

Submitted by: David P. Massaron, Chief Business Officer, Chief Financial Officer and Senior Vice President for Finance and Business Operations; Treasurer

Audited Financial Report for Fiscal Year 2021

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, 2021 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 21, 2021 and 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, 2021 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 2021

FY2021 Financial Statement Overview

Board of Governors Meeting
March 11, 2022

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 2021 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 2021 compared with FY 2020

(in millions)	Year ended September 30, 2020			Year ended September 30, 2021			Change		
Fiscal Year	University	Foundation	Consolidated	University	Foundation	Consolidated	University	Foundation	Consolidated
Operating Revenues	\$562.8	\$0.0	\$562.8	\$565.2	\$0.0	\$565.2	\$2.4	\$0.0	\$2.4
Nonoperating and Other Revenues	319.7	37.4	357.1	376.0	111.3	487.3	\$56.3	\$73.9	\$130.2
Total Revenues	\$882.5	\$37.4	\$919.9	\$941.2	\$111.3	\$1,052.5	\$58.7	\$73.9	\$132.6
Operating Expenses	\$869.2	\$0.0	\$869.2	\$846.3	\$0.0	\$846.3	(\$22.9)	\$0.0	(\$22.9)
Nonoperating and Other Expenses	25.2	16.0	41.2	20.4	17.8	38.2	(4.8)	1.8	(3.0)
Total Expenses	\$894.4	\$16.0	\$910.4	\$866.7	\$17.8	\$884.5	(\$27.7)	\$1.8	(\$25.9)
Increase (Decrease) in Net Position	(\$11.9)	\$21.4	\$9.5	\$74.5	\$93.5	\$168.0	\$86.4	\$72.1	\$158.5



Financial Statement Results

Combined University and Foundation

- **Operating Revenues increased \$2.4M**
 - Net Tuition and Fees decreased **(-\$9.4M)**
 - Grants and Contracts (+\$20.8M): Nongovernmental (+\$14.0M), Federal (+\$2.2M), State & Local (+\$4.6M)
 - Department, Auxiliaries, and Other **(-\$9.0M)**: Auxiliaries **(-\$7.5M)**, Department **(-\$0.7M)**, Other **(-\$0.8M)**
- **Non-operating and Other Revenues increased \$130.2M**
 - State Appropriations (+\$3.5M): Operating (+\$7.9M), Capital **(-\$4.4M)**
 - Federal Economic Relief Funds (+\$29.9M): Student (+\$5.2M), Institutional (+\$24.7M)
 - Higher Investment Income (+\$10.8M) : Unrealized Gain (+\$4.0M), Derivatives **(\$0.5M)**, Realized (+\$7.3M)
 - Other (+\$12.1M): UPG Bankruptcy Support Loan – Fully reserved in FY20 (+\$10.1M), Other (+\$2.0M)
 - Foundation revenues increased (+\$73.9M) : Investment income (+\$70.8M), Gifts (+\$3.1M)
- **Operating Expenses decreased \$22.9M**
 - Decreased compensation and benefits **(-\$23.8M)**
 - Increase in Scholarships (+\$5.2M)
 - Decrease in Supplies, Services, and Other **(-\$7.1M)**
 - Other (+\$2.8M)

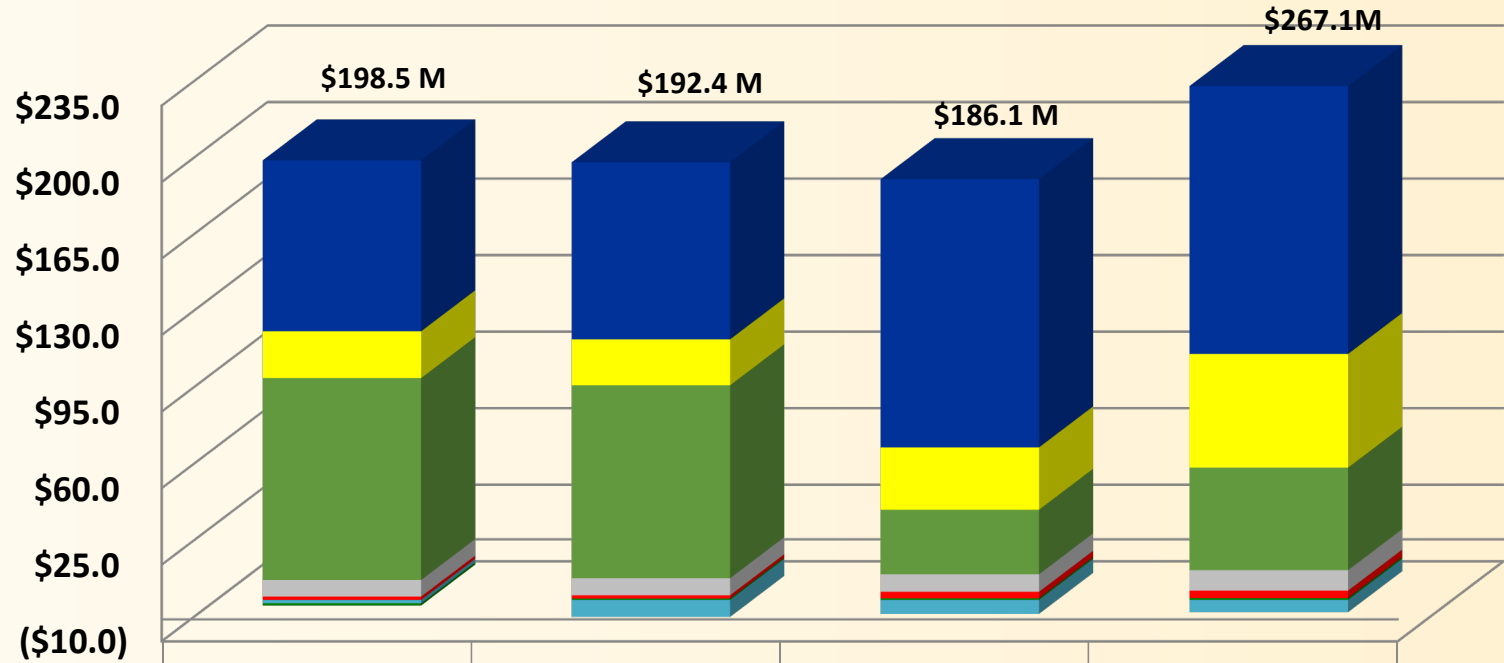
Total net position increased by \$168.0 million in 2021. The Foundation's net position increased \$93.5M, while the University's net position increased by \$74.5M.



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 to the right summarizes unrestricted net assets by fund for the past four fiscal years (in millions):



	2018	2019	2020	2021
General Fund	\$78.2	\$81.0	\$122.7	\$160.2
Plant Fund	\$21.4	\$21.0	\$28.5	\$52.0
Designated Fund	\$92.3	\$88.2	\$29.5	\$46.9
Foundation	\$7.6	\$7.8	\$8.0	\$9.4
Student Loan	\$1.5	\$1.5	\$3.0	\$3.4
Independent Ops	(\$1.0)	\$0.6	\$0.7	\$0.8
Auxiliary	(\$1.5)	(\$7.7)	(\$6.3)	(\$5.5)



Financial Performance Summary

