

Submitted by: Rebecca Cooke, Interim Vice President, Finance and Business Operations

Audited Financial Report for Fiscal Year 2020

In accordance with Board of Governors Statutes, the Administration is submitting the Combined Financial Statements, along with additional information reflecting the individual fund statements of Wayne State University as of September 30, 2020 and for the year then ended, together with the report of Plante Moran, L.L.P.

The statements were presented to the Board's Audit Subcommittee on February 15, 2021 were approved at that meeting, and are transmitted in the attached.

Discussion

The financial statements, as prepared by Finance and Business Operations and audited by Plante Moran, L.L.P., are attached. The auditors have again issued an unmodified opinion that the financial statements present fairly the financial position of the University at September 30, 2020 and its financial operations for the year then ended.

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



WAYNE STATE UNIVERSITY

Fiscal Year 2020 Financial Statement Overview

March 12, 2021

Independent Auditor's Report

- ❑ **WSU financial statements have been audited by the external audit firm Plante Moran, PLLC.**

**Plante Moran issued
an unmodified "Clean" Opinion on the combined
Wayne State University
and Foundation
FY 2020 Financial Statements**

An unmodified opinion is the highest level of assurance provided by an external audit firm

Consolidated Summary of Revenue, Expenses and Change in Net Position - FY 2020
compared with FY 2019:

(in millions)	Year ended September 30, 2019			Year ended September 30, 2020			Change Consolidated
	University	Foundation	Consolidated	University	Foundation	Consolidated	
Fiscal Year							
Operating Revenues	\$585.6	\$0.0	\$585.6	\$562.8	\$0.0	\$562.8	(\$22.8)
Nonoperating and Other Revenues	305.8	20.1	325.9	319.7	37.4	357.1	\$31.2
Total Revenues	\$891.4	\$20.1	\$911.5	\$882.5	\$37.4	\$919.9	\$8.4
Operating Expenses	\$875.3	\$0.0	\$875.3	\$869.2	\$0.0	\$869.2	(\$6.1)
Nonoperating and Other Expenses	21.0	12.5	33.5	25.2	16.0	41.2	7.7
Total Expenses	\$896.3	\$12.5	\$908.8	\$894.4	\$16.0	\$910.4	\$1.6
Increase in Net Position	(\$4.9)	\$7.6	\$2.7	(\$11.9)	\$21.4	\$9.5	\$6.8

Financial Statement Results

Combined University and Foundation

- **Operating Revenues decreased \$22.8M**
 - Net Tuition and Fees increased (+\$8.2M)
 - Grants and Contracts (-\$20.5M): Nongovernmental (-\$14.6M), Federal (-\$6.7M), State & Local (+\$0.8M)
 - Department, Auxiliaries, and Other (-\$10.5M): Auxiliaries (-\$6.5M), Department (-\$4.4M), Other (+\$0.4M)

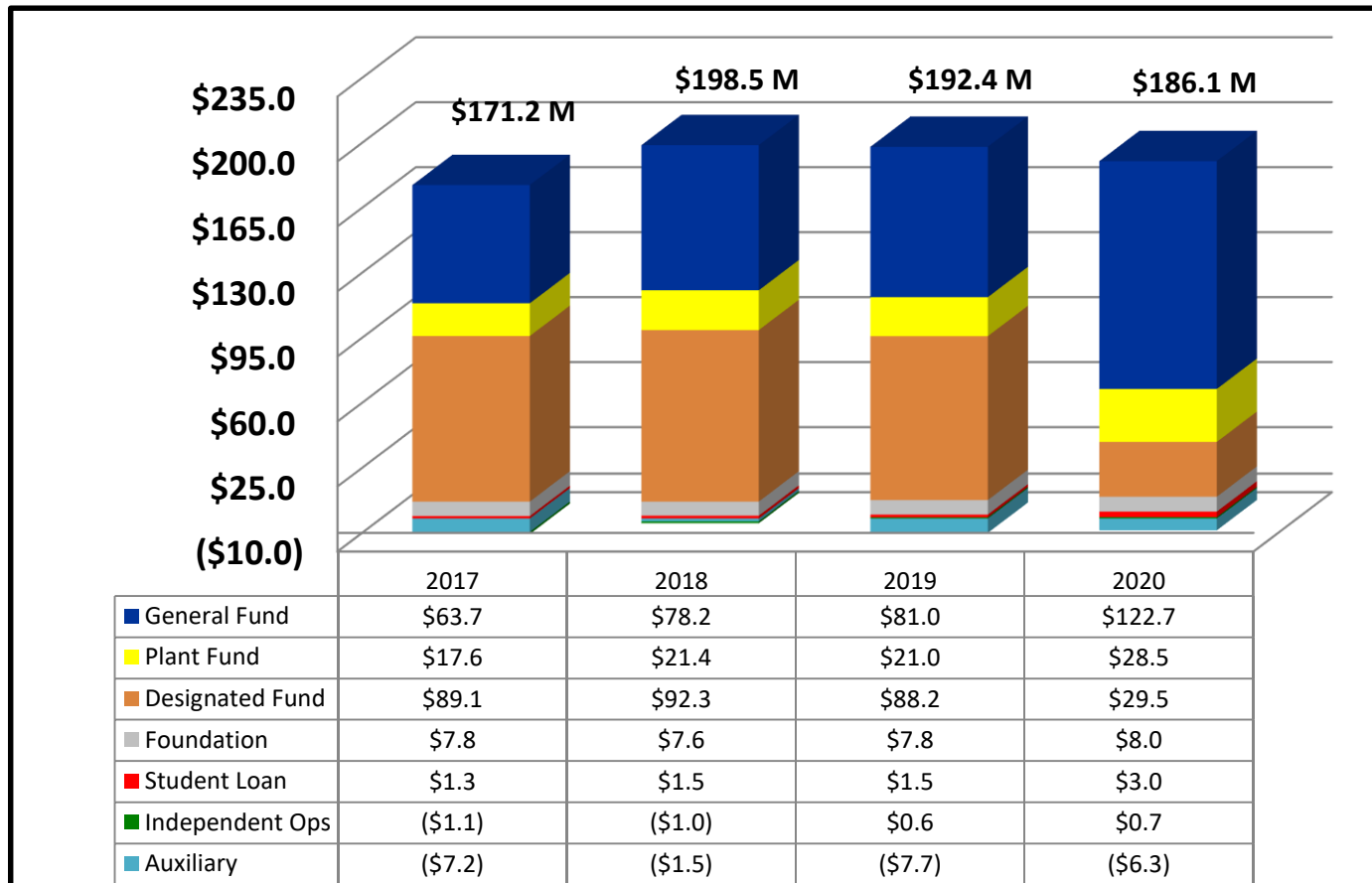
- **Non-operating and Other Revenues increased \$31.2M**
 - State Appropriations (+\$7.9): Operating (-\$21.7M), CARES (+\$22.8M), Capital (+\$6.8)
 - Federal Economic Relief Funds (+\$10.8M)
 - Lower Investment Income (-\$3.2M) : Unrealized Gain (+\$0.8M), Derivatives (-\$0.2M), Realized (-\$3.8M)
 - Other (-\$1.6M)
 - Foundation revenues increased (+\$17.3M) : Investment income (+\$21.5M), Gifts (-\$4.2M)

- **Operating Expenses decreased \$6.1M**
 - Increased compensation and benefits (+\$6.9M)
 - Increase in Scholarships (+\$5.8M)
 - Decrease in Supplies, Services, and Other (-\$21.6M)
 - Other (+\$2.8M)

Total net position increased by \$9.5 million in 2020. The Foundation's net position increased \$21.4M, while the University's net position decreased by \$11.9M.

Unrestricted Net Position (Net Assets):

- ❑ The majority of the unrestricted net assets are committed or designated for specific programs, projects and/or functions.
- ❑ The chart below summarizes unrestricted net assets by fund for the past four fiscal years (in millions):



➤ Financial Performance Summary

