

December 4, 2024

To the Finance Committee of the Board of Trustees
Lawrence Technological University

We have audited the financial statements of Lawrence Technological University (the "University") as of and for the year ended June 30, 2024 and have issued our report thereon dated December 4, 2024. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated August 19, 2024, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the University. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our audit of the University's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of the University, including compliance with certain provisions of laws, regulations, contracts, and grant agreements; certain instances of error or fraud; illegal acts applicable to government agencies; and significant deficiencies in internal control that we identify during our audit. Toward this end, we issued a separate letter dated December 4, 2024 regarding our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on June 18, 2024.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the University are described in Note 2 to the financial statements.

As described in Note 3, the University adopted Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments*, using a modified retrospective adoption method. The University calculates an allowance for student tuition receivables using an expected credit loss model that considers the University's actual historical loss rates, adjusted for current economic conditions and reasonable and supportable forecasts. The University determined that the ASU did not significantly impact the financial statements.

We noted no transactions entered into by the University during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimate affecting the financial statements was fair value of the beneficial interest in trust.

The University is the beneficiary of an irrevocable trust with an unrelated third party acting as trustee. Management's estimate of the fair value of the University's interest in the irrevocable trust is approximately \$15,816,000 based on the income approach. The University has calculated the present value of future distributions projected to be received over the term of the agreement, discounted as a rate commensurate with the inherent risks of the cash flows within the trust.

We evaluated the key factors and assumptions used to develop the aforementioned values and balances in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are those related to investments and fair value, the beneficial interest in trust, and the long-term debt.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in performing and completing our audit.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

December 4, 2024

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the University, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the University's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 4, 2024.

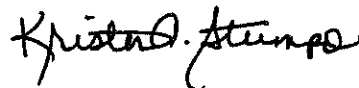
Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the University's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

This information is intended solely for the use of the finance committee of the board of trustees and management of the University and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Plante & Moran, PLLC

A handwritten signature in black ink, appearing to read "Kristen A. Stumpo". The signature is fluid and cursive, with the first name "Kristen" and last name "Stumpo" being clearly legible.

Kristen A. Stumpo, CPA

Bond Compliance S+P Student Information 2024

LAWRENCE TECHNOLOGICAL UNIVERSITY STATISTICS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
INSTRUCTIONAL FACULTY											
Tenured	50	44	44	44	57	52	55	54	52	52	59
Tenure-Track	22	38	38	18	9	5	32	35	42	40	41
Non-Tenure	29	29	29	51	54	60	37	41	35	38	39
Adjuncts	267	297	297	217	232	220	188	187	208	203	198
Full-time	101	111	111	113	120	117	124	130	129	130	139
Part-time	267	297	297	217	232	220	188	187	208	203	246
FALL ENROLLMENT STATISTICS											
Geographic Distribution											
from Michigan	70%	78%	75%	76%	73%	75%	77%	77%	73%	68%	67%
from out of state	14%	5%	12%	10%	9%	9%	11%	13%	12%	11%	9%
from other countries	16%	17%	13%	14%	18%	16%	12%	11%	15%	21%	24%
TOTAL ENROLLMENT											
New and Returning											
Headcount	4015	4161	3955	3069	2915	2848	2812	2955	2966	3277	3693
Credit Hours	35122	36919	33923	31540	31114	30967.5	30279.5	31566.5	32727	33597	35532.5
Grad/Undergrad Headcount											
Undergrad	2798	2779	2808	2191	2172	2136	2138	2356	2298	2384	2579
Graduate	1217	1382	1147	878	743	712	674	599	668	893	1114
Grad/Undergrad Credit Hours											
Undergrad	28184	28409	27309	26794	27188	27036	26409	28091.5	28193.5	27105	27503.5
Graduate	6938	8510	6614	4746	3926	3931.5	3870.5	3475	4533.5	6492	8029
FTEs for Grads/Undergrads											
Undergrad	2431	2468	2376	2233	2266	2253	2201	2341	2349	2259	2292
Graduate	625	708	554	396	327	328	323	290	378	541	669
Retention from Fresh to Soph											
Commuter	76%	69%	78%	78%	81%	68%	73%	71%	72%	85%	80%
Residential	82%	84%	82%	84%	80%	77%	79%	74%	68%	72%	78%
Selectivity											
Average GPA	3.55	3.58	3.49	3.48	3.44	3.45	3.50	3.44	3.45	3.47	3.45
Average ACT	25.5	25.8	25.3	25.2	25.8	23.9	24.6	24.7	25.6	23.2	22.1
NEW STUDENT FALL ADMISSIONS											
Overall Fall Admissions											
Applications	6077	5371	5050	3814	4017	3701	3619	3976	5373	6451	7424
Acceptance	2456	2270	2262	2092	2970	2957	3031	3218	3848	4433	5203
Enrolled	1141	1022	960	866	1000	901	887	1176	1224	1455	1781
Freshmen Fall											
Applications	2291	2254	2425	2298	2467	2575	2817	2641	2934	2700	3780
Acceptance	958	1018	1202	1502	2014	2219	2476	2141	2541	2328	3106
Enrolled	495	469	500	564	587	561	371	475	854	916	1223
Transfer Fall											
Applications	680	679	552	507	501	478	364	304	401	447	426
Acceptance	325	352	253	239	320	345	270	207	283	298	283
Enrolled	253	253	208	145	150	167	128	110	146	166	153
Graduate Fall											
Applications	3106	2438	2073	1009	1049	648	438	606	2,038	3304	3218
Acceptance	1173	900	607	351	636	393	285	328	1,024	1807	1814
Enrolled	373	300	252	157	274	173	119	142	224	373	405
MATRICULATION RATES											
Overall Statistics	46.5%	45.0%	42.4%	41.4%	33.7%	30.5%	29.3%	36.5%	31.8%	32.8%	34.2%
Freshmen	51.7%	46.1%	41.6%	37.5%	29.1%	25.3%	15.0%	22.2%	33.6%	39.3%	39.4%
Transfer	77.8%	71.9%	82.2%	60.7%	46.9%	48.4%	47.4%	53.1%	51.6%	56.4%	54.1%
Graduate	31.8%	33.3%	41.5%	44.7%	43.1%	44.0%	41.8%	43.3%	21.9%	21.0%	22.3%
LTU TUITION INCREASE											
Increase	4.3%	0.3%	2.8%	2.8%	3.0%	4.5%	4.0%	3.8%	4.5%	4.00%	4.50%

Net of Discount	4.7%	0.8%	1.8%	3.0%	2.7%	3.7%	3.2%	2.6%	3.3%	1.40%	1.80%
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HOUSING OCCUPANCY (beds at leased third party)

Available Beds	675 (80)	704 (110)	798 (60)	811 (70)	819 (97)	909 (71)	915 (52)	923 (52)	878 (61)	877	947
Occupied Beds	610(77)	691 (99)	789 (59)	804 (67)	758 (87)	828 (69)	783 (51)	893 (50)	849 (59)	862	934
Occupancy Percentage	98%	98%	99%	99%	92%	92%	86%	97%	97%	98%	98%

SCHOLARSHIP/FINANCIAL AID

Federal Title IV Programs											
Stud Loans (Stafford/Plus)	\$18,491,835	\$18,280,451	\$17,214,241	\$18,318,325	\$19,120,137	\$20,177,914	\$20,052,455	\$19,025,008	\$20,640,846	\$22,698,609	
Pell Grants	\$2,055,007	\$1,948,057	\$1,959,444	\$2,191,160	\$2,069,215	\$2,031,025	\$2,041,306	\$2,172,020	\$1,825,671	\$1,951,661	
SEOG	\$153,800	\$99,040	\$112,940	\$104,738	\$143,443	\$124,017	\$115,519	\$118,359	\$110,000	\$132,142	
Perkins Loans	\$381,000	\$290,777	\$243,871	\$122,000	\$0	\$0	\$0	\$0	\$0	\$0	
College Work-Study	\$171,327	\$136,299	\$116,743	\$136,741	\$81,679	\$215,982	\$158,449	\$213,789	\$218,918	\$174,155	
State of MI Programs											
Grants/Scholarships	\$1,148,866	\$1,124,806	\$1,191,642	\$1,332,206	\$1,258,420	\$1,784,024	\$1,836,293	\$2,024,782	\$2,083,098	\$1,802,748	
Tuition Incentive Program (TIP)	\$126,095	\$133,651	\$156,254	\$109,676	\$136,500	\$131,492	\$169,792	\$166,528	\$160,724	\$196,418	
LTU Scholarships											
LTU Merit	\$8,402,374	\$8,937,243	\$9,454,285	\$8,629,175	\$8,269,402	\$7,832,675	\$7,270,250	\$7,781,689	\$7,610,938	\$7,098,000	
LTU Athletics	\$2,101,247	\$2,370,038	\$2,890,038	\$3,123,786	\$3,662,316	\$4,114,908	\$5,863,770	\$5,868,656	\$5,462,865	\$5,539,467	
Buell	\$213,688	\$189,935	\$190,715	\$202,100	\$224,369	\$202,345	\$193,555	\$124,399	\$72,675	\$126,195	
LTU Other	\$5,245,409	\$4,679,773	\$5,746,813	\$4,683,027	\$5,222,728	\$6,222,853	\$5,950,242	\$8,968,399	\$10,696,461	\$14,037,099	
Trustee	\$543,000	\$590,250	\$622,500	\$591,000	\$546,000	\$590,250	\$503,250	\$588,750	\$617,171	\$531,000	
Other Scholarships											
Endowed/Mngd by LTU	\$495,350	\$486,407	\$748,128	\$932,443	\$953,828	\$965,279	\$1,259,276	\$1,173,262	\$1,150,184	\$1,367,053	
Outside Scholarships	\$297,092	\$318,686	\$475,005	\$541,230	\$382,486	\$344,029	\$441,706	\$462,755	\$723,817	\$950,188	
TOTALS:	\$39,826,090	\$39,585,413	\$41,122,619	\$41,017,608	\$42,070,524	\$44,736,792	\$45,855,862	\$48,688,394	\$51,373,368	\$56,604,735	

Book 1004 Cost of Attendance 2014-2024

Lawrence Technological University

Cost of Attendance

Includes tuition, room and board, fees

<u>Academic Year</u>	<u>Amount</u>
2017	\$44,445
2018	\$46,175
2019	\$48,659
2020	\$50,326
2021	\$51,767
2022	\$54,259
2023	\$57,409
2024	\$60,922