Financial Report

Ferris State University

Years ended June 30, 2024 and 2023
with Report of Independent Auditors

Ferris State University

Contents

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Independent Auditor's Report

To the Board of Trustees
Ferris State University

Report on the Audits of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and discretely presented component unit of Ferris State University (the "University"), a component unit of the State of Michigan, as of and for the years ended June 30, 2024 and 2023 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 present fairly, in all material respects, the financial position of the business-type activities and discretely presented component unit of the University as of June 30, 2024 and 2023 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 Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the University and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Ferris Foundation 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Trustees
Ferris State 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 and other required supplementary information, as identified in the table of contents, 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 audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Ferris State University's basic financial statements. The combining statement of net position and combining statement of revenues, expenses, transfers, and changes in net position, including comparative totals for 2023, 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 other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Additional Information

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

To the Board of Trustees
Ferris State University

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2024 on our consideration of Ferris State 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 Ferris State 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 Ferris State University's internal control over financial reporting and compliance.

Plante & Moran, PLLC

September 30, 2024

The following discussion and analysis of Ferris State University's (the "University") financial statements provides an overview of the University's financial activities for the year ended June 30, 2024 with selected comparative information as of and for the years ended June 30, 2023 and 2022. The University includes all site locations, including the main campus in Big Rapids, Kendall College of Art and Design, Urban Institute of Contemporary Art, and numerous sites across the State. Management has prepared the financial statements and the related footnote disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the University's administration.

Using this Report

This annual financial report includes the report of independent auditors, the management's discussion and analysis, the financial statements, including the notes to the financial statements, required supplementary information, and other supplementary information. The financial statements included in this report are the statements of net position, the statements of revenues, expenses, and changes in net position, and the statements of cash flows. The financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) accounting principles, which establish standards for public colleges and universities.

Financial Highlights

The University's operating revenues increased by 10.6 million or 7.6% compared to prior year. Operating expenses decreased ($17.9) million or 7.7% during the fiscal year ended June 30, 2024. The University's total assets increased $15.9 million to $522.4 million at year end. The University revitalized the investment in the physical properties as of July 1, 2023 and capital assets increased $3.6 million to $364.1 million net of depreciation for the fiscal year ended June 30, 2024.

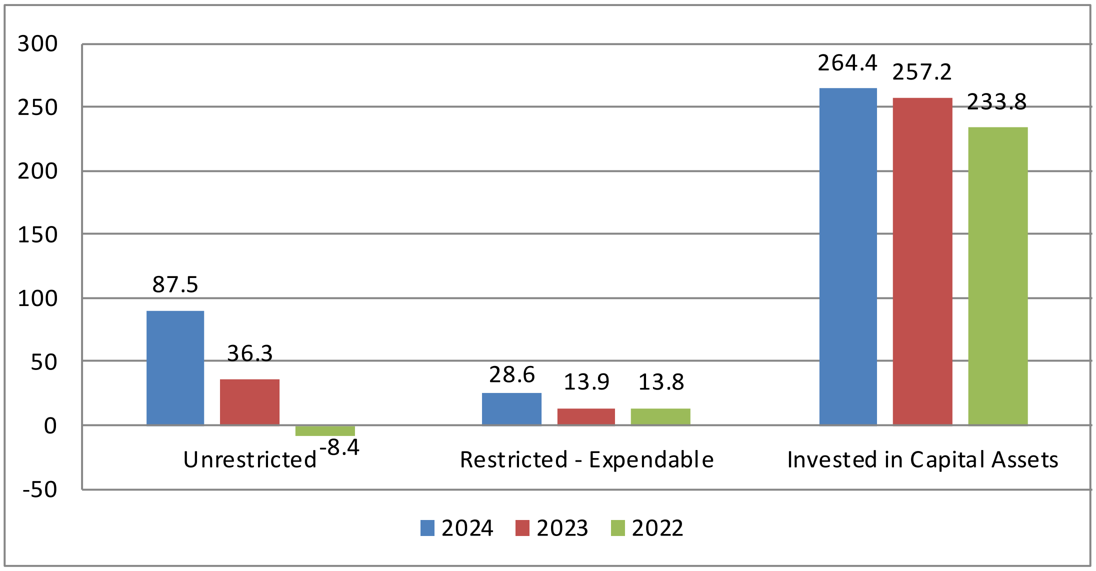
The largest component of operating revenues is tuition and fees, net of scholarships. Tuition and fees revenue increased $6.8 million. This is a result from a 3.8% increase in undergraduate tuition rate and an decrease of tuition discounts of $2.9 million. Auxiliary enterprises increased $2.5 million as a result from a 2.3% increase in room and board rates.

Operating expenses decreased ($17.9) million. The largest decrease in operating expenses was ($12.2) million for instruction, largely as a result of Multi-employer pension and OPEB changes, ($8.5) million operations and maintenance of plant, ($1.3) million in student services, and ($3.6) million in Auxiliary expenses. These decreases were offset by $3.0 million of institutional support, $2.8 million in student aid, and $1.9 million in other expenses.

For the year ended June 30, 2023, the University's operating revenues decreased by (3.8) million. The University's total assets decreased $5.3 million to $506.5 million at year end. The University revitalized the investment in the physical properties as of July 1, 2022 and capital assets increased $24.3 million to $360.5 million net of depreciation for the fiscal year ended June 30, 2023.

Financial Highlights (continued)

The following chart provides a graphical breakdown of net position by category for the fiscal years ended June 30, 2024, 2023, and 2022:



The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position

The statements of net position and the statements of revenues, expenses, and changes in net position report information on the University as a whole. When revenue and other support exceed expenses, the result is an increase in net position. When the reverse occurs, the result is a decrease in net position. The relationship between revenue and expenses may be thought of as Ferris State University's operating results.

These two statements report the University's net position and net position changes. Net position is the difference between assets plus deferred outflow of resources and liabilities plus deferred inflows of resources, which is one way to measure the University's financial health, or financial position. Many other non-financial factors, such as the trend in student applications, student retention, condition of the facilities, and strength of the educational offerings, also need to be considered to assess the overall health of the University.

These financial statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector institutions. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Net Position

For the year ended June 30, 2024, total net position increased by $73.2 million to $380.5 million. Unrestricted net position increased by $51.2 million to $87.5 million. The total net position is comprised of ($2.9) million net unfunded pension liability; $13.8 million net OPEB asset; $105.2 million identified for departmental use, maintenance and replacement of facilities, debt service and $264.4 million net investment in capital assets.

For the year ended June 30, 2023, total net position increased by $68.1 million to $307.3 million. Unrestricted net position increased by $50.2 million to $41.8 million. This total is comprised of ($46.1) million net unfunded pension liability; $6.6 million net unfunded OPEB asset; $89.6 million identified for departmental use, maintenance and replacement of facilities, debt service and $257.2 million net investment in capital assets.

Operating Results
The following page is a comparison of the operating results of the University for the years ended June 30:

	(in millions) 2024	2023	2022
Assets			
Current assets	$ 54.0	$ 45.8	$ 69.0
Non-current assets:			
Capital assets - Net of depreciation	364.1	360.5	336.2
Other	104.4	100.2	106.7
Total assets	**522.5**	**506.5**	**511.9**
Deferred Outflows of Resources			
Net pension liability	0.9	5.9	19.3
Net OPEB liability	-	0.5	1.0
Refunding of debt	2.6	2.9	3.1
Total deferred outflows of resources	**3.5**	**9.3**	**23.4**
Liabilities			
Current liabilities	36.4	40.4	48.9
Long-term liabilities	109.0	168.0	214.9
Total liabilities	**145.4**	**208.4**	**263.8**
Deferred Inflows of Resources			
Net pension liability	-	-	28.1
Net OPEB liability	-	-	4.0
Total deferred inflows of resources	**-**	**-**	**32.1**
Net Position			
Invested in capital assets	264.4	257.2	233.8
Restricted - Expendable	28.6	19.9	13.8
Unrestricted	87.5	30.2	(8.4)
Total net position	**$ 380.5**	**$ 307.3**	**$ 239.3**

	(in millions)		
	2024	2023	2022
Operating Revenues			
Tuition and fees - Net	$ 102.6	$ 95.8	$ 103.8
Grants and contracts	8.7	7.1	6.7
Departmental activities	11.9	12.6	10.0
Auxiliary activities - Net	26.8	24.3	22.8
Other operating revenues	0.4	(0.1)	0.3
Total operating revenues	150.4	139.7	143.6
Operating Expenses			
Instruction	78.2	90.4	78.7
Research	2.0	1.8	1.9
Public service	4.9	5.1	2.6
Academic support	23.9	24.5	22.0
Student services	19.3	20.6	18.8
Institutional support	20.4	17.4	23.4
Operation and maintenance of plant	14.7	23.2	17.3
Depreciation	12.5	10.4	11.0
Student aid	21.3	18.5	33.3
Auxiliary enterprises	16.4	20.0	18.0
Other expenses	0.8	0.3	0.2
Total operating expenses	214.4	232.2	227.2
Operating Loss	(64.0)	(92.5)	(83.6)
Non-operating Revenues (Expenses)			
State appropriations	92.5	121.7	61.4
Federal Pell Grants	18.5	16.4	16.3
HEERF Funds	-	-	41.4
Gifts	9.9	8.3	10.5
Investment gain (loss)	9.3	6.5	(11.8)
Interest on capital assets - Related debt	(3.6)	(3.9)	(4.2)
Total nonoperating revenues (expenses)	126.6	149.0	113.6
Income/(Loss) - Before other revenues	62.6	56.5	30.0
Other Revenues			
State capital appropriations	10.7	11.6	-
Total other revenues	10.7	11.6	-
Increase (Decrease) in Net Position	73.2	68.1	30.0
Net Position - Beginning of year	307.3	239.2	209.2
Net Position - End of year	**$ 380.5**	**$ 307.3**	**$ 239.2**

Operating Revenues

Operating revenues include all transactions that result in the sales and/or receipts from goods and services such as tuition and fees, housing, and dining. In addition, certain federal, state, and private grants are considered operating if they are not for capital purposes and are considered a contract for services.

The following major factors significantly impacted operating revenue during the year ended June 30, 2024.

- Student tuition and fees revenue increased $6.8 million mainly due to a decrease in tuition discounts of $2.9 million. There was also an increase in tuition rates of 3.8%.

- Auxiliary enterprises operating revenue increased by $2.5 million. Housing and dining revenues before eliminations increased $1.6 million and other auxiliary operations increased by $0.9 million The increase is attributable to a 2.3% increased to the board rate and an increased on campus Housing occupancy over the prior year.

For the year ended June 30, 2023, the significant operating revenue factors were as follows:

- Student tuition and fees revenue decreased $8.0 million mainly due to an increase in tuition discounts of $8.0 million. There was also a decrease in enrollment which was offset by an increase in tuition rates.

- Auxiliary enterprises operating revenue increased by $4.7 million. Housing and dining revenues before eliminations increased $4.3 million and other auxiliary operations increased by $0.4 million The increase is attributable to a 3.0% increased to the board rate and an increased on campus Housing occupancy over the prior year.

Non-operating/Other Revenues (Expenses)

Non-operating revenues (expenses) are all revenue sources that are primarily non-exchange in nature. They consist primarily of state appropriations, Federal Pell Grants, gifts, and investment gain (loss), (including realized and unrealized gains and losses). Also included in this category is interest on capital debt.

Non-operating revenues (expenses) was significantly impacted by the following factors during the year ended June 30, 2024:

- The State appropriation of $92.5 million is a decrease of ($29.2) million from the 2023 level. Of which ($32.1) million is for the UAAL reimbursement for MPSERS pension liability.

- State capital appropriations of $10.6 million were received from the State of Michigan for use towards the completion of the Center for Virtual Learning and ITEMS. Infrastructure, Technology, Equipment Maintenance, and Safety (ITEMS) funding is being used to improve existing facilities, infrastructure, technology, and campus security.

Non-operating/Other Revenues (Expenses) (continued)

- Investment gain increased by $2.8 million from an investment gain of $6.5 million in 2023 to $9.3 million gain in 2024. The $9.3 million investment gain includes $3.4 million realized gains and $5.9 million of unrealized gain.

- Pell Grants increased $2.1 million from $16.4 million in 2023 to $18.5 million in 2024.

- Gift and in-kind contributions income increased by $1.5 million from $8.3 million in 2023 to $9.8 million in 2024. This includes new pledges receivable.

For the year ended June 30, 2023, significant non-operating revenues (expenses) factors were as follows:

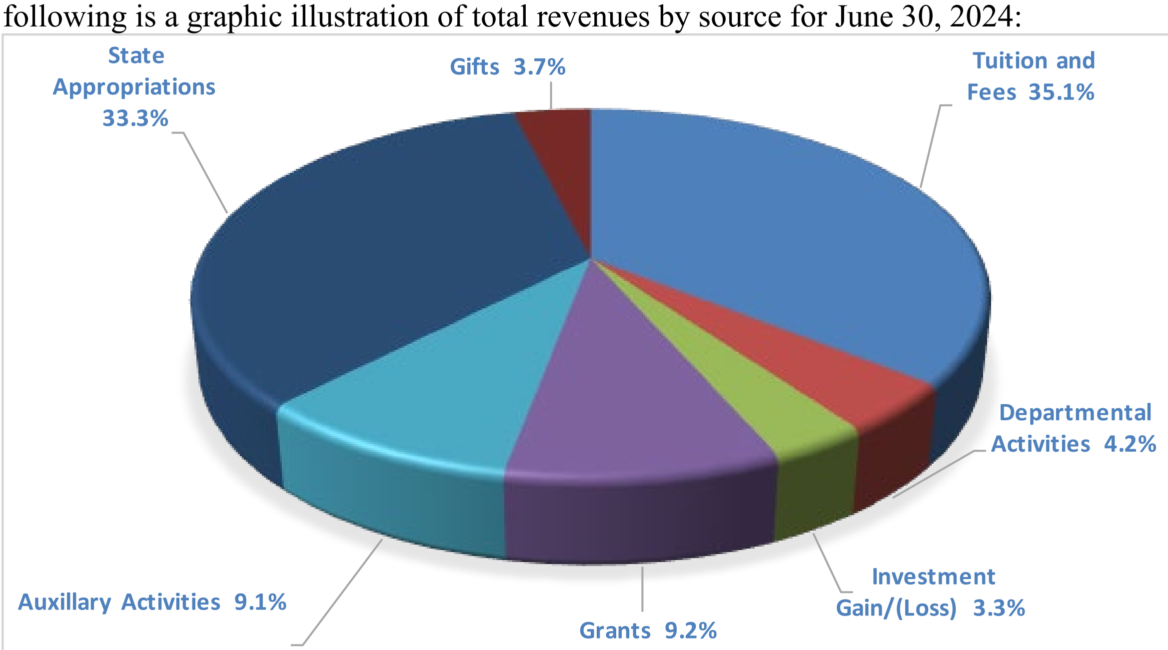
- The State appropriation of $121.7 million is an increase of $60.4 million from the 2022 level. Of which $64.8 is for the UAAL reimbursement for MPSERS pension liability.

- State capital appropriations of $11.6 million were received from the State of Michigan for use towards the completion of the Center for Virtual Learning. No state capital appropriations were received for the Center for Virtual Learning in 2022.

- Investment gain increased by $18.4 million from an investment loss of ($11.8) million in 2022 to $6.5 million gain in 2023. The $6.5 million investment gain includes $3.6 million realized gains and $2.9 million of unrealized gain.

- Pell Grants increased $0.1 million from $16.3 million in 2022 to $16.4 million in 2023.

Total Revenues
The following is a graphic illustration of total revenues by source for June 30, 2024:



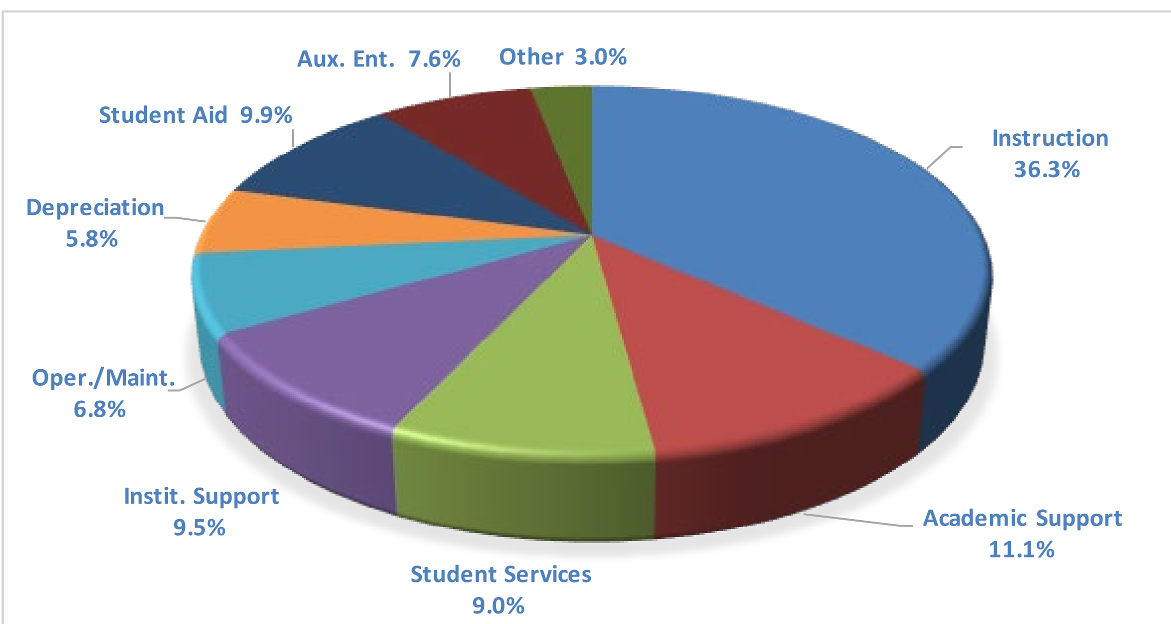
Operating Expenses

Operating expenses are all the costs necessary to perform and conduct the programs and primary purposes of the University. These expenses decreased by ($17.9) million from 2023 levels to $214.4 million in 2024. Instruction, student services, and student aid represent $118.8 million, or 55.2%, of the total. Operations and maintenance of plant and depreciation total $27.2 million, or 12.6%, and auxiliary enterprises total $16.4 million, or 7.6%. Academic support, institutional support, and other small categories comprise the remainder of the operating expenses of $52 million or 24.5%.

Operating expenses decreased ($17.9) million. The largest decrease in operating expenses was ($12.2) million for instruction, largely as a result of Multi-employer pension and OPEB changes, ($8.5) million operations and maintenance of plant, ($1.3) million in student services, and ($3.6) million in Auxiliary expenses. These decreases were offset by $3.0 million of institutional support, $2.8 million in student aid, and $1.9 million in other expenses.

During the 2023 fiscal year, expenses increased by $5.1 million from 2022 levels to $232.3 million. Instruction, student services, and student aid represent $129.5 million, or 55.7%, of the total. Operations and maintenance of plant and depreciation total $33.5 million, or 14.5%, and auxiliary enterprises total $20.0 million, or 8.6%. Academic support, institutional support, and other small categories comprise the remainder of the operating expenses of $49.2 million or 21.2%.

The following is a graphic illustration of operating expenses by function for June 30, 2024:



Statement of Cash Flows

Another way to assess the financial health of the University is to look at the statement of cash flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of an entity during a period. The statement of cash flows also helps users assess an entity's:

- Ability to generate future net cash flows
- Ability to meet its obligations as they come due
- Needs for external financing

Capital Assets and Debt Administration

Capital Assets

At June 30, 2024, the University had $364.1 million invested in capital assets, net of accumulated depreciation of $261.1 million.

Details of these assets at June 30 are shown below (in millions):

	2024	2023	2022
Land, land improvements, and infrastructure	$ 32.2	$ 32.0	$ 32.0
Buildings and improvements	511.0	439.9	439.9
Furniture, fixtures, and equipment	80.7	88.5	87.9
Construction in progress	1.3	60.8	27.2
Total	**$ 625.2**	**$ 621.2**	**$ 587.0**

Expenditures totaling $1.3 million for the Jim Crow Museum and Campus Security & Access Controls were included in construction in progress at June 30, 2024.

Debt Administration

At year end, the University had $90.4 million in debt outstanding compared to $96.6 million at 2023 and $102.8 million at 2022.

Economic Factors Affecting the Future

The landscape of higher education continues to evolve, and a mixture of dynamics impact the future of our University. Michigan's challenges with declining graduation rates persist even though a slight bump was seen during the COVID pandemic however, this isn't projected to remain. These decreases in high school graduates, due to declining birthrate in the state, is a growing challenge for not only higher education but also for business and industry looking for talented individuals to fuel economic growth and prosperity.

Additional factors affecting the economic future include inflationary pressures, increasing interest rates along with ever-evolving fed decisions, competitive pressures, continuing spotty supply chain disruptions, resource availability of human resources, and a state and federal economy that could impact lower government spending. Compensation growth is decelerating, pandemic savings are dwindling, and revolving credit utilization is rising. New student loan repayment requirements will begin to impact younger consumers both now and in the future. Overall consumer spending is projected to level off during the remainder of this calendar year, but is anticipated to contract in calendar year 2024. All these situations clearly create headwinds for the University both now and into the future.

As noted in past years, the Tuition Incentive Program (TIP) in significantly important to enrollment here at Ferris State University. With the state budget being in flux, TIP funding is a top legislative priority for the University. This program is radically important in helping students and vital for their futures. Ferris has proven that this program can change the lives of students by helping prepare them for high-paying careers and to continue their growth as productive citizens. Our TIP students graduate with work-ready degrees in careers and industries that are desperately seeking highly skilled employees. Michigan needs our graduates, and Ferris continues to be committed to this mission.

The Ferris Foundation Endowment continues to expand and is currently at $127.5 million (as of June 30, 2024). This remains an exciting and efficacious program as these assets are dedicated to supporting students and the educational mission of the University. The impact of these sources of revenue continue to position the University positively for recruitment, retention, state funding, and degree affordability.

As Ferris continues to look forward, the University's educational offerings and career-oriented focus will continue to attract students and align with the state's priorities of creating talent for industry and the economy. Ferris has a strong competitive position with a focus on unique career-driven degrees, continued partnerships with community colleges across the state, dual and concurrent agreements with high schools across the state, and online education. While the University is in a good position, there is more work to be done. We must continue to align state and University resources to promote the distinctive and effective programs of this University, continue investment in new programs in high demand areas, and provide short-term certificates and opportunities for adult learners to retrain for employment. As noted in the Strategic Plan and the related progress towards this plan, Ferris State University remains steadfast in pursuit of this educational mission, the needs of industry, and deep support of students.

Ferris State University
Statement of Financial Position

	Year Ended June 30, 2024		Year Ended June 30, 2023	
	University	Foundation	University	Foundation
Assets				
Current Assets				
Cash and cash equivalents (Note 2)	$ 4,318,777	$ 301,527	$ 7,074,864	$ 562,150
Short-term investments (Note 2)	31,036,638	3,625,502	20,460,402	3,938,415
Accounts receivable - Net (Note 3)	16,625,046	2,541,556	16,344,177	2,880,212
Inventories	1,688,612	-	1,474,990	-
Prepaid expenses and other assets	299,792	-	474,333	-
Total current assets	**53,968,866**	**6,468,584**	**45,828,765**	**7,380,777**
Non-current Assets				
Other long-term investments (Note 2)	81,756,078	124,681,102	83,789,400	116,038,303
Student loans receivable - Net (Note 3)	7,034,806	-	8,590,823	-
Other non-current assets	1,744,168	-	1,745,834	-
Net OPEB asset (Note 6)	13,779,912	-	6,056,141	-
Capital assets - Net (Note 4)	364,145,095	-	360,505,761	-
Total non-current assets	**468,460,059**	**124,681,102**	**460,687,959**	**116,038,303**
Total assets	**522,428,925**	**131,149,686**	**506,516,724**	**123,419,080**
Deferred Outflows of Resources				
Net pension liability (Note 6)	893,151	-	5,886,759	-
Net OPEB asset (Note 6)	48,396	-	529,685	-
Refunding of debt	2,604,749	-	2,850,448	-
Total deferred outflows of resources	**3,546,296**	-	**9,266,892**	**-**
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	21,161,241	275,108	27,194,915	131,028
Unearned revenue	7,179,816	-	6,186,337	-
Long-term liabilities - Current portion (Note 5	8,037,248	-	7,022,249	-
Total current liabilities	**36,378,306**	**275,108**	**40,403,501**	**131,028**
Non-current Liabilities				
Deposits	798,851	-	793,281	-
Federal student loan payable	908,363	-	2,960,396	-
Long-term liabilities (Note 5)	102,133,926	-	111,005,683	-
Subscription liabilities (Note 8)	1,460,713	-	1,337,969	-
Net pension liability (Note 6)	3,745,075	-	51,939,759	-
Total non-current liabilities	**109,046,927**	-	168,037,087	-
Total liabilities	**145,425,233**	**275,108**	**208,440,588**	**131,028**
Deferred Inflows of Resources				
Net pension liability (Note 6)	10,790	-	10,790	-
Total deferred inflows of resources	**10,790**	-	**10,790**	**-**
Net Position				
Net investment in capital assets	264,422,728	-	257,227,595	-
Restricted for (Note 1):				
Non-expendable:				
Scholarships	-	79,756,142	-	77,120,593
Expendable:				
Scholarships	3,250,329	31,460,846	3,576,495	26,742,917
Research	164,605	-	360,354	-
Instructional department uses	2,618	7,353,943	2,810	6,624,043
Loans	8,331,767	588,001	8,302,522	410,121
Net OPEB asset	13,779,912	-	6,056,141	-
Other	3,043,787	2,759,840	1,631,208	3,086,959
Unrestricted (Note 1)	87,543,452	8,955,806	30,175,111	9,303,418
Total net position	**$ 380,539,198**	**$130,874,578**	**$307,332,237**	**$123,288,051**

Ferris State University
Statements of Revenues, Expenses, and Changes in Net Position

	Year Ended June 30, 2024		Year Ended June 30, 2023	
	University	Foundation	University	Foundation
Operating Revenues				
Tuition and fees - Net of scholarship allowances of $34,865,946 for 2024 and $37,756,776 for 2023	$102,562,568	$ -	$ 95,762,902	$ -
Federal grants and contracts	6,023,261	-	4,080,338	-
State and local grants and contracts - Net of refunds	1,810,230	-	2,142,427	-
Non-governmental grants	865,673	-	961,921	-
Departmental activities	11,939,814	-	12,602,562	-
Auxiliary enterprises - Net of scholarship allowances of $7,102,728 for 2024 and $7,563,691 for 2023	26,754,366	-	24,300,163	-
Other operating revenues	439,870	-	(127,357)	-
Total operating revenues	**150,395,784**	**-**	**139,722,957**	**-**
Operating Expenses				
Instruction	78,235,817	-	90,444,348	-
Research	1,973,107	-	1,827,002	-
Public service	4,951,998	-	5,083,470	-
Academic support	23,878,392	-	24,534,016	-
Student services	19,275,686	-	20,584,144	-
Institutional support	20,426,769	9,426,816	17,425,386	8,583,443
Operation and maintenance of plant	14,710,866	-	23,169,739	-
Depreciation	12,457,107	-	10,395,120	-
Student aid	21,278,869	-	18,462,922	-
Auxiliary enterprises	16,396,414	-	20,003,380	-
Other expenses	844,699	-	349,268	-
Total operating expenses	**214,429,724**	**9,426,816**	**232,278,794**	**8,583,443**
Operating Loss	**(64,033,940)**	**(9,426,816)**	**(92,555,837)**	**(8,583,443)**
Non-operating Revenues (Expenses)				
State appropriations	92,455,001	-	121,716,850	-
Federal Pell Grants	18,507,809	-	16,419,229	-
Gifts & In-Kind Contributions	9,862,528	6,168,967	8,315,783	7,183,734
Investment gain	9,339,457	10,957,412	6,538,721	6,450,763
Interest on capital asset - Related debt	(3,594,696)	-	(3,893,197)	-
Net non-operating revenues (expenses)	**126,570,099**	**17,126,378**	**149,097,386**	**13,634,497**
Income - Before other revenues	**62,536,159**	**7,699,562**	**56,541,549**	**5,051,054**
Other Revenues				
State capital appropriations	10,670,802	-	11,577,156	-
Additions/(reductions) to permanent endowments	-	(113,035)	-	195,302
Increase (Decrease) in Net Position	**73,206,961**	**7,586,527**	**68,118,706**	**5,246,356**
Net Position				
Beginning of year	307,332,237	123,288,051	239,213,531	118,041,695
End of year	**$380,539,198**	**$130,874,578**	**$307,332,236**	**$123,288,051**

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Ferris State University
Statements of Cash Flows

	Year Ended June 30	
	2024	**2023**
Cash Flows from Operating Activities		
Tuition and fees	**$ 102,562,568**	$ 95,317,083
Grants and contracts	**6,647,132**	5,148,646
Payments to suppliers	**(108,000,157)**	(133,758,880)
Payments to employees	**(100,751,147)**	(101,564,589)
Interest collected on student loans	**439,870**	979,584
Loans issued to students	**(911,501)**	(780,435)
Collection of loans from students	**2,104,988**	545,185
Auxiliary enterprise charges	**26,754,366**	24,300,163
Federal direct loan lending receipts	**47,938,734**	51,279,393
Federal direct loan lending disbursements	**(48,016,075)**	(51,404,625)
Other receipts	**13,181,526**	13,509,092
Net cash used in operating activities	**(58,049,695)**	(96,429,383)
Cash Flows from Noncapital Financing Activities		
State appropriations	**51,689,578**	78,315,560
Pell Grant receipts	**18,507,809**	16,419,229
Gifts and grants for other than capital purposes	**9,862,528**	8,306,031
Net cash from non-capital financing activities	**80,059,915**	103,040,820
Cash Flows from Capital and Related Financing Activities		
Capital appropriations	**10,670,802**	11,577,156
Subscription Liability	**(917,187)**	1,337,969
Purchase of capital assets and construction	**(16,192,313)**	(34,900,577)
Principal paid on capital debt	**(6,190,000)**	(6,210,000)
Interest paid on capital debt	**(3,594,696)**	(3,893,197)
Net cash used in capital and related financing activities	**(16,223,393)**	(32,088,649)
Cash Flows from Investing Activities		
Purchase of investments	**(20,899,780)**	-
Investment income	**3,017,409**	6,538,717
Proceeds from sales and maturities of investments	**9,339,457**	3,023,913
Net cash used in investing activities	**(8,542,914)**	9,562,630
Change in Cash and Cash Equivalents	**(2,756,087)**	(15,914,582)
Cash and Cash Equivalents - Beginning of year	**7,074,864**	22,989,446
Cash and Cash Equivalents - End of year	**$ 4,318,777**	$ 7,074,864

Ferris State University
Statements of Cash Flows

A reconciliation of operating loss to net cash from operating activities is as follows:

	Year Ended June 30	
	2024	**2023**
Operating loss	**$ (64,033,940)**	$ (92,555,837)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	**12,457,107**	10,395,120
Amortization of bond insurance costs	**15,385**	104,441
Loss on disposal of capital assets	**51,231**	240,423
Changes in assets and liabilities		
Accounts receivable	**(280,869)**	4,178,986
Student loans receivable	**1,633,357**	744,334
Inventories, prepaid expenses, and other assets	**(39,082)**	(294,276)
Federal direct loan lending	**(77,341)**	(125,232)
Accounts payable and accrued liabilities	**(6,778,687)**	(5,576,909)
Deposits and unearned revenue	**999,049**	(1,440,689)
Accrued sick leave	**(834,509)**	(30,511)
Net pension/OPEB liability	**(1,161,397)**	(12,069,234)
Net cash from operating activities	**$ (58,049,695)**	$ (96,429,383)

1. Summary of Significant Accounting Policies

Ferris State University (University) is an institution of higher education created on September 1, 1884 as Big Rapids Industrial School. In 1885, the school name was changed to Ferris Industrial School; in 1898 to Ferris Institute; in 1950 became a component unit of the State of Michigan (State); in 1963 Ferris State College; and in 1987 to its current structure of Ferris State University. On December 31, 2000, Kendall College of Art and Design (Kendall) located in Grand Rapids, Michigan officially merged with the University. On August 28, 2013, the Urban Institute of Contemporary Art (UICA) located in Grand Rapids officially merged with Kendall.

The University's Board of Trustee members are appointed by the Governor of the State. Accordingly, the University is included in the State's financial statements as a discrete component unit. Transactions with the State relate primarily to appropriations for operations and capital improvements and grants from various state agencies.

Basis of Presentation

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

The financial statements include the Ferris Foundation (Foundation). The Foundation was established as a separate non-profit corporation which exists for the sole purpose of soliciting, collecting, and investing donations for the benefit of the University. The Foundation's Board of Directors' FSU membership includes a member of the University's Board of Trustees, certain officers of the University as set forth in the Foundation bylaws, and other representatives elected by the Foundation's Board. The Foundation provides financial support for the objectives, purposes, and programs of the University. Because the resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University. The June 30, 2024 audited financial statements for the Ferris Foundation can be found at: www.ferris.edu/giving/ferris-foundation/policies.htm.

1. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financials statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Restricted Net Position

Restricted net position represents amounts over which third parties have imposed restrictions that cannot be changed by the Board of Trustees (Board), including amounts that the Board has agreed to set aside under contractual agreements with third parties. It is the University's policy to apply restricted resources first when an expense is incurred for purposes for with both restricted and unrestricted net position are available.

Unrestricted Net Balance

The University has designated the use of unrestricted net position (deficit) as follows at June 30:

	(in millions)	
	2024	2023
Designated for general fund division use	$ 11,409,153	$ 8,549,722
Designated for encumbrances	1,062,442	1,773,997
Designated for maintenance and replacement	20,883,925	27,445,510
Designated for unfunded pension and OPEB liability	(2,803,528)	(45,534,105)
Unrestricted and undesignated	56,991,460	37,939,986
Total unrestricted net assets (deficits)	$ 87,543,453	$ 30,175,111

Cash and Cash Equivalents

Cash and cash equivalents consist of all highly liquid investments with an initial maturity of three months or less.

Investments

Investments are recorded at fair value, based on quoted market prices or most recent valuation adjusted for capital calls and distributions.

Inventories

Inventories, consisting primarily of supplies, are stated at the lower of cost or market using the first-in, first-out method.

1. Summary of Significant Accounting Policies (continued)

Accounts Receivable and Allowance

Accounts receivables are recorded net of an allowance for uncollectible amounts. The allowance is based on management's judgement of potential uncollectible amounts, which includes such factors as historical experience and type of receivable. The allowance for uncollectible accounts receivable is $1,008,395 at June 30, 2024 and $6,921,033 at June 30, 2023.

Bond Issuance Costs

The bond issuance costs consist of bond insurance amortized over the life of the bonds using the straight-line method. Bond issuance costs amortized are included in other non-current assets on the statements of net position.

Capital Assets

Capital assets are recorded at cost or, if acquired by gift, at acquisition value at the date of acquisition. Depreciation is provided for on a straight-line basis over the estimated useful life. Library books are recorded using a historically-based estimated value where volumes with publication dates within five years of purchase are depreciated over the remaining years until the volume reaches five years old.

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.

1. Summary of Significant Accounting Policies (continued)

The subscription term includes the non-cancelable 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.

Deferred Inflows and Outflows of Resources

Deferred outflows of resources consist of gain/loss on the defeasance of the refunding of debt and outflows related to multi-employer net pension and other post-employment benefits (OPEB) assets. Deferred outflows of resources related to refunding of debt totaled $2,604,749 at June 30, 2024 and $2,850,448 at June 30, 2023. Refunding of debt amounts are amortized over the remaining life of the refunded bond or the life of the new bond, whichever is shorter. Deferred outflows of resources related to net pension liability amounts totaled $893,151 at June 30, 2024 and $5,886,759 at June 30, 2023. Deferred outflows of resources related to net OPEB asset amounts totaled $48,396 at June 30, 2024 and $529,685 at June 30, 2023. Net pension and OPEB asset amounts related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension and OPEB asset the following year, while other amounts reported as net pension and OPEB asset will be amortized over the actuarial calculated expected remaining service life of the members or 5 years, in accordance with GASB standards. Deferred inflows of resources relate to multi-employer net pension and OPEB asset. Deferred inflows of resources related to net pension liability and net OPEB asset were insignificant at June 30, 2024 and 2023. Net pension and OPEB asset amounts related to funding received through state appropriations for contributions subsequent to the measurement date will be recognized the following year, while other amounts reported as net pension and OPEB liabilities will be amortized over 5 years.

Unearned Revenue

Tuition and fee revenues received and related to the period after June 30 have been recorded as unearned revenue.

Net Pension and OPEB Liabilities

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEBs, and pension and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. Benefit payments (including refunds of employee contributions) are recognized as expense when due and payable in accordance with the benefit terms. Investments are reported at fair value.

1. Summary of Significant Accounting Policies (continued)

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 Non-operating 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 non-operating 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 non-operating.

Compensated Absences

University employees earn vacation and sick leave benefits based, in part, on length of service. Vacation pay is fully vested when earned. Upon separation from service, employees are paid accumulated vacation and sick pay based upon the nature of separation (death, retirement, or termination). Certain limitations have been placed on the hours of vacation and sick leave that employees may accumulate and carry over payment at death, retirement, or termination. Unused hours exceeding these limitations are forfeited.

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. Any component units are also exempt from income taxes under Section 501(c)(3) of the Internal Revenue Service Code for activities related to their exempt purpose.

1. Summary of Significant Accounting Policies (continued)

Upcoming Accounting Pronouncement

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.

GASB Statement No. 102 - Certain Risk Disclosures January 2024. This new accounting pronouncement will be effective for fiscal years ending June 30, 2025 and after. This statement requires a government to assess whether a concentration or constraint makes the primary government or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. It also requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date of the financial statements are issued. If certain criteria are met for a concentration or constraint, disclosures are required in the notes to the financial statements.

In April 2024, the Government Accounting Standards Board issued Statement No. 103, Financial Reporting Model Improvements, which establishes new accounting and financial reporting requirements, or modifies existing requirements, related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The provisions of this statement are effective for the University's financial statements for the year ending June 30, 2026.

Subsequent Events

The financial statements and related disclosures include evaluations of events up through and including October 4, 2024, which is the date the financial statements were available to be issued.

2. Cash and Investments

As of June 30, 2024 and 2023 the University had the following cash and investments and maturities:

	Fair Market Value	Less Than One Year	1-5 Years	6-10 Years	More Than 10 Years
Cash and cash equivalents	$ 4,318,777	$ 4,318,777	$ -	$ -	$ -
Money markets	31,036,638	31,036,638	-	-	-
Mutual bond funds	35,481,625	-	8,937,219	26,544,406	-
Mutual equity funds	30,076,264	-	-	-	30,076,264
International equity funds	14,946,994	-	-	-	14,946,994
Total	115,860,298	35,355,415	8,937,219	26,544,406	45,023,258
Cash surrender value of life insurance	1,251,195				
Balance at June 30, 2024	$ 117,111,493				

	Fair Market Value	Less Than One Year	1-5 Years	6-10 Years	More Than 10 Years
Cash and cash equivalents	$ 7,074,864	$ 7,074,864	$ -	$ -	$ -
Money markets	20,460,402	20,460,402	-	-	-
Mutual bond funds	42,486,943	-	15,016,922	27,470,021	-
Mutual equity funds	28,577,342	-	-	-	28,577,342
International equity funds	11,572,574	-	-	-	11,572,574
Total	110,172,125	$ 27,535,265	$ 15,016,922	$ 27,470,021	$ 40,149,916
Cash surrender value of life insurance	1,152,540				
Balance at June 30, 2023	$ 111,324,665				

Cash and Short-term Investments

Policies for cash management and investments are set forth by the University's Board of Trustees, who authorize University administrators to invest in a variety of interest-bearing deposit and investment accounts. The primary objective of cash and short-term investments is to provide for the preservation of capital.

Intermediate and Long-term Investments

Intermediate and long-term investment policies have been established by the Board for investments with maturities over one year. The primary objective is to provide more emphasis on maximizing income without undue exposure to risk.

2. Cash and Investments (continued)

Concentration of Credit Risk

As a means of managing the concentration of credit risk, University investment policy limits the concentration of investments as follows:

No more than 10% of the portfolio, at cost, can be invested in any single issue, except U.S. Government Securities. The minimum acceptable credit quality at the time of purchase for individual investments shall be "AA" for the short-term pool, "BBB" for the intermediate pool and "B" for the long-term investment pool. Asset allocation, as a percent of the total market value of the total long-term portfolio, will be set with the following target percentage and within the following ranges: 55-65% Equity, 30-50% Fixed Income, and 0-5% Cash.

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The University held five investments of this type. The following investments comprise more than 5% of total investments as of June 30:

- Western Asset Market value on June 30, 2024 $8,670,987 (8%); June 30, 2023 $9,342,027 (9%)
- Baird Intermediate Market value on June 30, 2024 $8,937,219 (8%); June 30, 2023 $9,519,762 (9%)
- Vanguard Institutional Index Market value on June 30, 2024 $16,101,633 (14%); June 30, 2023 $14,930,719 (14%)
- Baird Core Plus Market value on June 30, 2024 $17,873,419 (16%); June 30, 2023 $18,127,994 (18%)
- EuroPacific Market value on June 30, 2024 $11,598,531 (10%); June 30, 2023 $9,008,726 (9%)

Interest Rate Risk

In accordance with Board policy, University administrators manage interest rate risk by identifying funds that are needed immediately, those funds that may not be needed for over one year, and funds that may not be needed for over five years. These pools of funds are managed so average maturities for each fund does not exceed one year on the short-term pool and five years on the intermediate pool. This practice limits the overall interest rate risk exposure on the entire pool of funds.

Liquidity Risk

In accordance with University Board policy, operating investment holdings will be sufficiently liquid to ensure that cash flow needs are maintained throughout the year. University investments are held in marketable securities that generally can be sold on one day's notice

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the University's deposits may not be available or returned. The University does not have a deposit policy for custodial credit risk. However, Board policy establishes limits on balances held in any one bank or bank account to reduce risk. The carrying amount of the University's deposits was $6,389,860 at June 30, 2024 and $7,793,302 at June

2. Cash and Investments (continued)

30, 2023. Of these amounts, $750,000 was insured for 2024 and 2023. Of the bank balance, no amount was collateralized for 2024 and 2023. The FDIC insurance limit is $250,000 per depositor.

Credit Risk

The University's investment strategy, like that of most other institutions, incorporates certain financial instruments that involve, to varying degrees, elements of market risk and credit risk. Market risk is the potential for changes in the value of financial instruments due to market changes. Market risk is directly impacted by the volatility and liquidity of the markets in which the underlying assets are traded. Credit risk is the possibility that a loss may occur due to the failure of a counterparty to perform according to the terms of the contract. The University's risk of loss in the event of a counterparty default is typically limited to the amounts recognized in the statements of revenues, expenses, and changes in net position.

Investment funds are presented above based on the fund's segmented time distribution maturity as provided by investment advisor, CAPTRUST. Equity funds are considered to be long-term funds and, therefore, are presented as investments with maturities over 10 years. Market risks (including interest rate risk and liquidity risk) and credit risks are managed by Board policies as described below.

The primary investment objective for the short-term investment pool accounts shall be to provide for the preservation of capital, with a secondary emphasis upon the maximization of investment income without undue exposure to risk. Funds needed for expenditures in less than one year shall be considered short-term. The average weighted maturity for each short-term investment manager shall be between one day and one year. The University identifies credit quality features for the short-term pool such as utilizing banks with well capitalized bank ratios, commercial paper with the highest rating category, and minimum purchase ratings of AA or better for the short-term portfolio.

The primary investment objectives for the intermediate-term investment pool accounts shall be the preservation of capital and the maximization of income without undue exposure to risk. Funds needed for expenditures within one to five years shall be considered intermediate-term and may be placed through direct investments, the use of mutual funds, money managers, or a combination. Credit quality features identified include a weighted average credit quality of AA for the intermediate-term pool of funds. In addition, the minimum acceptable credit quality at the time of purchase for individual securities shall be BBB for the intermediate-term pool.

2. Cash and Investments (continued)

At June 30, the University's debt instruments and related ratings consisted of the following:

	2024		2023	
	Market Value	NRSRO Rating	Market Value	NRSRO Rating
Western Asset	8,670,987	AA-	9,342,027	AA-
Franklin Templeton Global Bond	-	-	5,497,160	A
Baird Intermediate	8,937,219	AA-	9,519,762	AA-
Baird Core Plus	17,873,419	AA-	18,127,994	A+
Total	$ 35,481,625		$ 42,486,943	

The nationally recognized securities rating organization (NRSRO) primarily utilized was Moody's Investors Services.

Foreign Currency Risk

The University does not hold any foreign currency investments as of June 30, 2024 or June 30, 2023.

3. Receivables

Accounts receivable-net consisted of the following at June 30:

	2024	2023
Student	$ 4,761,858	$ 10,728,946
Grants and contracts	485,749	828,720
State appropriations	10,844,816	10,357,030
Other	1,541,020	1,350,514
Total accounts receivable	17,633,442	23,265,210
Less: allowance for doubtful accounts	1,008,395	6,921,033
Total accounts receivable - net	$ 16,625,047	$ 16,344,177

Student loans receivable of $7,034,806 for the year ended June 30, 2024 and $8,590,823 for the year ended June 30, 2023 are recorded net of an allowance for doubtful accounts of $684,869 at June 30, 2024 and $684,869 for 2023.

3. Receivables (continued)

The following shows the balance due of unconditional promises to give to the Foundation as of June 30:

	2024	2023
Pledges receivable in less than one year	**$ 1,973,204**	$ 1,444,338
Pledges receivable in one to five years	**671,050**	1,559,026
Pledges receivable in more than five years	**0**	35,714
Present value discount	**(102,698)**	(158,866)
Total	**$2,541,556**	$ 2,880,212

The Federal Perkins loan program expired on September 30, 2017, which ended the issuance of new loans under this program, and disallowed any new disbursements after June 30, 2018. The University continues to service outstanding loans in accordance with program specifications as permitted by the Federal government.

For the year ended June 30, 2024 and 2023, the University distributed $48 million and $51.2 million, respectively, for student loans through the U.S. Department of Education William D. Ford Direct Loan Program. These distributions and related funding sources are not included as expenses and revenues in the accompanying financial statements.

4. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows.

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land improvements	$ 14,236,660	$ 164,325	$ -	$ -	$ 14,400,985
Infrastructure	11,213,141	-	(44,176)	-	11,168,965
Building and building improvements	439,868,456		(18,695)	71,126,442	510,976,204
Furniture, fixtures, and equipment	88,450,092	3,001,972	(12,148,234)	1,400,137	80,703,967
Subtotal - Depreciable assets	553,768,350	3,166,297	(12,211,105)	72,526,579	617,250,121
Land	6,596,623	-	-	-	6,596,623
Construction in progress	60,789,849	13,026,015		(72,526,579)	1,289,285
Subtotal - Nondepreciable assets	67,386,472	13,026,015	-	(72,526,579)	7,885,908
Total	621,154,821	16,192,313	(12,211,105)	-	625,136,029
Less accumulated depreciation:					
Land improvements	9,374,450	429,750	-	-	9,804,200
Infrastructure	10,325,630	232,484	(44,176)	-	10,513,938
Building and building improvements	188,342,077	9,944,646	(18,695)	-	198,268,029
Furniture, fixtures, and equipment	52,606,902	1,849,613	(12,051,748)	-	42,404,768
Total accumulated depreciation	260,649,060	12,456,493	(12,114,619)	-	260,990,934
Capital assets - Net	$ 360,505,761	$ 3,735,820	$ (96,486)	$ -	$ 364,145,095

4. Capital Assets (continued)

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land improvements	$ 14,236,660	$ -	$ -	$ -	$ 14,236,660
Infrastructure	11,213,141	-	-	-	11,213,141
Building and building improvements	439,868,456	-		-	439,868,456
Furniture, fixtures, and equipment	87,919,865	1,293,411	(763,184)	-	88,450,092
Subtotal - Depreciable assets	553,238,123	1,293,411	(763,184)	-	553,768,350
Land	6,596,623	-	-	-	6,596,623
Construction in progress	27,182,683	33,607,166	-		60,789,849
Subtotal - Nondepreciable assets	33,779,306	33,607,166	-	-	67,386,472
Total	587,017,428	34,900,577	(763,184)	-	621,154,821
Less accumulated depreciation:					
Land improvements	8,934,224	440,226	-	-	9,374,450
Infrastructure	10,041,817	283,814	-	-	10,325,630
Building and building improvements	180,045,055	8,297,022		-	188,342,077
Furniture, fixtures, and equipment	51,755,606	1,374,057	(522,761)	-	52,606,902
Total accumulated depreciation	250,776,702	10,395,120	(522,761)	-	260,649,060
Capital assets - Net	$ 336,240,727	$ 24,505,459	$ (240,423)	$ -	$ 360,505,761

The following estimated useful life for each asset class are used to compute depreciation:

Buildings	50 years
Library books (included in furniture, fixtures, and equipment)	0 to 5 years
Land improvements and infrastructure	20 years
Furniture, fixtures, and equipment	5 to 20 years

Certain institution facilities 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 the 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.

5. Long-term Liabilities

Long-term obligation activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
General Revenue Refunding Bonds, Series 2020A	$ 4,600,000	$ -	$ -	$ 4,600,000	$ 1,000,000
Unamortized bond premium	700,530	-	58,377	642,153	58,377
General Revenue Refunding Bonds, Series 2019A	28,585,000	-	2,540,000	26,045,000	2,645,000
Unamortized bond premium	4,944,857	-	309,053	4,635,804	309,053
General Revenue Refunding Bonds, Series 2016	47,370,000	-	2,310,000	45,060,000	2,185,000
Unamortized bond premium	6,481,625	-	360,091	6,121,534	360,091
General Revenue Refunding Bonds, Series 2014B	1,700,000	-	430,000	1,270,000	435,000
Unamortized bond premium	241,559	-	60,390	181,169	60,390
General Revenue Bonds, Series 2014A	9,500,000	-	435,000	9,065,000	450,000
Unamortized bond premium	272,859	-	17,054	255,805	17,054
General Revenue Refunding Bonds, Series 2012	4,850,000	-	475,000	4,375,000	490,000
Unamortized bond premium	245,546	-	27,283	218,263	27,283
Total bonds and notes payable	109,491,976	-	7,022,248	102,469,728	8,037,248
Other liabilities:					
Accrued sick leave	8,535,955	-	834,509	7,701,446	-
Accrued interest payable (bonds)	1,107,614	-	77,655	1,029,960	1,029,960
Total	$ 119,135,545	$ -	$ 7,934,412	$ 1,029,960	$ 9,067,208

Long-term obligation activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
General Revenue Refunding Bonds, Series 2020A	$ 4,600,000	$ -	$ -	$ 4,600,000	$ -
Unamortized bond premium	758,907	-	58,377	700,530	58,378
General Revenue Refunding Bonds, Series 2019A	31,005,000	-	2,420,000	28,585,000	2,540,000
Unamortized bond premium	5,253,910	-	309,053	4,944,857	309,054
General Revenue Refunding Bonds, Series 2016	49,865,000	-	2,495,000	47,370,000	2,310,000
Unamortized bond premium	6,841,714	-	360,090	6,481,624	360,091
General Revenue Refunding Bonds, Series 2014B	2,110,000	-	410,000	1,700,000	430,000
Unamortized bond premium	301,948	-	60,390	241,558	60,390
General Revenue Bonds, Series 2014A	9,920,000	-	420,000	9,500,000	435,000
Unamortized bond premium	289,913	-	17,053	272,860	17,053
General Revenue Refunding Bonds, Series 2012	5,315,000	-	465,000	4,850,000	475,000
Unamortized bond premium	272,829	-	27,282	245,547	27,283
Total bonds and notes payable	116,534,221	-	7,042,245	109,491,976	7,022,249
Other liabilities:					
Accrued sick leave	8,566,466	-	30,511	8,535,955	-
Accrued interest payable (bonds)	1,173,152	-	65,538	1,107,614	1,107,614
Total	$ 126,273,839	$ -	$ 7,138,294	$ 119,135,545	$ 8,129,863

5. Long-term Liabilities (continued)

General Revenue Refunding Bonds, Series 2020A

The University issued $4,600,000 of General Revenue Refunding Bonds. The outstanding balance carries an interest rate of 5.00 percent. A rating of "A1" was assigned by Moody's and "A+" by Standards and Poors. The bonds are payable from general revenues of the University, callable at a premium, and mature in varying amounts through 2035. Proceeds from the issuance along with University fundraising reserves of $4,290,853 were used to refund the Federal Building Capital Lease, Series 2010A of $9,845,000. The refunding decreased the University's total debt service payments by approximately $3,460,000. The refunding results in net present value savings of $1,833,000 over the life of the bonds.

General Revenue Refunding Bonds, Series 2019A

The University issued $34,655,000 of General Revenue Refunding Bonds. The outstanding balance carries interest rates of 4.00 percent to 5.00 percent. A rating of "A1" was assigned to these bonds by Moody's and an "A+" rating by Standard and Poors. The bonds are payable from general revenues of the University and callable at par starting in year ten, and mature in varying amounts through 2040. Proceeds from the issuance were used to advance refund a portion of General Revenue Refunding Bonds, Series 2008 and for construction projects on campus. Projects include the construction of the Center for Athletic Performance; upgraded housing for information technology staff and equipment; upgraded Kendall College of Art and Design heating and ventilation system; renovation of Miller Residence Hall; and other miscellaneous projects. The refunding was done to take advantage of lower interest rates and to reduce debt payments. The refunding resulted in a net present value benefit of $1,330,000 over the life of the bonds; a deferred outflow of resources of approximately $1,420,000; and a total cash flow savings of $1,327,000.

General Revenue Refunding Bonds, Series 2016

The University issued $56,150,000 of General Revenue Refunding Bonds. The outstanding balance carries interest rates of 3.00 percent to 5.00 percent. A rating of "A1" was assigned to these bonds by Moody's and an "A" rating by Standard and Poors. The bonds are payable from general revenues of the University and callable at par starting in year ten, and mature in varying amounts through 2042. Proceeds from the issuance were used to advance refund a portion of General Revenue Refunding Bonds, Series 2009 and for construction projects on campus. Projects include the construction and furnishing of the North Hall, a new 402 bed residence hall; renovation of the Student Recreational Center; and other miscellaneous projects. The refunding was done to take advantage of lower interest rates and to reduce debt payments. The refunding resulted in a net present value benefit of $4,236,000 over the life of the bonds; a deferred outflow of resources of approximately $3,400,000; and a total cash flow savings of $5,622,000.

5. Long-term Liabilities (continued)

General Revenue Refunding Bonds, Series 2014B

The University issued $12,880,000 of General Revenue Refunding Bonds. The outstanding balance carries an interest rate of 4.00 percent. A rating of “A1” was assigned to these bonds by Moody’s. The bonds are payable from general revenues of the University and callable at par starting in year ten, and mature in varying amounts through 2027. Proceeds from the issuance were used to refund General Revenue Refunding Bonds, Series 2005. The refunding was done to take advantage of lower interest rates and to reduce debt payments. The refunding resulted in a net present value benefit of $1,746,000 over the life of the bonds; a deferred outflow of resources of approximately $560,000; and a total cash flow savings of $2,000,000.

General Revenue Bonds, Series 2014A

The University issued $12,570,000 of General Revenue Bonds. The outstanding balance carries interest rates of 3.00 percent to 4.00 percent. A rating of “A1” was assigned to these bonds by Moody’s. The bonds are payable from general revenues of the University, callable at par, and mature in varying amounts through 2039. Proceeds from the issuance were used to finance a portion of the University Center project. The University Center located in the center of campus, serves as a gathering place for the campus community and a home for its commuter students. The center includes dining options, the Ferris Bookstore, the University Center Art Gallery, community areas, meeting rooms, and offices.

General Revenue Refunding Bonds, Series 2012

The University issued $13,750,000 of General Revenue Refunding Bonds. The outstanding balance carries interest rates of 2.500 percent to 3.375 percent. A rating of “A” was assigned to these bonds by Standard & Poor’s. The bonds are payable from general revenues of the University, callable at par, and mature in varying amounts through 2032. Proceeds from the issuance were used to refund General Revenue Bonds, Series 2001 of $8,940,000 and General Revenue Bonds, Series 2002 in the amount of $4,810,000. The refunding was done in order to reduce debt payments. The refunding decreased the University’s total debt service payments by approximately $2,800,000. The refunding resulted in a net present value benefit of $2,218,000 over the life of the bonds; a deferred outflow of resources of approximately $80,000; and a total cash flow savings of $3,451,000.

5. Long-term Liabilities (continued)

Principal and Interest Maturities and Interest Expense

Total principal and interest maturities on all bonds as of June 30, 2024 are as follows:

	Bonds	
Year	Principal	Interest
2025	7,205,000	3,949,039
2026	6,515,000	3,625,064
2027	6,705,000	3,313,464
2028	4,930,000	3,039,329
2029	5,165,000	2,802,001
2030-2034	26,000,000	10,254,486
2035-2039	25,770,000	4,833,019
2040-2044	8,125,000	507,531
Total	90,415,000	$ 32,323,934
Unamortized premium	12,054,728	
Total	$ 102,469,728	

Bond interest expense was approximately $3,600,000 for the year ended June 30, 2024 and approximately $3,900,000 for the year ended June 30, 2023. Since the University adopted GASB Statement No. 89, there was no construction period interest capitalized for the year ended June 30, 2024 and 2023.

Accrued Sick Leave

The University provides termination benefits upon retirement resulting from unused sick days which are defined by each respective labor contract and administrative policy. The liability, which is calculated based on eligible service requirements and earned sick leave hours, is recorded using the vesting method and based on those employees currently eligible. Effective July 1, 2001, all non-represented employees hired on or after July 1, 2001 are no longer eligible for the sick leave payout upon retirement.

6. Retirement Plans

Michigan Public School Employees' Retirement System

Plan Description

The University participates in the Michigan Public School Employees' Retirement System (the "System" or "MPSERS"), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan. Employees hired on or after January 1, 1996 cannot participate in MPSERS, unless they were previously enrolled in the plan at the University, or one of the other six universities that are part of MPSERS. The system provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The System also provides postemployment health care benefits to retirees and beneficiaries who elect to receive those benefits.

The System is administered by the Office of Retirement Services (ORS). The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplemental information for the pension and postemployment health care plans. That report is available on the web at http://www.michigan.gov/orsschools.

In July 2015, ORS determined that MPSERS had two reporting units: universities and non-universities. ORS provided the universities a separate net pension liability and net other postemployment benefits (OPEB) liability. Separate pension and OPEB information related to universities reporting unit included in this plan is not available.

Benefits Provided

Benefit provisions of the defined benefit (DB) pension plan and the postemployment health care plan are established by state statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit pension plan and the postemployment health care plan.

Depending on the plan option selected, member retirement benefits are calculated as final average compensation times years of services times a pension factor ranging from 1.25 percent to 1.50 percent. The requirements to retire range from attaining the age of 46 to 60 with years of service ranging from 5 to 30 years, depending on when the employee became a member. Early retirement is computed in the same manner as a regular pension but is permanently reduced 0.50 percent for each full and partial month between the pension effective date and the date the member will attain age 60. There is no mandatory retirement age.

Members are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction.

Benefits may transfer to a beneficiary upon death and are determined in the same manner as retirement benefits but with an actuarial reduction.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3 percent. Some members who do not receive an annual increase are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions.

Contributions

Public Act 300 of 1980, as amended, required the University to contribute amounts necessary to finance the coverage of pension benefits of active and retired members. Contribution provisions are specified by state statute and may be amended only by action of the state Legislature. Under these provisions, each University's contribution is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability.

Under Public Act 300 of 2012, members were given the choice between continuing the 3 percent contribution to the retiree health care and keeping the premium subsidy benefit described above or choosing not to pay the 3 percent contribution and, instead, opting out of the subsidy benefit and becoming participants in the Personal Healthcare Fund (PHF), a portable tax-deferred fund that can be used to pay health care expenses in retirement. Participants in the PHF are automatically enrolled in a 2 percent employee contribution into their 457 accounts as of their transition date, earning them a 2 percent employer match into a 403B account. Members who selected this option stopped paying the 3 percent contribution to retiree health care as of the day before their transition date, and their prior contributions were deposited into their 403B accounts.

The University's contributions are determined based on employee elections. There are multiple different pension and health care benefit options included in the plan available to employees based on date of hire and the elections available at that time. The University also contributes to MPSERS a percentage of member and non-member payrolls, determined by the plan's actuaries for the unfunded portion of future pensions and health benefits. Public Act 136 of 2016 sets a rate cap of 25.73 percent for the University employer contributions for the unfunded portion. In addition, the law establishes a requirement for a payroll floor. In a given fiscal year, each university owes contributions based on the greater of its payroll floor or its actual payroll. The payroll floor was $37,594,000 and $36,856,000 for fiscal year 2023 and 2022, respectively. Contribution rates are adjusted annually by the ORS. The ranges of rates are as follows:

	Normal Pension Rate	Unfunded Pension Rate	Normal Health Rate	Unfunded Health Rate
10/1/23 – 9/30/24	6.52%	10.34%	0.92%	0.00%
10/1/22 – 9/30/23	6.52%	10.00%	0.92%	0.00%
10/1/21 – 9/30/22	6.52%	19.86%	0.92%	5.87%

Employees starting between January 1, 1990 and December 31, 1995, are required to contribute between 3.0 percent and 6.29 percent. For certain plan members, a 4 percent employer contribution to the defined contribution pension plan is required. In addition, for certain plan members, a 3 percent employer match is provided to the defined contribution pension plan.

The University's required and actual pension contributions to the plan for the year ended June 30, 2024 and 2023 were $1,885,513 and $5,089,238, respectively, which include the University's contributions required for those members with a defined contribution benefit. The University's required and actual pension contributions include an allocation of $32,626,901 and $48,948,852 in revenue received from the State of Michigan and remitted to the System to fund the MPSERS unfunded actuarial accrued liability (UAAL) stabilization rate for the year ended June 30, 2024 and 2023, respectively.

The University's required and actual OPEB contributions to the plan for the year ended June 30, 2024 and 2023 were $58,167 and $592,758, respectively, which include the University's contributions required for those members with a defined contribution benefit.

Net Pension Liability

At June 30, 2024 and 2023, the University reported a liability of $3,745,075 and $51,939,759, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2022, which used update procedures to roll forward the estimated liability to September 30, 2023. The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2021, which used update procedures to roll forward the estimated liability to September 30, 2022. The University's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2023, 2022 and 2021, the University's proportion was 16.24 percent, 16.25 percent, and 16.28 percent, 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.

Net OPEB Asset

At June 30, 2024 and 2023, the University reported an asset of $13,779,912 and $6,056,141, respectively, for its proportionate share of the net OPEB asset. The net OPEB asset for fiscal year 2024 was measured as of September 30, 2023, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of September 30, 2022, which used update procedures to roll forward the estimated asset to September 30, 2023. The net OPEB asset for fiscal year 2023 was measured as of September 30, 2022, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of September 30, 2021, which used update procedures to roll forward the estimated asset to September 30, 2022. The University’s proportion of the net OPEB asset was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2023, 2022 and 2021, the University’s proportion was 16.30 percent, 16.37 percent, and 16.30 percent, respectively.

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

For 2024 and 2023, the University recognized pension recovery of $8,444,870 and pension expense of $18,017,198, respectively, inclusive of payments to fund the MPSERS UAAL stabilization rate. At June 30, 2024 and 2023, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments		$10,790	$2,778,721	
The University’s contributions to the plan subsequent to the measurement date	$893,151		$3,108,038	
Total	$893,151	$10,790	$5,886,759	

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending	Amount
2025	$(775,027)
2026	$(1,057,901)
2027	$2,241,58
2028	$(703,335)
2029	$ -
Thereafter	$ -

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024 and 2023, the University recognized an OPEB recovery of $7,175,332 and $1,342,697, respectively. At June 30, 2024 and 2023, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments			$496,433	
The University's contributions to the plan subsequent to the measurement date	48,396		$33,252	
Total	48,396		$529,685	

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (note that employer contributions subsequent to the measurement date will reduce the net OPEB asset and, therefore, will not be included in future OPEB expense):

Years Ending	Amount
2025	$(171,916)
2026	$(232,644)
2027	$489,049
2028	$(92,551)
2029	$ -
Thereafter	$ -

Actuarial Assumptions

The total pension liability and total OPEB asset as of September 30, 2023 and 2022 are based on the results of an actuarial valuation as of September 30, 2022 and 2021, respectively, and rolled forward. The total pension liability and OPEB asset were determined using the following actuarial assumptions:

	2024		2023	
Actuarial cost method		Entry age normal		Entry age normal
Investment rate of return - Pension	6.00%	Net of investment expenses based on the groups	6.00%	Net of investment expenses based on the groups
Investment rate of return - OPEB	6.00%	Net of investment expenses based on the groups	6.00%	Net of investment expenses based on the groups
Salary increases	2.75% - 11.55%	Including wage inflation of 2.75%	2.75% - 11.55%	Including wage inflation of 2.75%
Health care cost trend rate - OPEB	6.25% - 7.50%	Year 1 graded to 3.5%, in year 15, 3.0%, in year 120	6.25% - 7.50%	Year 1 graded to 3.5%, in year 15, 3.0%, in year 120
Mortality basis		Pub-T-2020 Male and Female Employee Mortality Tables, scaled 100% (retirees: 116% for males and 116% for females) and adjusted for mortality improvements using projection scale MP-2021 from 2010		RP-2014 Male and Female Employee Annuitant Mortality tables, scaled 100% (retirees: 82% for males and 78% for females) and adjusted for mortality improvements using projection scale MP-2017 from 2006
Cost of living pension adjustments	3.00%	Annual non-compounded for MIP members	3.00%	Annual non-compounded for MIP members

Assumption changes as a result of an experience study for the periods from 2017 to 2022 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2023 valuation.

Discount Rate

The discount rate used to measure the total pension liability was 6.00 percent as of September 30, 2023 and 2022. The discount rate used to measure the total OPEB asset was 6.00 percent as of September 30, 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that district contributions will be made at statutorily required rates.

Based on those assumptions, the pension plan's fiduciary net position and the OPEB plan’s fiduciary net position were 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 and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension liability and total OPEB asset.

The long-term expected rate of return on pension plan and OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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:

	2023		2022	
Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity pools	25.0%	5.8%	25.0%	5.1%
Private equity pools	16.0	9.6	16.0	8.7
International equity pools	15.0	6.8	15.0	6.7
Fixed-income pools	13.0	1.3	13.0	(0.2)
Real estate and infrastructure pools	10.0	6.4	10.0	5.3
Absolute return pools	9.0	4.8	9.0	2.7
Short-term investment pools	10.0	7.3	10.0	5.8
Real return/opportunistic pools	2.0	0.3	2.0	(0.5)
Total	100%		100%	

Long-term rates of return are net of administrative expense and inflation of 2.7 percent.

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

The following presents the net pension liability of the University, calculated using the discount rate depending on the plan option. The following also reflects what the University's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 percentage point decrease	Current discount rate	1 percentage point increase
Net pension liability (asset)	$21,495,565	$3,745,075	$(11,481,828)

	1 percentage point decrease	Current discount rate	1 percentage point increase
Net pension liability	$72,356,197	$51,939,759	$34,608,686

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

The following presents the net OPEB asset of the University, calculated using the current discount rate. It also reflects 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 than the current rate:

	1 percentage point decrease	Current discount rate	1 percentage point increase
Net OPEB asset	($11,701,140)	($13,779,912)	($15,571,920)

	1 percentage point decrease	Current discount rate	1 percentage point increase
Net OPEB asset	($3,239,840)	($6,056,141)	($8,448,541)

Sensitivity of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB asset of the University, calculated using the current health care cost trend rate. It also reflects what the University's net OPEB asset would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 percentage point decrease	Current health care cost trend rate	1 percentage point increase
Net OPEB asset	($15,678,676)	($13,779,912)	($11,643,387)

	1 percentage point decrease	Current health care cost trend rate	1 percentage point increase
Net OPEB asset	($8,598,710)	($6,056,141)	($3,139,973)

Pension Plan and OPEB Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued MPSERS financial report.

Payable to the Pension Plan and OPEB Plan

At June 30, 2024 and 2023, the University reported a payable of $509,225 and $1,801,801 for the outstanding amount of contributions to the pension plan and $7,671 and $22,023 for the OPEB plan, required for the year ended June 30, 2024 and 2023, respectively.

Defined Contribution Plan

The University provides non-contributory retirement plans for all qualified employees. Prior to March 28, 1996, faculty and non-bargaining unit job groups were eligible to participate in the Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF) plan. TIAA-CREF is a defined contribution plan whereby the University generally contributes 12 percent of employees' pay for administration and faculty; and 10 percent for all other eligible employee groups to the plan with no liability beyond that contribution. All eligible employees hired after March 28, 1996 have the option to participate in either TIAA-CREF or a second defined contribution plan with Fidelity Investments Tax Exempt Service Company (Fidelity Investments). In May of 2023, the University revised options and we now have a Sole Source Agreement with TIAA-CREF. Individuals who have accounts with Fidelity Investments may maintain those accounts or transfer funds to TIAA-CREF. Kendall staff also participate in a defined contribution plan through TIAA-CREF with contribution rates ranging from 12 percent to 15 percent of base salary. Plan participants maintain individual annuity contracts with TIAA-CREF or Fidelity Investments, which are fully vested. For the year ended June 30, 2024, the University contributed $10,975,225 to the TIAA-CREF and Fidelity Investment plans and $10,506,522 for the year ended June 30, 2023.

7. Insurance

Risk-sharing Facility

The University participates in the Michigan Universities Self-insurance Corporation (MUSIC). This organization provides insurance coverage for losses commonly covered in the areas of general liability, errors and omissions, all risk property insurance, automobile liability, and automobile physical damage. In fiscal year 2022, there were 11 universities that participated in MUSIC. Each

7. Insurance (continued)

participating university is responsible for a first tier of losses up to a level that has been actuarially determined. MUSIC is financially responsible for a second tier of losses. For comprehensive general liability, errors and omissions, and all risk property insurance, MUSIC has purchased excess insurance coverage with commercial insurance carriers to cover a third tier of losses. However, in the event the insurance reserves established by MUSIC are insufficient to meet its second tier obligations, each of the participating universities share this obligation by agreements with MUSIC.

All of the participating universities are subject to additional assessments if the obligations and expenses (claims) of MUSIC exceed the combined periodic payments and accumulated operational reserves for any given year, after exhaustion of available net equity of MUSIC. The University has not been subjected to additional assessments since the formation of MUSIC in 1987. Historically, the obligations and expenses (claims) have been less than the combined periodic payments and accumulated operational reserves for any given year.

Self-insurance

The University is self-insured for workers' compensation; unemployment compensation; and substantially all non-bargaining units. AFSCME, Police, Police Sergeants, FNTFO, and Nurses union employees' health benefits are not self-insured. Liabilities for estimates of losses retained by the University under self-insurance programs have been established.

Claims activity for the year ended June 30, 2024 is as follows:
Numbers in (000's)

	Liability June 30, 2024	Claims incurred incl.changes in estimate	Claims Payments	Liability June 30, 2023
Medical Claims	1,345.2	(8,645.4)	9,136.0	1,835.9
Workers Comp, Unemployment Comp	(46.9)	254.6	107.7	315.4
Total	1,298.3	(8,390.8)	9,243.7	2,151.2

Claims activity for the year ended June 30, 2023 is as follows:

	Liability June 30, 2023	Claims incurred incl.changes in estimate	Claims Payments	Liability June 30, 2022
Medical Claims	1,835.9	(8,614.0)	8,558.2	1,780.0
Workers Comp, Unemployment Comp	315.4	0.0	47.7	363.1
Total	2,151.2	(8,614.0)	8,605.9	2,143.1

Claims activity for the year ended June 30, 2022 is as follows:

	Liability June 30, 2022	Claims incurred incl.changes in estimate	Claims Payments	Liability June 30, 2021
Medical Claims	1,780.0	(8,041.4)	8,218.7	1,957.3
Workers Comp, Unemployment Comp	363.1	(249.7)	50.5	163.9
Total	2,143.1	(8,291.1)	8,269.2	2,121.2

8. Subscriptions and Commitments

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

During 2024, subscription asset additions totaled $865,088 and were amortized $866,754 for an ending balance of $1,744,168 recorded in other non-current assets. Also during 2024, subscription liability additions totaled $865,088 and had payments of $917,187 for an ending balance of $1,460,713.

During 2023, subscription asset additions totaled $2,216,682 and were amortized $470,848 for an ending balance of $1,745,834 recorded in other non-current assets. Also during 2023, subscription liability additions totaled $2,216,682 and had payments of $878,713 for an ending balance of $1,337,969.

Future principal and interest payment requirements related to the University's subscription liability at June 30, 2024 are as follows:

Future Minimum Payment of Contracts:

Year	Amount
2025	$ 867,921
2026	291,941
2027	253,288
2028	156,456
2029	-
Less: Interest	(108,893)
Total	$ 1,460,713

As of June 30, 2024, the University has no commitments related to subscriptions for which the subscription term has not commenced and none of the contracts had termination penalties.

In the normal course of its activities, the University is a party to various legal actions. The University is of the opinion that the outcome of asserted and unasserted claims outstanding will not have a material effect on the financial statements.

The University has several active construction projects as of June 30, 2024 resulting in the following commitments to vendors:

	Spent to Date	Construction Commitments at Year End
Jim Crow Museum	870,762	813,272
Campus Security & Access Controls	418,524	290,380
Total	$ 1,289,285	$ 1,103,651

9. Fair Value Measurement

The following tables present information about the University's assets measured at fair value on a recurring basis at June 30, 2024 and 2023 and the valuation techniques used by the University to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the University has the ability to access. Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The University's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset. The University's policy is to recognize transfers between levels of the fair value hierarchy as of the end of the reporting period. For the years ended June 30, 2024 and 2023, there were no transfers between levels of the fair value hierarchy.

Assets measured at fair value on a recurring basis at June 30, 2024 included the following:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2024
Mutual bond funds	$ 35,481,625	$ -	$ -	$ 35,481,625
Mutual equity funds	30,023,301	-	-	30,023,301
International equity funds	14,946,994	-	-	14,946,994
Total	$ 80,451,921	$ -	$ -	80,451,921
Cash surrender value of life insurance				1,251,194
Balance at June 30, 2024				$ 81,703,115

9. Fair Value Measurement (continued)

Assets measured at fair value on a recurring basis at June 30, 2023 included the following:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2023
Mutual bond funds	$ 42,486,943	$ -	$ -	$ 42,486,943
Mutual equity funds	28,577,342	-	-	28,577,342
International equity funds	11,572,574	-	-	11,572,574
Total	$ 82,636,859	$ -	$ -	82,636,859
Cash surrender value of life insurance				1,152,540
Balance at June 30, 2023				$ 83,789,400

Mutual bond funds, mutual equity funds, real estate funds, marketable securities, and international equity funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

The Foundation assets measured at fair value on a recurring basis as of June 30, 2024 include the following:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Balance as of June 30**
Public equity mutual funds	**$ 42,090,477**	**$ 0**	**$ 0**	**$ 42,090,477**
Fixed-income mutual funds	**22,812,427**			**22,812,427**
Charitable gift annuity funds	**140,182**			**140,182**
Pledges receivable			**2,541,556**	**2,541,556**
Total	**$ 65,043,086**	**$ 0**	**$ 2,541,556**	**67,584,642**
Limited partnerships that calculate net asset value per share				**59,638,016**
Balance as of June 30, 2024				**$127,222,658**

9. Fair Value Measurement (continued)

The Foundation assets measured at fair value on a recurring basis as of June 30, 2023 include the following:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30
Public equity mutual funds	$ 32,997,647	$ 0	$ 0	$ 32,997,647
Fixed-income mutual funds	17,296,976			17,296,976
Charitable gift annuity funds	132,782			132,782
Pledges receivable			2,880,212	2,880,212
Total	$ 50,427,405	$ 0	$ 2,880,212	53,307,617
Limited partnerships that calculate net asset value per share				65,610,897
Balance as of June 30, 2023				$118,918,514

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Schedule of the University’s Proportionate Share of the Net Pension Liability
(amounts determined as of 9/30 of the fiscal year)

University’s proportionate share of the net pension liability:	2023	2022	2021	2020	2019	2018	2017	2016	2015
As a percentage	16.24%	16.25%	16.28%	16.28%	16.33%	16.55%	16.62%	16.54%	18.19%
Amount	$ 3,745,075	$ 51,939,759	$ 91,480,811	$ 111,194,455	$ 109,335,758	$ 105,739,673	$ 95,596,170	$ 92,688,360	$ 99,772,504
University’s covered payroll	$ 37,594,000	$ 36,856,000	$ 36,134,000	$ 35,425,000	$ 34,731,000	$ 34,050,000	$ 34,551,000	$ 13,099,319	$ 13,528,532
University’s proportionate share of the net pension liability, as a percentage of the University's covered payroll	9.96%	140.93%	253.17%	313.89%	314.81%	310.54%	276.68%	707.58%	737.50%
MPSERS fiduciary net position as a percentage of the University's net pension liability	65.91%	60.77%	72.32%	59.49%	62.12%	62.12%	63.96%	63.01%	62.92%

Schedule of University’s Pension Contributions
(amounts determined as of 6/30 of the fiscal year)

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	$ 1,885,072	$ 5,022,056	$ 20,477,841	$ 6,643,105	$ 6,191,021	$ 6,658,134	$ 7,324,888	$ 7,363,777	$ 7,425,452
Contributions in relation to the statutorily required contribution	$ 1,885,072	5,022,056	20,477,841	6,643,105	6,191,021	6,658,134	7,324,888	7,363,777	7,425,452
Contribution excess	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
University's covered payroll	$ 38,157,910	$ 37,408,840	$ 36,676,010	$ 35,956,375	$ 35,251,965	$ 34,560,768	$ 34,175,250	$ 12,519,799	$ 12,641,911
Contributions as a percentage of covered payroll	4.94%	13.42%	55.83%	18.48%	17.56%	19.27%	21.43%	58.82%	58.74%

Notes to Required Pension Supplementary Information

The employers’ covered payroll to be reported in the required 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. For non-university employers, covered payroll represents payroll on which contributions to both plans are based. There were no changes of benefit terms for each of the reported plan years ended September 30.

There were no significant changes of assumptions for each of the reported plan years ended September 30, except the following:

2023 – The valuation includes the impact of an updated experience study for the periods of 2017 to 2022.
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.

Schedule of the University's Proportionate Share of the Net OPEB Asset
(amounts determined as of 9/30 of the fiscal year)

University's proportionate share of the net OPEB liability:		2023	2022	2021	2020	2019	2018
As a percentage		16.30%	16.18%	16.37%	16.30%	16.29%	16.32%
Amount	$	(13,779,912)	$ (6,056,141)	$ (7,019,272)	$ 6,888,809	$ 14,953,741	$ 19,365,447
University's covered payroll	$	37,594,000	$ 36,856,000	$ 36,134,000	$ 35,425,000	$ 34,731,000	$ 34,050,070
University's proportionate share of the net OPEB liability, as a percentage of the University's covered payroll		-36.65%	-16.43%	-19.43%	19.45%	43.06%	56.87%
MPSERS fiduciary net position as a percentage of the University employers OPEB liability		105.04%	83.09%	88.87%	59.76%	48.67%	43.10%

Schedule of University's OPEB Contributions
(amounts determined as of 6/30 of the fiscal year)

		2024	2023	2022	2021	2020	2019
Statutorily required contribution	$	58,096	$ 586,843	$ 1,324,502	$ 1,362,316	$ 1,523,762	$ 1,660,269
Contributions in relation to the statutorily required contribution	$	58,096	$ 586,843	$ 1,324,502	$ 1,362,316	$ 1,523,762	$ 1,660,269
Contribution excess	$	-	$ -	$ -	$ -	$ -	$ -
University's covered payroll	$	38,157,910	$ 37,408,840	$ 36,676,010	$ 35,956,375	$ 35,425,000	$ 34,560,768
Contributions as a percentage of covered payroll		0.15%	1.57%	3.61%	3.79%	4.30%	4.80%

Notes to Required OPEB Supplementary Information

The employers' covered payroll to be reported in the required 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. For non-university employers, covered payroll represents payroll on which contributions to both plans are based. There were no changes of benefit items for each of the reported plan years ended September 30.

There were no significant changes of assumptions for each of the reported plan years ended September 30,except the following:

2023 – The healthcare cost trend rate used in the September 30, 2023 actuarial valuation decreased by 0.25% for members under 65 and increased by 1.00% for members over 65. In addition, actual per person health benefit costs were lower than projected. The valuation includes the impact of an updated experience study for periods from 2017 to 2022.

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. This reduced the plan's total OPEB liability by $1.3 billion in 2021.

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.

Ferris State University
Combining Statement of Financial Position
Year Ended June 30, 2024 (with comparative totals for 2023)

	General Fund	Designated Fund	Auxiliary Fund	Expendable Restricted Fund	Student Loan Fund	Plant Fund	Agency Fund	Pension	OPEB	2024 Combined Total	2023 Combined Total
Assets											
Current Assets											
Cash and cash equivalents	$ (925,479)	$ 1,851,176	$ (3,391,506)	$ (941,350)	$ 1,056,633	$ (3,836,990)	$ 10,506,294	$ -	$ -	**$ 4,318,777**	$ 7,074,864
Short-term investments	5,309,386	9,243,366	1,751,828	1,932,712	333,255	12,466,092	-	-	-	**31,036,638**	20,460,402
Accounts receivable - Net	14,646,792	623,467	763,536	488,249	-	-	103,003	-	-	**16,625,046**	16,344,177
Inventories	200,814	202,023	1,285,775	-	-	-	-	-	-	**1,688,612**	1,474,990
Prepaid expenses and other assets	297,675	2,118	-	-	-	-	-	-	-	**299,792**	474,333
Total current assets	19,529,187	11,922,148	409,632	1,479,611	1,389,887	8,629,102	10,609,297	-	-	**53,968,866**	45,828,765
Noncurrent Assets											
Other long-term investments	15,277,289	22,919,706	4,544,413	5,066,692	815,436	33,132,542	-		-	**81,756,078**	83,789,400
Student loans receivable - Net	-	-	-	-	7,034,806	-	-	-	-	**7,034,806**	8,590,823
Other noncurrent assets	1,248,137	-	497,697	-	-	(1,666)	-	-	-	**1,744,168**	1,745,834
Net OPEB asset	-	-	-	-	-	-	-	-	13,779,912	**13,779,912**	6,056,141
Capital assets - Net	-	-	-	-	-	364,145,095	-	-	-	**364,145,095**	360,505,761
Total noncurrent assets	16,525,426	22,919,706	5,042,110	5,066,692	7,850,242	397,275,971	-	-	13,779,912	**468,460,059**	460,687,959
Total assets	36,054,613	34,841,854	5,451,742	6,546,303	9,240,130	405,905,074	10,609,297	-	13,779,912	**522,428,925**	506,516,724
Deferred Outflows of Resources											
Net pension liability	-	-	-	-	-	-	-	893,151	-	**893,151**	5,886,759
Net OPEB asset	-	-	-	-	-	-	-	-	48,396	**48,396**	529,685
Refunding of debt	-	-	-	-	-	2,604,749	-	-	-	**2,604,749**	2,850,448
Total deferred outflows of resources	-	-	-	-	-	2,604,749	-	893,151	48,396	**3,546,296**	9,266,892
Liabilities											
Current liabilities:											
Accounts payable and accrued liabilities	6,757,276	204,490	832,777	83,834	-	2,881,965	10,411,690	(10,790)	-	**21,161,241**	27,194,915
Unearned revenue	6,589,718	195,807	393,160	1,131	-	-	-	-	-	**7,179,816**	6,186,337
Long-term liabilities - Current portion	-	-	-	-	-	8,037,248	-	-	-	**8,037,248**	7,022,249
Total current liabilities	13,346,993	400,297	1,225,937	84,965	-	10,919,213	10,411,690	(10,790)	-	**36,378,306**	40,403,501
Noncurrent liabilities:											
Deposits	-	-	601,244	-	-	-	197,607	-	-	**798,851**	793,281
Federal student loan payable	-	-	-	-	908,363	-	-	-	-	**908,363**	2,960,396
Long-term liabilities	7,521,372	17,256	162,817	-	-	94,432,480	-	-	-	**102,133,926**	111,005,683
Subscription liabilities	949,736	-	388,233	-	-	122,744		-	-	**1,460,713**	1,337,969
Net pension liability	-	-	-	-	-		-	3,745,075	-	**3,745,075**	51,939,759
Total noncurrent liabilities	8,471,108	17,256	1,152,294	-	908,363	94,555,224	197,607	3,745,075	-	**109,046,928**	168,037,087
Total liabilities	21,818,102	417,553	2,378,232	84,965	908,363	105,474,438	10,609,297	3,734,285	-	**145,425,233**	208,440,588
Deferred Inflows of Resources											
Net pension liability	-	-	-	-	-	-		10,790	-	**10,790**	10,790
Total deferred inflows of resources	-	-	-	-	-	-	-	10,790	-	**10,790**	10,790
Net Position											
Net investment in capital assets	-	-	-	-	-	264,422,728	-	-	-	**264,422,728**	257,227,595
Restricted for:											
Expendable:											
Scholarships	-	-	-	3,250,329	-	-	-	-	-	**3,250,329**	3,576,495
Research	-	-	-	164,605	-	-	-	-	-	**164,605**	360,354
Instructional department uses	-	-	-	2,618	-	-	-	-	-	**2,618**	2,810
Loans	-	-	-	-	8,331,767	-	-	-	-	**8,331,767**	8,302,522
Net OPEB asset	-	-	-	-	-	-	-	-	13,779,912	**13,779,912**	6,056,141
Other	-	-	-	3,043,787	-	-	-	-	-	**3,043,787**	1,631,208
Unrestricted	14,236,511	34,424,302	3,073,510	-	-	38,612,657	-	(2,851,924)	48,396	**87,543,453**	30,175,111
Total net position	**$ 14,236,511**	**$ 34,424,302**	**$ 3,073,510**	**$ 6,461,339**	**$ 8,331,767**	**$ 303,035,385**	**$ -**	**$ (2,851,924)**	**$ 13,828,308**	**$ 380,539,198**	**$ 307,332,238**

Ferris State University
Combining Statement of Revenues, Expenses, Transfers, and Changes in Net Position
Year Ended June 30, 2024 (with comparative totals for 2023)

	Eliminations	General Fund	Designated Fund	Auxiliary Fund	Expendable Restricted Fund	Student Loan Fund	Plant Fund	Pension	OPEB	2024 Combined Total	2023 Combined Total
Operating Revenues											
Tuition and fees - Net	$ (34,865,946)	$ 137,428,515	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 102,562,568**	$ 95,762,902
Federal grants and contracts	-	-	-	17,284	6,005,977	-	-	-	-	**6,023,261**	4,080,338
State and local grants and contracts - Net	-	-	-	-	1,810,230	-	-	-	-	**1,810,230**	2,142,427
Nongovernmental grants	-	-	30,069	-	835,604	-	-	-	-	**865,673**	961,921
Departmental activities	(1,208,558)	3,484,230	8,892,646	-	665,048	-	106,448	-	-	**11,939,814**	12,602,562
Auxiliary enterprises - Net	(10,000,468)	-	-	36,754,834	-	-	-	-	-	**26,754,366**	24,300,163
Other operating revenues	(908,484)	42,250	768,778	48,175	-	439,870	49,281	-	-	**439,870**	(127,357)
Total operating revenues	(46,983,455)	140,954,994	9,691,494	36,820,293	9,316,860	439,870	155,729	-	-	**150,395,784**	139,722,957
Operating Expenses											
Instruction	(99,501)	82,686,140	2,851,275	-	192	-	-	(4,276,326)	(2,925,963)	**78,235,817**	90,444,348
Research	(72,990)	191,143	35,215	-	1,819,740	-	-	-	-	**1,973,107**	1,827,002
Public service	(64,675)	57,116	2,754,922	-	2,489,873		-	(169,359)	(115,880)	**4,951,998**	5,083,470
Academic support	(140,431)	23,636,599	1,686,973	-	852,372	-	-	(1,280,781)	(876,340)	**23,878,392**	24,534,016
Student services	(36,680)	17,100,691	1,928,764	-	1,281,248	-	-	(592,758)	(405,579)	**19,275,686**	20,584,144
Institutional support	(1,570,108)	20,167,287	2,671,674	-	544,960	-	467,011	(1,100,836)	(753,218)	**20,426,769**	17,425,386
Operations and maintenance of plant	(49,281)	13,179,743	210,060	-	77	-	3,188,666	(1,079,666)	(738,733)	**14,710,866**	23,169,739
Depreciation	-	-	-	-	-	-	12,457,107	-	-	**12,457,107**	10,395,120
Student aid	(34,867,946)	29,016,441	(8,027)	11,950	27,126,452	-	-	-	-	**21,278,869**	18,462,922
Auxiliary enterprises	(10,081,843)	-	-	29,990,264	-	-	-	(2,085,238)	(1,426,769)	**16,396,414**	20,003,380
Other expenses	-	-	-	-	-	320,434	524,265	-	-	**844,699**	349,268
Total operating expenses	(46,983,456)	186,035,160	12,130,856	30,002,214	34,114,913	320,434	16,637,049	**(10,584,964)**	(7,242,482)	**214,429,723**	232,278,794
Operating (Loss) Income	-	(45,080,166)	(2,439,363)	6,818,079	(24,798,053)	119,436	(16,481,320)	10,584,964	7,242,482	**(64,033,940)**	(92,555,837)
Nonoperating Revenues (Expenses)											
State appropriations	-	59,828,099	-	-	-	-	-	32,626,902	-	**92,455,001**	121,716,850
Federal Pell Grants	-	-	-	-	18,507,809	-	-	-	-	**18,507,809**	16,419,229
Gifts & In-Kind Contributions	-	20,850	3,320,486	10,855	6,463,833	42,639	3,865	-	-	**9,862,528**	8,315,783
Investment gain	-	3,006,340	2,932,449	509,156	397,287	104,763	2,389,461	-	-	**9,339,457**	6,538,721
Interest on capital asset - Related debt	-	-	-	-	-	-	(3,594,696)	-	-	**(3,594,696)**	(3,893,197)
Net nonoperating revenues (expenses)	-	62,855,290	6,252,935	520,011	25,368,929	147,402	(1,201,370)	32,626,902	-	**126,570,099**	149,097,386
Income (Loss) - Before other revenues	-	17,775,124	3,813,572	7,338,091	570,876	266,838	(17,682,690)	43,211,866	7,242,482	**62,536,159**	56,541,549
Other Revenues											
State capital appropriations	-	-	4,494,200	-	-	-	6,176,602	-	-	**10,670,802**	11,577,156
Increase (Decrease) in Net Position - Before transfers	-	17,775,124	8,307,772	7,338,091	570,876	266,838	(11,506,088)	43,211,866	7,242,482	**73,206,961**	68,118,706
Transfers In (Out)	-	(14,620,907)	1,151,385	(7,467,790)	319,595	(237,593)	20,855,311	-	-	**-**	-
Net Increase (Decrease) in Net Position	-	3,154,216	9,459,157	(129,700)	890,471	29,245	9,349,223	43,211,866	7,242,482	**73,206,961**	68,118,706
Net Position - Beginning of year - As restated	-	11,082,295	24,965,145	3,203,210	5,570,868	8,302,522	293,686,162	(46,063,790)	6,585,826	**307,332,238**	275,585,151
Net Position - End of year	**$ -**	**$ 14,236,511**	**$ 34,424,302**	**$ 3,073,510**	**$ 6,461,339**	**$ 8,331,767**	**$ 303,035,385**	**$ (2,851,924)**	**$ 13,828,308**	**$ 380,539,198**	$ 307,332,238