-	-	-	5,794,903	5,794,903	-	-	-	-	5,794,903	4,828,756
Nongovernmental grants and contracts	-	-	-	-	25,253,316	25,253,316	-	-	-	-	25,253,316	23,927,723
Indirect cost recoveries	18,572,776	-	-	-	(18,572,776)	-	-	-	-	-	-	-
Educational activities	401,167	3,788,177	904,989	(83,577)	796,110	5,806,866	488	2,500	-	-	5,809,854	4,892,474
Departmental activities	59,594	117,442	10,930,938	-	96	11,108,070	-	50,901	-	-	11,158,971	9,475,834
Student residence fees, net	-	-	30,005,561	-	-	30,005,561	-	16,818	-	(10,162,767)	19,859,612	19,726,245
Total operating revenues	178,157,663	3,976,969	43,113,100	(83,577)	52,734,790	277,898,945	(1,260,692)	70,219	-	(64,337,387)	212,371,085	200,263,057
Expenses												
Operating expenses												
Instruction	68,314,182	2,554,047	-	1,764,839	143,429	72,776,497	-	(259,259)	-	(82,851)	72,434,387	63,503,367
Research	20,452,601	13,575,272	-	1,559,625	46,566,690	82,154,188	-	(419,327)	-	(3,099,635)	78,635,226	67,515,569
Public service	1,662,927	749,786	-	222,804	9,747,417	12,382,934	-	-	-	304,218	12,687,152	9,935,341
Academic support	23,909,818	1,416,310	-	615,641	873	25,942,642	-	(288,095)	-	273,601	25,928,148	23,709,211
Student services	10,899,420	921,370	6,937,643	351,796	111,482	19,221,711	-	(159,299)	-	104,440	19,166,852	15,254,827
Institutional support	21,730,105	497,558	-	661,889	15,829	22,905,381	-	(301,524)	10,574,539	(10,773,160)	22,405,236	20,145,820
Student financial support	58,075,290	-	-	-	9,445,761	67,521,051	467,574	-	3,567,901	(57,742,490)	13,814,036	19,381,790
Operations and maintenance of plant	12,264,152	2,133,759	-	299,324	-	14,697,235	-	44,226,100	-	(41,693,747)	17,229,588	14,540,735
Sales and services of dept activities	-	-	-	-	-	-	-	(41,351)	-	8,800,110	8,758,759	6,193,379
Student residents	-	-	27,506,036	275,573	-	27,781,609	-	-	-	(19,235,643)	8,545,966	6,671,888
Depreciation	-	-	-	-	-	-	-	16,457,358	-	-	16,457,358	14,318,065
Total operating expenses	217,308,495	21,848,102	34,443,679	5,751,491	66,031,481	345,383,248	467,574	59,214,603	14,142,440	(123,145,157)	296,062,708	261,169,992
Operating (loss) income	(39,150,832)	(17,871,133)	8,669,421	(5,835,068)	(13,296,691)	(67,484,303)	(1,728,266)	(59,144,384)	(14,142,440)	58,807,770	(83,691,623)	(60,906,935)
Net transfers (out) in	(19,838,102)	15,668,822	(9,876,716)	(6,904,259)	1,408,074	(19,542,181)	(244,886)	19,787,067	-	-	-	-
Nonoperating revenues (expenses)												
Federal Pell grants	-	-	-	-	4,944,840	4,944,840	-	-	-	-	4,944,840	5,031,356
Federal grants, other	-	-	-	-	-	-	-	1,236,195	-	-	1,236,195	529,047
Federal coronavirus relief funds	-	-	-	-	-	-	-	-	-	-	-	12,420,301
State appropriations	96,816,078	-	-	-	-	96,816,078	-	-	-	-	96,816,078	53,337,200
Gifts	3,692,813	2,796,684	482,339	-	5,032,083	12,003,919	-	-	9,651,844	(11,733,903)	9,921,860	10,532,471
Investment return	1,151,553	-	-	2,064,160	548	3,216,261	342,439	(174,059)	9,780,395	-	13,165,036	(7,540,534)
Interest on capital asset-related debt	-	-	-	-	-	-	-	(4,061,359)	-	-	(4,061,359)	(3,551,392)
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	-	(281,228)	(281,228)	(327,947)
Net nonoperating revenues (expenses)	101,660,444	2,796,684	482,339	2,064,160	9,977,471	116,981,098	342,439	(2,999,223)	19,432,239	(12,015,131)	121,741,422	70,430,502
Income (loss) before other revenues	42,671,510	594,373	(724,956)	(10,675,167)	(1,911,146)	29,954,614	(1,630,713)	(42,356,540)	5,289,799	46,792,639	38,049,799	9,523,567
Other revenues												
Capital grants and gifts	-	-	-	-	-	-	-	5,403,615	871,872	(633,349)	5,642,138	1,606,692
Gifts for permanent endowment purposes	-	-	-	-	-	-	-	-	5,761,062	-	5,761,062	5,385,720
Other revenues	-	-	-	-	-	-	-	-	118,612	-	118,612	110,393
Fund additions	-	-	-	-	-	-	-	46,159,290	-	(46,159,290)	-	-
Total other revenues	-	-	-	-	-	-	-	51,562,905	6,751,546	(46,792,639)	11,521,812	7,102,805
Net increase (decrease) in net position	42,671,510	594,373	(724,956)	(10,675,167)	(1,911,146)	29,954,614	(1,630,713)	9,206,365	12,041,345	-	49,571,611	16,626,372
Net position, beginning 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
Net position, end of year	\$ 43,551,633	\$ 31,472,831	\$ 1,149,918	\$ (70,273,158)	\$ 12,016,715	\$ 17,917,939	\$ 4,897,899	\$ 167,487,843	\$ 205,920,617	\$ -	\$ 396,224,298	\$ 346,652,687

2023 FINANCIAL REPORT



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