General Purpose Financial Report
June 30, 2024

WESTERN MICHIGAN UNIVERSITY

Table of Contents

Plante & Moran, PLLC
Suite 300
537 E. Pete Rose Way
Cincinnati, OH 45202-3578
Tel: 513.595.8800
Fax: 513.595.8806
plantemoran.com

Independent Auditor's Report

To the Board of Trustees
Western Michigan University

Report on the Audits of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component units of Western Michigan University (the "University"), a component unit of 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 Western Michigan University's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component units of Western Michigan University as of June 30, 2024 and 2023 and the changes in its financial position and cash flows, where applicable, 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 the Western Michigan University Foundation and Paper Technology Foundation, Inc. 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
Western Michigan University

In performing audits in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of pension funding progress, schedule of pension contributions, schedule of OPEB funding progress, schedule of OPEB contributions, and schedule of changes in the total OPEB liability and related ratios 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2024 on our consideration of Western Michigan 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 Western Michigan 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 Western Michigan University's internal control over financial reporting and compliance.

Plante & Moran, PLLC

September 20, 2024

The following discussion and analysis of Western Michigan University's (the "University") financial statements provides an overview of the University's financial activities for the year ended June 30, 2024. Management has prepared the financial statements and the related disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with University management.

Motivated by the mission and values of its institutional identity, the University follows a data-informed process that is driven by continuous improvement and anchored in an equity-mindedness framework to collaboratively develop a shared vision for the future. The University is dedicated to supporting learning to foster success, promoting innovation, advancing new knowledge and value-added discovery, promoting a culture to ensure social sustainability and accessibility, and advancing economic and environmental sustainability practices and policies.

Western Michigan University is a national research university enrolling approximately 17,500 students from across the United States and 91 other countries. Founded in 1903, it is a learner-centered, discovery-driven and globally engaged public university that stands out among America's nearly 3,700 higher education institutions. The University offers 147 bachelor's, 83 master's and 38 doctoral programs. These programs are offered through eight degree-granting colleges: arts and sciences, aviation, education and human development, engineering and applied sciences, fine arts, Haworth College of Business, health and human services, and Merze Tate College.

The Carnegie Foundation for the Advancement of Teaching places Western Michigan University among the 133 public institutions in the nation designated as research universities with high research activity. In addition, Western Michigan University is one of eight Michigan universities categorized at either the "high" or "very high" levels of research activity. U.S. News & World Report's annual ranking of American colleges and universities includes Western Michigan University as one of the best national universities for 33 years in a row.

The University's undergraduate resident tuition cost ranks eighth lowest among the state's fifteen public universities, even though it is one of Michigan's largest, most complex, and highly regarded research institutions. The University is committed to providing financial support to students and continues to award dollars to students in an efficient and strategic way. The University has long sponsored its prestigious Medallion Scholarship program, which attracts some of the brightest and most promising students. The University also offers several other merit-based awards continuing to offer an exceptional value to its students.

In fiscal year 2021, the University announced the Empowering Futures Gift, the largest private gift ever bestowed on a public university. Anonymous donors pledged $550 million to the Western Michigan University Foundation over the course of 10 years. The Empowering Futures Gift continues to support the futures of students by funding the Bronco Connect Community. Included in the scholarships is the Bronco Connect Scholarship which awards up to $6,000 in WMU housing and dining scholarships to eligible students. Recipients of the scholarship currently live within the Bronco Connect Community which is designed to create belonging and provide enhanced career exploration, community engagement, study skills and campus life. The scholarship also provides for various events throughout the Bronco Connect Community, encouraging further community engagement and collaboration.

Financial Highlights

The University's financial position remained strong at June 30, 2024. Some financial highlights include:

- Total net position $786.8 million
  - Change in net position $153.2 million
- Capital assets, net of accumulated depreciation $951.6 million
  - Change in capital assets, net of accumulated depreciation $37.8 million
- Long-term debt (including current portion) $398.4 million
  - Change in long-term debt ($8.2) million

The University's financial statements were prepared in accordance with criteria established by the Governmental Accounting Standards Board (GASB) for determining the various governmental organizations to be included in the reporting entity (GASB Statement No. 61). These criteria include significant operational or financial relationships. Based on the application of the criteria, the University has three component units. The Western Michigan University Foundation, Paper Technology Foundation, Inc. (collectively, the "Foundations"), and Western Michigan University Homer Stryker M.D. School of Medicine's (WMed) financial statements are discretely presented as part of the University's reporting entity. The component units' financial statements are prepared in accordance with generally accepted accounting principles as prescribed by the Financial Accounting Standards Board (FASB).

In fiscal year 2023, the University adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which requires recognition of assets and liabilities for subscription contracts that previously were recognized as expenses. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, a government is required to recognize a subscription liability and an intangible right-to-use subscription asset. In accordance with this statement, fiscal year 2022 amounts were restated in the basic financial statements as well as the Management's Discussion and Analysis. The University recognized a subscription liability of $6.0 million and corresponding intangible subscription asset net of accumulated amortization of $7.6 million as of June 30, 2023. The University recognized a subscription liability of $5.6 million and corresponding intangible subscription asset net of accumulated amortization of $7.5 million as of June 30, 2024.

Unrestricted net position includes long-term liabilities required to be accrued for by accounting principles issued by the GASB. These liabilities consist of the net pension liability from a statewide, cost-sharing, multiple-employer defined benefit plan and total net other postemployment benefits (OPEB) liability from a single-employer defined benefit plan. The University's unrestricted net position calculated without these liabilities continues to remain positive. The University has committed the unrestricted net position to provide for identified future needs. These needs include contractual obligations, debt service, capital outlay, insurance reserves, and academic programming needs.

The following breakdown of net position by category illustrates this impact.

Net Position as of June 30 (in millions)

	2024	2023 Restated	2022 Restated
Net investment in capital assets	$ 568.7	$ 527.0	$ 501.8
Restricted	18.2	14.1	16.2
Unrestricted - operations	376.0	359.0	331.9
Unrestricted - pension activity	(4.7)	(65.0)	(138.6)
Unrestricted - other postemployment benefit (OPEB) activity	(171.4)	(201.5)	(241.1)
Total net position	$ 786.8	$ 633.6	$ 470.2

Net Position Excluding Pension and OPEB Accounting as of June 30 (in millions)

	2024	2023	2022
Net investment in capital assets	$ 568.7	$ 527.0	$ 501.8
Restricted	1.2	5.6	6.4
Unrestricted - operations	376.0	359.0	331.9
Total net position excluding pension and OPEB	$ 945.9	$ 891.6	$ 840.1

The Statement of Net Position, the Statement of Revenue, Expenses, and Changes in Net Position, and the Statement of Cash Flows

The University's financial report includes three financial statements: the statement of net position, the statement of revenue, expenses, and changes in net position, and the statement of cash flows. Each of these statements provide information useful in assessing the financial health of the University.

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

Statement of Net Position

The following is a summary of the major components of the net position and operating results of the University for the years ended June 30, 2024, 2023, and 2022:

Net Position as of June 30 (in millions)

	2024	2023	2022
		Restated	Restated
Assets[1]			
Current assets	$ 217.6	$ 226.5	$ 229.7
Noncurrent assets:			
Capital assets - Net of depreciation	951.6	913.8	902.4
Other	274.4	258.6	245.8
Total assets	1,443.6	1,398.9	1,377.9
Deferred Outflows of Resources[2]	33.0	43.7	71.9
Liabilities[3]			
Current liabilities	85.8	104.0	106.1
Noncurrent liabilities	541.2	615.8	746.3
Total liabilities	627.0	719.8	852.4
Deferred Inflows of Resources[4]	62.8	89.2	127.2
Net Position			
Net investment in capital assets	568.7	527.0	501.8
Restricted	18.2	14.1	16.2
Unrestricted	199.9	92.5	(47.8)
Total net position	**$ 786.8**	**$ 633.6**	**$ 470.2**

[1] - An asset is a resource with economic value that the University owns and controls with the expectation that it will provide future benefit.

[2] - Deferred outflows of resources are recognized through the consumption of resources by the University that is applicable to a future reporting period.

[3] - A liability is the University's financial debt that arises during the course of its business operations.

[4] - Deferred inflows of resources are recognized through the acquisition of resources by the University that is applicable to a future reporting period.

Current assets decreased $8.9 million from fiscal year 2023 to fiscal year 2024. The decrease in current assets was primarily related to a decrease in the receivable for capital appropriations of $8.2 million due to approval and receipt of capital appropriation funds. The change in current liabilities was due to a $11.7 million decrease in current lease liabilities due to the exercise of a purchase option in August 2023 which resulted in a related decrease in the current portion of the lease liability.

Current assets decreased $3.2 million from fiscal year 2022 to fiscal year 2023. The receivable for capital appropriations increased $10.3 million which was offset by a decrease in cash for the related capital outlay. The decrease in current assets was primarily related to a decrease in student accounts receivable due to improved billing and collection processes that were designed to place student success as an intentional priority. The change in current liabilities was due to a $3.9 million decrease in upcoming debt payments as well as paying off the remaining $4.4 million deferred employer payroll tax liability under section 2302 of the CARES Act. This was offset by an increase in the current portion of the lease liability due to the exercise of a purchase option in August 2023 which resulted in a related decrease in the noncurrent portion of the lease liability.

Noncurrent other assets increased $15.8 million from fiscal year 2023 to fiscal year 2024 primarily due to the market performance on long-term investments. As of June 30, 2024, the stock market experienced gains as evidenced by the S&P 500 increasing approximately 22.6 percent over the previous fiscal year. Noncurrent other assets increased $12.8 million from fiscal year 2022 to fiscal year 2023 primarily due to the market performance on long-term investments. As of June 30, 2023, the stock market experienced gains as evidenced by the S&P 500 increasing approximately 17.8 percent.

Pension and OPEB obligations impact multiple categories on the statement of net position. Due to a special allocation from the State of Michigan totaling $45.6 million, in fiscal year 2024, the University recognized a decrease in its proportionate share of the Michigan Public School Employees Retirement System (MPSERS) net pension liability of $67.7 million. The University recognized an increase in the single-employer plan total OPEB liability of $1.5 million in fiscal year 2024 due to various plan changes. Due to a decrease in the discount rate from 6.8 percent to 6.0 percent as well as two special allocations from the State of Michigan totaling $87.5 million, in fiscal year 2023, the University recognized a decrease in its proportionate share of the Michigan Public School Employees Retirement System (MPSERS) net pension liability of $55.3 million. The University recognized a decrease in the single-employer plan total OPEB liability of $49.5 million in fiscal year 2023 due to an increase in the discount rate as well as various plan changes. Due to updated experience studies and actuarial assumptions, in fiscal year 2022, the University recognized a decrease in its proportionate share of the Michigan Public School Employees Retirement System (MPSERS) net pension liability of $27.8 million and a decrease in the single-employer plan total OPEB liability of $8.8 million. The University's proportionate share of the MPSERS net OPEB liability was reclassified from a liability of $9.6 million at June 30, 2021 to a net OPEB asset of $9.8 million at June 30, 2022 due to the healthcare cost trend rate decreasing 0.50 percent and the actual per person health benefit costs being lower than projected.

Capital Assets

As reflected on the statement of net position, at June 30, 2024, the University had $1.6 billion invested in capital assets and accumulated depreciation of $686.8 million. Depreciation charges totaled $42.3 million, $29.6 million, and $31.4 million for the years ended June 30, 2024, 2023, and 2022, respectively.

Capital Assets as of June 30 (in millions)

	2024	2023	2022
Land and land improvements	$ 132.4	$ 112.6	$ 115.9
Buildings	1,256.7	1,105.3	1,135.0
Equipment, software, and other	96.6	88.0	88.7
Library holdings	101.1	99.8	99.0
Construction in progress	51.5	156.8	121.8
Total	$ 1,638.3	$ 1,562.5	$ 1,560.4

Net capital assets increased $37.8 million and $11.4 million in fiscal years 2024 and 2023, respectively. The increases in fiscal years 2024 and 2023 were due to construction of Loop Road modifications and parking deck around the new student center and renovations to Dunbar Hall. The following paragraphs represent additional detail related to construction projects.

The University continues to make significant strides on the redevelopment of the South Neighborhood on the University's main campus. The first phase of the master plan included Arcadia Flats student housing which opened in January 2021 and a combined student center and dining facility that opened in July 2023. The second phase is nearly complete and includes new roadways and a parking structure in the Hilltop Village which is expected to be completed in fall 2024.

The University received approval in March 2021 for a $30.0 million capital outlay from the State of Michigan for renovations to Dunbar Hall, one of the most heavily used classroom buildings on campus. The University provided an additional $19.2 million in funding towards this project, which involved reconfiguring classroom layouts, adding student workspaces, upgrading technology, and improving building systems which was completed in Spring 2024.

During fiscal year 2023, the decision was made to reinvest in one of the nation's foremost aviation programs by committing to refresh and expand the number of the College of Aviation's fleet of training aircraft. The new aircraft will include the latest technology and safety equipment and allow students to receive the experience they need to excel in the aviation industry. The estimated total cost of the new fleet is $18.7 million. The University entered into an agreement with the Western Michigan University Foundation to finance the new fleet through a line of credit. As of June 30, 2024, the University has drawn $9,021,750 on the note.

Long-Term Debt

The University is rated by two of the major bond rating agencies. S&P Global Ratings upgraded the University's A/Stable outlook to A/Positive in September 2023, and Moody's Investor Services affirmed the University's Aa3/Stable rating in May 2024.

At June 30, 2024, the University had $339.9 million in bonded debt obligations outstanding versus $345.3 million the previous year, a decrease of 1.6 percent. The decrease in bonded debt obligations outstanding is due to debt service payments partially offset by the increase of $9.0 million draw on the aviation line of credit.

At June 30, 2023, the University had $345.3 million in bonded debt obligations outstanding versus $363.6 million the previous year, a decrease of 5.0 percent. The decrease in bonded debt obligations outstanding is due to debt service payments.

Statement of Revenue, Expenses, and Changes in Net Position

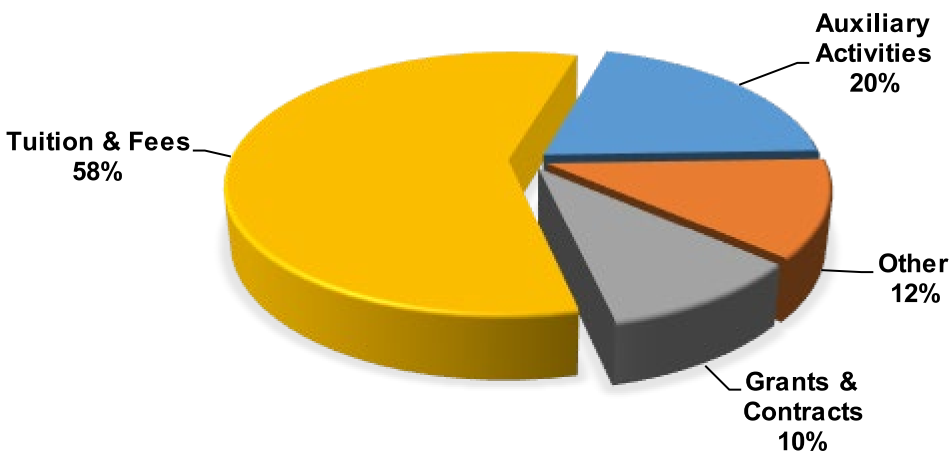
Operating Results for the Years Ended June 30 (in millions)

	2024	2023	2022
Operating Revenue			
Tuition and fees - Net	$ 214.8	$ 214.6	$ 221.2
Grants and contracts	37.8	32.2	30.1
Auxiliary activities - Net	72.8	70.1	62.1
Other	42.5	38.1	31.3
Total operating revenue	367.9	355.0	344.7
Operating Expenses			
Instruction	170.5	171.6	169.4
Departmental research	20.5	19.6	18.5
Public service	16.8	13.9	10.0
Academic support	47.2	54.2	50.3
Student services	27.9	24.0	20.1
Institutional support	55.1	51.2	51.7
Operations and maintenance of plant	34.9	35.0	33.5
Scholarships and fellowships	17.2	16.0	37.3
Auxiliary activities	72.6	71.2	65.2
Depreciation	46.9	35.1	35.5
Other adjustments	(40.7)	(9.8)	(24.1)
Total operating expenses	468.9	482.0	467.4
Net Operating Loss	(101.0)	(127.0)	(122.7)
Nonoperating Revenue			
State appropriations	167.6	206.2	121.5
Gifts	39.8	47.0	43.9
Other net nonoperating revenue	28.1	17.9	8.5
Total nonoperating revenue	235.5	271.1	173.9
Other			
State capital appropriations	17.9	18.5	1.0
Capital grants, contracts, and other	0.8	0.8	1.8
Total other	18.7	19.3	2.8
Net Change in Net Position	153.2	163.4	54.0
Net Position - Beginning of year	633.6	470.2	416.2
Net Position - End of year	**$ 786.8**	**$ 633.6**	**$ 470.2**

Operating Revenue and Expenses

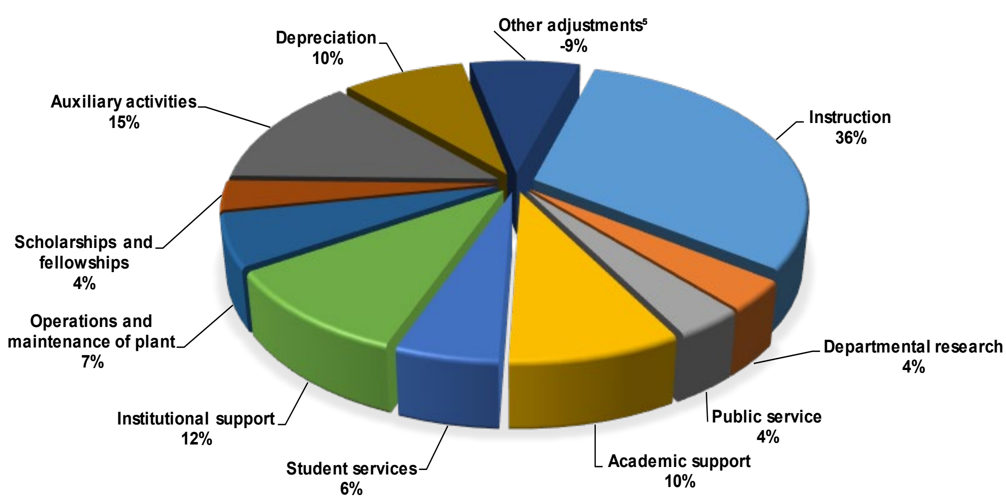
Operating revenue includes all transactions that result in the sales and/or receipts from goods and services such as tuition and fees, housing, and dining operations. In addition, certain federal, state, and private grants are considered operating if they are not for capital purposes and are considered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

The following is a graphic illustration of operating revenue by source:



Operating expenses are all the costs necessary to perform and conduct the programs and primary purposes of the University.

The following is a graphic illustration of operating expenses by source:



[5] - Other adjustments are negative due to updated pension and OPEB experience studies and actuarial assumptions.

The significant changes in revenues and expenses in fiscal years 2024 and 2023 are described in the following paragraphs.

Net tuition and fees revenue in fiscal year 2024 increased 0.1 percent from fiscal year 2023 due to an increase in the tuition rate of 4.62 percent. This was offset by a decrease in enrollment. Net tuition and fees revenue in fiscal year 2023 decreased 3.0 percent from fiscal year 2022 due to enrollment declines. This was offset by an increase in the tuition rate of 3.85 percent.

Auxiliary activities resulted in net income of $0.2 million in fiscal year 2024 compared to a net loss of $1.1 million in fiscal year 2023. The $1.3 million improvement was due to an increase in students living in residence halls offset by increased intercollegiate athletics outlays. Auxiliary activities resulted in a net loss of $1.1 million in fiscal year 2023 compared to a net loss of $3.1 million in fiscal year 2022. The $2.0 million improvement was due to a 14.7 percent increase in students living in residence halls offset by increased intercollegiate athletics outlays.

As expected, the total operating expenses decreased $13.1 million in fiscal year 2024. This was primarily due to a decrease of $7.2 million in capital outlays in academic support as well as a decrease of $1.1 million in capital outlays in instruction, which is primarily due to the completion of the Dunbar Hall and new student center projects in fiscal year 2024. As expected, the operating expenses of instruction, departmental research, public service, academic support, student services, institutional support, and operations and maintenance of the physical plant increased $16.0 million in fiscal year 2023. This was due to an increase in wages and related benefits of $6.3 million as well as increases in technology purchases, consulting fees, and grant expenditures.

As expected, Scholarships and fellowships expense increased $1.2 million in fiscal year 2024. This was due to the University increasing the student need-based aid need to assist with offsetting tuition increases. As expected, Scholarships and fellowships expense decreased $21.3 million in fiscal year 2023. This was primarily due to awarding HEERF grant funds in fiscal year 2022 which were emergency financial aid grant disbursements made to students for expenses related to the disruption of campus operations due to the COVID-19 global pandemic.

Nonoperating Revenue and Expenses

Nonoperating revenue and expenses are primarily nonexchange in nature. In a nonexchange transaction, the University receives value without directly giving equal value in return. This is different from an exchange transaction, in which each party receives and gives up essentially equal values. Nonexchange transactions at the University consist primarily of state appropriations, gifts, investment income (including realized and unrealized gains and losses), and grants and contracts that do not require any services to be performed.

State appropriations decreased $38.6 million in fiscal year 2024 over fiscal year 2023. This decrease includes a 5.0 percent increase of the base allocation from the State offset by a decrease in the special allocation to support the MPSERS pension plan of $45.6 million in fiscal year 2024 from two special allocations totaling $87.5 million in fiscal year 2023. The University utilized those funds to remit to the MPSERS pension plan reducing its overall pension liability in in fiscal year 2023.

Other net nonoperating revenue increased $3.0 million from fiscal year 2023 to fiscal year 2024 due to improved market performance of long-term investments of $8.2 million and increased Pell grant revenue of $2.0 million offset by a $7.2 million decrease in gift funding.

Other net nonoperating revenue increased $9.4 million from fiscal year 2022 to fiscal year 2023 due to improved market performance of long-term investments of $53.1 million offset by a $46.7 million decrease in HEERF funding.

Other

Other activity consists of items that are typically nonrecurring, extraordinary, or unusual to the University. An example would be capital appropriations from the state or federal government.

The University recorded $17.9 million in state capital appropriations, which includes $8.1 million for the Michigan ITEMS Funding (Infrastructure, Technology, Equipment, Maintenance, and Safety Funds) as well as $9.8 million for the completion of the Dunbar Hall capital outlay in fiscal year 2024. The University recorded $18.5 million in state capital appropriations, which includes a $10.3 million receivable, for the completion of the Dunbar Hall capital outlay in fiscal year 2023. The University recorded $1.0 million in state capital appropriations for the completion of the Aviation Education Center capital outlay in fiscal year 2022.

Statement of Cash Flows

The primary purpose of the statement of cash flows is to provide relevant information about the cash receipts and cash payments of an entity during a period.

Cash Flows for the Years Ended June 30 (in millions)

	2024	2023	2022
Cash (Used in) Provided by			
Operating activities	$ (144.2)	$ (201.7)	$ (139.5)
Noncapital financing activities	208.1	259.6	235.5
Capital and related financing activities	(73.4)	(71.6)	(45.8)
Investing activities	7.8	1.4	12.9
Net Increase (Decrease) in Cash	(1.7)	(12.3)	63.1
Cash - Beginning of year	163.9	176.2	113.1
Cash - End of year	**$ 162.2**	**$ 163.9**	**$ 176.2**

The most significant components of cash flows received from operating activities are tuition and fees, auxiliary activities, and grants and contracts. The most significant components of cash flows spent on operations are payments to suppliers and employees and payments for scholarships and fellowships. Net cash used in operating activities was $148.7 million for the year ended June 30, 2024. This is compared to net cash used in operating activities in the amounts of $201.7 million and $139.5 million for the years ended June 30, 2023 and 2022, respectively.

To offset the $148.7 million operating use, the net cash provided by noncapital financing activities was $208.1 million for the year ended June 30, 2024, which consisted primarily of cash provided by state appropriations of $166.5 million, gifts of $39.8 million, and Pell grant receipts of $19.6 million. Net cash provided by noncapital financing activities was $259.6 million and $235.5 million for the years ended June 30, 2023 and 2022, respectively.

Cash used in capital and related financing activities totaled $68.9 million for the year ended June 30, 2024, primarily the result of capital additions during the year in the amount of $80.1 million, interest paid on capital debt of $14.8 million, cash used for debt instruments of $26.6 million, capital appropriations from the State of Michigan of $26.1 million, and unspent bond proceeds placed with a trustee of $5.3 million. This is compared to cash used in capital and related financing activities of $71.6 million and $45.8 million for the years ended June 30, 2023 and 2022, respectively.

Cash provided by investing activities was $7.8 million for the year ended June 30, 2024. This is compared to cash provided by investing activities of $1.4 million for the year ended June 30, 2023 and cash provided by investing activities of $12.9 million for the year ended June 30, 2022.

Economic Factors That Will Affect the Future

Acting at its June 2024 meeting, the Western Michigan University Board of Trustees adopted a $414.5 million General Fund operating budget for fiscal year 2025, an increase of 1.4 percent over the prior year's budget. The budget reflects an increase in state appropriations of 1.5 percent as well as a tuition rate increase of 4.5 percent. The budget reflects the University's practice and commitment to present a balanced general fund budget. A $1.7 million contingency reserve is included. This reinforces commitment to strong fiscal management and long-term strategic planning.

Access to high quality education has also been enhanced for high school graduates by the State of Michigan through the Michigan Achievement Scholarship. The largest amount of this aid is directed toward public colleges and universities, making up to $5,500 available per student per year. It is estimated that 75 percent of Michigan families would qualify for the scholarship. In combination with the newly instituted Bronco Promise Scholarship, the University is optimistic about the positive impact this could have on future enrollment.

In January 2024, the University announced plans to build a new residence hall for first-year students on the current Valley 3 site. Planning and site work began on the project in May 2024. The building is planned to facilitate community among its first-year residents and will offer a variety of single and double-occupancy rooms to students. The project is planned to cost approximately $125 million and will be ready to house new students for the fall 2026 semester. Funding for the new residence hall will include internal resources that have been strategically planned over the past several years with the remainder to be funded with a bond issuance in Spring 2025 for approximately $70M.

The University has embarked on its Master Plan initiative and is currently in phase 2 which includes discovery workshops to facilitate input from students, faculty, and staff. This initiative has the goals of advancing learning and discovery, fostering a sense of community, engaging the local region, recalibrating campus, integrating sustainability, and promoting health and equity. The University plans to enter the development phase in June 2024 and refinement phase in September 2024.

Student enrollment and retention remain a key focus of the University as it addresses the declining demographics of the high-school aged population over the new few years in Michigan and surrounding states. The University is focusing on growth and retention efforts in alignment with the Strategic Plan 2022-2032. Positive indicators for Fall 2024 enrollment include improved retention rates at all levels, a slight increase in the incoming freshman class, improved residence hall occupancy, and on-campus apartments are anticipated to be near full capacity.

The State of Michigan's higher education budget for fiscal year 2025 includes a fiscal year 2024 supplemental appropriation of $10 million toward the MPSERS unfunded pension liability to be allocated between the seven participating universities in September 2024. This supplemental appropriation is expected to pay down most of the current remaining unfunded accrued liability. The University should receive its recalculated share of the unfunded liability in October 2024.

	June 30	
	2024	2023 Restated
Current Assets		
Cash and cash equivalents	$ 162,184,441	$ 163,907,171
Short-term investments	211,927	323,632
Accounts receivable - Net	46,910,528	52,057,287
Deposits, prepaid expenses, and other assets	8,318,220	10,168,157
Total current assets	217,625,116	226,456,247
Noncurrent Assets		
Long-term investments	245,369,274	226,069,278
Student loans receivable - Net	879,937	1,321,811
Lease receivable	2,372,272	2,886,074
Other assets	898,316	738,717
Leased assets - Net	376,492	11,560,705
Subscription assets - Net	7,511,310	7,567,425
Capital assets - Net	951,554,477	913,787,980
Net OPEB asset	17,021,431	8,529,507
Total noncurrent assets	1,225,983,509	1,172,461,497
Total assets	1,443,608,625	1,398,917,744
Deferred Outflows of Resources	32,904,909	43,731,263
Current Liabilities		
Accounts payable	17,147,412	16,454,298
Accrued payroll and withholdings	22,013,240	21,181,875
Insurance and other claims payable	3,317,583	4,050,730
Tuition and fees received in advance	4,957,960	5,037,422
Current portion of lease liability	275,244	11,962,763
Current portion of subscription liability	3,227,074	2,863,346
Current portion of long-term obligations	17,586,143	17,240,811
Current portion of total OPEB liability	5,749,675	6,739,472
Other liabilities	11,487,656	18,438,527
Total current liabilities	85,761,987	103,969,244
Noncurrent Liabilities		
Lease liability - Net of current portion	111,256	317,449
Subscription liability - Net of current portion	2,422,648	3,117,817
Other long-term obligations - Net of current portion	380,768,063	389,321,124
Total OPEB liability - Net of current portion	152,690,492	150,239,870
Net pension liability	5,227,673	72,880,357
Total noncurrent liabilities	541,220,132	615,876,617
Total liabilities	626,982,119	719,845,861
Deferred Inflows of Resources	62,766,750	89,252,135
Net Position		
Net investment in capital assets	568,611,714	526,958,036
Restricted for:		
Expendable	963,138	5,281,641
Loans	242,403	257,853
OPEB Asset	17,021,431	8,529,507
Unrestricted	199,925,979	92,523,974
Total net position	**$ 786,764,665**	**$ 633,551,011**

See accompanying notes to the financial statements.

Statement of Revenue, Expenses and Changes in Net Position

	Year Ended June 30 2024	Year Ended June 30 2023
Operating Revenue		
Tuition and fees	$ 276,896,902	$ 270,653,174
Scholarship allowance	(62,070,481)	(56,078,990)
Net tuition and fees	214,826,421	214,574,184
Governmental grants and contracts	29,836,880	25,122,578
Other grants and contracts	7,991,423	7,128,850
Departmental and other educational activities	38,488,302	33,894,744
Auxiliary activities - Net	72,825,808	70,082,981
Other revenue	4,027,864	4,186,633
Total operating revenue	367,996,698	354,989,970
Operating Expenses		
Instruction	170,490,716	171,605,293
Departmental research	20,547,104	19,567,688
Public service	16,843,622	13,861,604
Academic support	47,095,097	54,259,703
Student services	27,920,815	23,976,094
Institutional support	55,138,729	51,214,794
Operations and maintenance of plant	34,906,751	35,038,826
Scholarships and fellowships	17,199,074	16,005,990
Auxiliary activities	72,635,197	71,212,662
Depreciation and amortization	46,896,620	35,134,481
Other adjustments	(40,725,061)	(9,833,497)
Total operating expenses	468,948,664	482,043,638
Net Operating Loss	(100,951,966)	(127,053,668)
Nonoperating Revenue (Expenses)		
State appropriations	167,561,493	206,154,991
Gifts	39,788,350	47,022,811
Pell grant revenue	19,635,461	17,646,504
Other expense	(10,936,015)	(10,162,834)
Investment income (loss) and other interest	31,690,729	23,493,401
Interest on capital asset-related debt	(12,318,540)	(13,033,974)
Net nonoperating revenue	235,421,478	271,120,899
Income - Before other	134,469,512	144,067,231
Other		
State capital appropriations	17,906,142	18,478,233
Other revenue and capital gifts and grants	838,000	824,460
Total other	18,744,142	19,302,693
Net Change in Net Position	153,213,654	163,369,924
Net Position		
Beginning of year	633,551,011	470,181,087
End of year	**$ 786,764,665**	**$ 633,551,011**

See accompanying notes to the financial statements.

	Year Ended June 30 2024	Year Ended June 30 2023
Cash Flows from Operating Activities		
Tuition and fees	$ 213,325,409	$ 218,877,413
Grants and contracts	37,232,626	31,175,114
Payments to suppliers	(125,205,022)	(189,762,996)
Payments to employees	(368,126,832)	(355,154,982)
Payments for scholarships and fellowships	(17,199,074)	(16,005,990)
Collection of loans from students	441,874	928,821
Student loan interest	49,741	81,877
Auxiliary enterprise charges	72,825,808	70,082,981
Departmental and other	42,516,166	38,081,377
William D. Ford direct lending receipts	60,712,267	64,240,209
William D. Ford direct lending disbursements	(60,712,267)	(64,240,209)
PLUS loan receipts	24,499,278	25,911,115
PLUS loan disbursements	(24,499,278)	(25,911,115)
Net cash used in operating activities	(144,139,304)	(201,696,385)
Cash Flows from Noncapital Financing Activities		
Gifts and contributions for other than capital purposes	39,788,350	47,022,811
Pell grant revenue	19,635,461	17,646,504
Agency transactions	(6,950,871)	(874,834)
Other	(10,936,015)	(10,162,834)
State appropriations	166,537,491	205,987,865
Net cash provided by noncapital financing activities	208,074,416	259,619,512
Cash Flows from Capital and Related Financing Activities		
Purchase of capital assets	(68,656,624)	(55,933,327)
Proceeds net of deposits from disposal of assets	683,722	6,642,500
(Purchase of) proceeds from lease assets	(5,268,224)	(5,713,798)
Proceeds from issuance of debt	9,021,748	-
Principal paid on capital debt	(26,635,153)	(17,500,773)
Capital grant, gift, and other proceeds	838,000	824,460
Capital appropriations	26,094,131	8,149,143
Proceeds from trustee to purchase capital assets	5,316,705	7,538,193
Interest paid on capital debt	(14,806,508)	(15,646,129)
Net cash used in capital and related financing activities	(73,412,203)	(71,639,731)
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	157,025,986	80,551,178
Interest on investments	2,838,603	14,291,310
Purchase of investments	(152,110,228)	(93,433,161)
Net cash provided by investing activities	7,754,361	1,409,327
Net (Decrease) in Cash and Cash Equivalents	(1,722,730)	(12,307,277)
Cash and Cash Equivalents - Beginning of year	163,907,171	176,214,448
Cash and Cash Equivalents - End of year	**$ 162,184,441**	**$ 163,907,171**

See accompanying notes to the financial statements.

	Year Ended June 30	
	2024	2023
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	$ (100,951,966)	$ (127,053,668)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation	42,334,575	29,581,916
Lease amortization	1,628,327	1,342,090
Gain on conversion of lease asset	(1,010,308)	-
SBITA amortization	3,944,027	4,210,475
(Increase) decrease in assets:		
Federal and state grants receivable	(595,677)	(1,076,314)
Accounts receivable - Net	(1,421,550)	3,890,220
Prepaid assets and other current assets	1,897,243	(1,163,597)
Other assets	(709,837)	8,221,680
Loans to students	491,615	1,010,698
Increase (decrease) in liabilities:		
Accounts payable	693,114	(2,992,457)
Accrued payroll and other compensation	390,169	561,261
Net Pension and OPEB liability	(74,683,783)	(103,490,746)
Other liabilities and deferreds	(16,065,791)	(15,150,952)
Unearned tuition and fees	(79,462)	413,009
Net cash used in operating activities	**$ (144,139,304)**	**$ (201,696,385)**

Non-cash Transactions

Property acquired under lease and subscription-based information technology arrangements:	$ 3,963,387	

See accompanying notes to the financial statements.

Discretely Presented Component Units – Balance Sheet and Statement of Activities and Changes in Net Assets

Balance Sheet	Western Michigan University Foundation		Paper Technology Foundation, Inc.		Western Michigan University Homer Stryker M.D. School of Medicine	
	June 30		June 30		June 30	
	2024	2023	2024	2023	2024	2023
Assets						
Cash and short-term investments	$ 23,650,536	$ 24,571,255	$ 481,425	$ 250,398	$ 20,435,792	$ 22,344,850
Note Receivable	9,182,906	-	-	-	-	-
Investments	730,913,131	621,610,136	5,643,075	5,463,147	28,335,726	24,337,285
Pledges receivable - Net	302,954,644	380,300,620	299,270	44,791	2,081,500	3,147,500
Cash surrender value of life insurance policies	1,035,109	1,036,341	-	-	-	-
Other receivables	-	-	-	-	4,721,198	7,140,008
Other assets	-	-	-	-	1,497,597	2,349,997
Right-of-use lease assets	-	-	-	-	5,849,698	7,185,206
Land, land contracts, and other property	1,500,000	1,500,000	-	-	89,525,574	91,846,056
Interest in net assets of WMU Foundation	-	-	-	-	297,341,635	286,016,834
Total assets	**$ 1,069,236,326**	**$ 1,029,018,352**	**$ 6,423,770**	**$ 5,758,336**	**$ 449,788,720**	**$ 444,367,736**
Liabilities						
Accounts payable	$ 5,737	$ -	$ 4,958	$ 4,658	$ 1,713,843	$ 2,120,535
Accrued payroll, withholdings, and other	-	-	-	-	18,167,504	19,115,078
Deferred compensation	-	-	-	-	16,648,878	13,823,302
Other long-term obligations	-	-	-	-	59,892,310	62,575,594
Total liabilities	5,737	-	4,958	4,658	96,422,535	97,634,509
Net Assets						
Without donor restrictions	324,400,845	303,347,213	495,243	639,460	25,350,655	29,659,087
With donor restrictions	744,829,744	725,671,139	5,923,569	5,114,218	328,015,530	317,074,140
Total net assets	1,069,230,589	1,029,018,352	6,418,812	5,753,678	353,366,185	346,733,227
Total liabilities and net assets	**$ 1,069,236,326**	**$ 1,029,018,352**	**$ 6,423,770**	**$ 5,758,336**	**$ 449,788,720**	**$ 444,367,736**

Statement of Activities and Changes in Net Assets	Year Ended June 30		Year Ended June 30		Year Ended June 30	
	2024	2023	2024	2023	2024	2023
Revenue Gains, Losses, and Other Support						
Gifts, contributions, and other	$ 26,702,926	$ 29,245,549	$ 831,341	$ 659,875	$ 28,363,727	$ 26,319,658
Investment income	13,273,839	11,911,862	74,276	82,406	-	-
Contracted services and support	-	-	-	-	49,179,180	51,061,631
Patient service revenue	-	-	-	-	11,040,847	10,309,714
Governmental grants and contracts	-	-	-	-	33,190,607	31,129,337
Other income	46,941	60,949	5,551	18	-	-
Net (loss) gain from security and other investment transactions	52,660,396	25,792,539	470,655	263,137	8,760,771	7,348,154
Transfers from related parties	3,863,618	17,682,276	22,808	270,597	-	-
Total revenue gains, losses, and other support	96,547,720	84,693,175	1,404,631	1,276,033	130,535,132	126,168,494
Expenditures and Distributions						
Program services	4,221,583	3,655,100	188,426	174,315	110,728,458	103,359,518
Management and general	2,774,853	2,657,167	96,580	95,658	13,173,716	13,463,351
Fundraising	6,033,446	3,540,370	161,403	141,887	-	-
Total expenditures	13,029,882	9,852,637	446,409	411,860	123,902,174	116,822,869
Distributions to related parties	43,305,601	50,618,222	293,088	583,305	-	-
Total expenditures and distributions	56,335,483	60,470,859	739,497	995,165	123,902,174	116,822,869
Change in Net Assets	40,212,237	24,222,316	665,134	280,868	6,632,958	9,345,625
Net Assets - Beginning of year	1,029,018,352	1,004,796,036	5,753,678	5,472,810	346,733,227	337,387,602
Net Assets - End of year	**$ 1,069,230,589**	**$ 1,029,018,352**	**$ 6,418,812**	**$ 5,753,678**	**$ 353,366,185**	**$ 346,733,227**

See accompanying notes to the financial statements.

Note 1 – Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The financial statements of Western Michigan University (the “University”) have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The University follows the “business-type” activities reporting requirements of GASB Statement No. 34.

The financial statements of the University have been prepared on the accrual basis, whereby all revenue is recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

GASB Statement No. 34 establishes standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following categories:

- Net Investment in Capital Assets - Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

- Restricted - Net position subject to externally imposed constraints such that they may be maintained permanently by the University, or net position whose use by the University is subject to externally imposed constraints that can be fulfilled by actions of the University pursuant to those constraints or that expire by the passage of time.

- Unrestricted - Net position that is not subject to externally imposed constraints. Unrestricted net position may be designated for specific purposes by action of management or the board of trustees (the “Board”) or may otherwise be limited by contractual agreements with outside parties.

These statements have also been prepared in accordance with criteria established by the GASB for determining the various governmental organizations to be included in the reporting entity (GASB Statement No. 61). These criteria include significant operational or financial relationships with the University. Based on application of the criteria, the University has three component units.

Note 1 – Basis of Presentation and Significant Accounting Policies (Continued)

Summary of Significant Accounting Policies

Component Unit - Western Michigan University is an institution of higher education located in Kalamazoo, Michigan, and is considered to be a component unit of the State of Michigan (the "State") because its board of trustees is appointed by the governor of the State of Michigan. Accordingly, the University is included in the State's financial statements as a discretely presented component unit. Transactions with the State of Michigan relate primarily to appropriations for operations, grants from various state agencies, and payments to state retirement programs for the benefit of University employees.

Component Units of the University - Western Michigan University Foundation, Paper Technology Foundation, Inc., and Western Michigan University Homer Stryker M.D. School of Medicine (WMed) statements are discretely presented as part of the University's reporting entity. These financial statements are prepared in accordance with generally accepted accounting principles as prescribed by the Financial Accounting Standards Board (FASB) and have not been modified for GASB. The officers of Western Michigan University Foundation and Paper Technology Foundation, Inc. include certain University administrative officials, but the University does not have controlling interest in those foundations' boards. The University does have controlling interest in WMed.

Western Michigan University Foundation (the "Foundation") operates exclusively for the benefit of Western Michigan University. The Foundation provides support for the objectives, goals, and mission of the University. The Foundation assists in accomplishing the educational purposes of the University.

Paper Technology Foundation, Inc. was established to aid and promote, by financial assistance and guidance, education and research in paper technology and related areas at Western Michigan University.

WMed operates and manages medical education and training programs. WMed's clinics provide medical services to patients, a substantial portion of which are Medicaid and Medicare recipients.

Cash and Investments - Cash and cash equivalents are defined as highly liquid investments with a maturity of three months or less when purchased. The University's cash, comprised of working capital and permanent-core assets, is principally invested in investment-grade securities that are readily convertible to cash. The cash is allocated to securities that meet short and long-term investment objectives. Investments, except those held by Western Michigan University's Biosciences Research Commercialization Center (BRCC), are reported at fair value, based on quoted market prices, with changes in fair value reported as investment income in the statement of revenue, expenses, and changes in net position. The net carrying value of investments held at cost by BRCC was $5.4 million and $4.9 million at June 30, 2024 and 2023, respectively. There was approximately $89 thousand and $5.4 million of restricted unspent bond proceeds included in long-term investments at June 30, 2024 and 2023, respectively.

Note 1 – Basis of Presentation and Significant Accounting Policies (Continued)

Accounts Receivable - The University records accounts receivable at net collectible value. Management reviews all the individual student accounts receivable as of June 30 and establishes an allowance for doubtful accounts based on specific assessment of each account as necessary. All amounts deemed uncollectible are charged against income for that fiscal year. More detailed information can be found in Note 4.

Operating and Nonoperating Revenue - Operating activities as reported on the statement of revenue, expenses, and changes in net position are 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 of the University's expenses are from exchange transactions. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenue, as defined by GASB Statement No. 34, including state appropriations, federal Pell grant revenue, gifts, and investment income. Restricted and unrestricted resources are spent and tracked at the discretion of the recipient University department within the guidelines of donor restrictions, if any.

Auxiliary Activities – As of June 30, 2024 and 2023, auxiliary activities consisted of the following:

	2024	2023
Auxiliary activities revenue, gross	$ 82,930,305	$ 78,462,600
Less: Scholarship allowance	(10,104,497)	(8,379,619)
Auxiliary activities revenue, net	$ 72,825,808	$ 70,082,981

Capital Assets - Capital assets are stated at cost, if purchased, or at acquisition value at the date of the gift for donated property. Physical properties, with the exception of land, are depreciated on the straight-line method over the estimated useful service lives of the respective assets. Estimated service lives are as follows:

Land Improvements	20 Years
Buildings	50 Years
Equipment and Software	3-15 Years
Library Holdings	10 Years

Bond Issuance Costs - Bond issuance costs are expensed in the period incurred while prepaid insurance costs related to bond issuance are amortized over the life of the bonds using the straight-line method. Gains and losses resulting from refunding bonds are booked as deferred outflows of resources and deferred inflows of resources and recognized as a component of interest expense over the shorter of the remaining term of the old debt or the term of the new debt.

Note 1 – Basis of Presentation and Significant Accounting Policies (Continued)

Postemployment Benefits Other Than Pensions - For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the 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. MPSERS uses the economic resources measurement focus and the full accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 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. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows of Resources - In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then.

The University reports deferred outflows of resources for certain pension-related and OPEB-related amounts, such as changes in assumptions and certain contributions made to the plan subsequent to the measurement date. More detailed information can be found in Note 10 and Note 11.

As of June 30, 2024 and 2023, deferred outflows of resources consisted of the following:

Deferred Outflows of Resources

	2024	2023
Loss on refunding of bonds payable	$ 6,645,061	$ 6,987,904
Pension related	945,687	7,936,831
OPEB related	25,314,161	28,806,528
	$ 32,904,909	$ 43,731,263

Note 1 – Basis of Presentation and Significant Accounting Policies (Continued)

Deferred Inflows of Resources - In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

The University reports deferred inflows of resources for certain pension-related and OPEB-related amounts, such as the difference between projected and actual earnings of the plan's investments and changes in key assumptions. More detailed information can be found in Note 10 and Note 11.

As of June 30, 2024 and 2023, deferred inflows of resources consisted of the following:

Deferred Inflows of Resources

	2024	2023
Gain on refunding of bonds payable	$ -	$ 147,131
Lease related	2,253,767	2,772,371
Annuity and trust related	4,817,366	4,476,288
Pension related	411,344	15,400
OPEB related	55,284,273	81,840,945
	$ 62,766,750	$ 89,252,135

Note 2 - Cash and Investments

The University uses the “pooled cash” method of accounting for substantially all of its cash and investments. In order to maximize earnings, the cash and certain investments of Western Michigan University Foundation and Paper Technology Foundation, Inc. are pooled with those of the University, as well as funds held for affiliates and others.

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

	Fair Market Value	Less Than One Year	1-5 Years	6-10 Years	More Than 10 Years
Cash/Cash Equivalents	$ 162,485,229	$ 162,485,229	$ -	$ -	$ -
Corporate Stock	15,120	-	-	-	15,120
Equity Funds	116,566,315	-	-	-	116,566,315
Bond Funds	122,882,112	-	11,127,869	111,754,243	-
Real Estate Investment Trust	392,800	-	-	-	392,800
Total	$ 402,341,576	$ 162,485,229	$ 11,127,869	$ 111,754,243	$ 116,974,235

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

	Fair Market Value	Less Than One Year	1-5 Years	6-10 Years	More Than 10 Years
Cash/Cash Equivalents	$ 169,636,370	$ 169,636,370	$ -	$ -	$ -
Corporate Stock	41,658	-	-	-	41,658
Equity Funds	115,332,683	-	-	-	115,332,683
Bond Funds	100,050,620	-	9,885,554	90,165,066	-
Real Estate Investment Trust	327,618	-	-	-	327,618
Total	$ 385,388,949	$ 169,636,370	$ 9,885,554	$ 90,165,066	$ 115,701,959

The University has certain investments it holds at cost rather than at fair market value. The amount of those investments was $5,424,066 and $4,911,132 as of June 30, 2024 and 2023, respectively.

Note 2 - Cash and Investments (Continued)

Investments at Western Michigan University Foundation, Paper Technology Foundation, Inc., and WMed are as follows:

	Western Michigan University Foundation		Paper Technology Foundation, Inc.		Western Michigan University Homer Stryker M.D. School of Medicine	
	2024	2023	2024	2023	2024	2023
Money market funds	$ 1,425,308	$ 1,034,511	$ 12,039	$ 10,353	$ 855,820	$ 523,775
Corporate stock	3,589,841	2,869,871	30,477	28,862	63,119	55,546
Equity funds	323,143,539	280,073,514	2,509,246	2,555,175	9,540,862	8,360,697
Bond funds	153,748,576	112,160,068	952,870	713,135	3,040,671	2,258,860
Target date blended funds	-	-	-	-	10,406,517	8,989,845
Land and land contracts	2,533,933	2,525,714	21,513	25,401	44,554	48,885
Private equity/venture capital	87,560,345	69,113,247	743,383	695,066	1,539,554	1,337,677
Hedge funds	36,653,269	34,101,910	311,184	342,960	644,466	660,038
Credit/distressed	32,742,273	24,641,920	355,943	247,823	737,161	476,941
Private real assets	89,516,047	95,089,381	706,420	844,372	1,463,002	1,625,021
Total	$ 730,913,131	$ 621,610,136	$ 5,643,075	$ 5,463,147	$28,335,726	$24,337,285

Net gains and losses from security transactions for the years ended June 30, 2024 and 2023 are as follows for each foundation and WMed:

	Western Michigan University Foundation		Paper Technology Foundation, Inc.		Western Michigan University Homer Stryker M.D. School of Medicine	
	2024	2023	2024	2023	2024	2023
Unrealized gains (losses)	$ 37,779,192	$ 37,026,022	$ 326,593	$ 335,703	$ 8,467,937	$ 7,485,014
Realized gains (losses)	14,881,204	(11,233,483)	144,062	(72,566)	292,834	(136,860)
Total	$ 52,660,396	$ 25,792,539	$ 470,655	$ 263,137	$ 8,760,771	$ 7,348,154

Western Michigan University Foundation, Paper Technology Foundation, Inc., and WMed investments are stated at fair value based upon quoted market prices or are based on information provided by the fund managers or the general partners of the investment funds.

Note 2 - Cash and Investments (Continued)

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the University's operating investment policy provides for a diversified portfolio comprised of short and long-term investments. The investment policy does not specifically limit or restrict asset allocation except for the long-term investment pool.

The asset allocation, as a percentage of the total market value of the long-term investment pool, is targeted as follows:

Asset Category	Target	Range
U.S. equities	24.0%	10-30%
International equities	21.0%	10-30%
Fixed income	55.0%	45-65%

The University is also exposed to risk indirectly since its mutual fund investees hold investments such as futures, options, and collateralized mortgage obligations (generally referred to as "derivatives").

The annuity and life income funds are invested and held to maturity; therefore, the interest rate risk is not considered in its decisions. The investment policy is to maintain a permanent core asset allocation committed to both equity and fixed-income securities.

Credit Risk - For investments in non-mutual and non-pooled funds, no more than 10 percent of the portfolio, at cost, can be invested in any single issue, except the investments in U.S. government securities. The weighted average credit quality is to be no less than "AAA" (or its equivalent rating by two national rating agencies) for the short-term investment pool accounts.

In addition, the minimum acceptable credit quality at the time of purchase for individual securities shall be "A" for the short-term pool accounts.

Note 2 - Cash and Investments (Continued)

At June 30, 2024 and 2023, the University's debt instruments (subject to fluctuations in interest rates) and related ratings consisted of the following:

	2024 Market Value	NRSRO Rating	2023 Market Value	NRSRO Rating
Bond mutual funds:				
Baird Core Plus Bond Fund	$ 21,949,039	AA-	-	
BlackRock High Yield Bond Portfolio	92,563	B	$ 89,403	B
BlackRock US Debt B	-		20,604,247	AA
Intermediate Credit Index CTF	69,723	A3	28,700	A3
iShares TIPS ETF	314,147	AA	299,506	AAA
Nuveen Core Impact Bond Portfolio	43,217,845	AA3/A1	32,526,620	AA-
Passive Bond Market SL CTF	263,778	AA3	108,784	AA2
Passive Emerging Markets Local Currency Bond NL CTF	97,563	BAA2	40,076	BAA2
Passive High Yield CTF	97,882	B1	40,568	B1
PIMCO Income Inst Fund	21,960,034	A+	16,555,925	A
Shenkman Capital Short Duration High Income Fund	10,867,702	BB-	9,686,808	BB-
SPDR Portfolio Aggregate Bond ETF	181,501	AA-	96,457	AA
Treasury Inflation Protected Securities Index CTF Fund	135,023	AA1	60,062	AAA
Vanguard Total Bond Market Index Fund	1,770,105	AA	1,682,325	AA
Western Asset Core Plus Bond Fund	-		18,231,139	A-
Western Asset US Core Plus LLC	21,865,207	A+	-	
Total	$ 122,882,112		$ 100,050,620	

At June 30, 2024 and 2023, Western Michigan University Foundation's and Paper Technology Foundation, Inc.'s debt instruments pooled with the University's debt instruments (subject to fluctuations in interest rates) and related ratings consisted of the following:

	Western Michigan University Foundation				Paper Technology Foundation, Inc.			
	2024		2023		2024		2023	
Baird Core Plus Bond Fund	$ 1,258,320	AA-	$ -		$ 25,778	AA-	$ -	
BlackRock US Debt B	-		1,352,923	AA	-		13,986	AA
Nuveen Core Impact Bond Portfolio	2,477,642	AA-	2,135,774	AA-	50,757	AA-	22,079	AA-
PIMCO Income Inst Fund	1,258,950	A	1,087,101	A	25,791	A	11,238	A
Shenkman Capital Short Duration High Income Fund	623,036	BB-	636,058	BB-	12,763	BB-	6,575	BB-
Western Asset Core Plus Bond Fund	-		1,197,099	A-	-		12,375	A-
Western Asset US Core Plus LLC	1,253,514	A+	-		25,679	A+	-	
Total	$ 6,871,462		$ 6,408,955		$ 140,768		$ 66,253	

The nationally recognized statistical rating organization (NRSRO) utilized was primarily Moody's Investors Services. The corporate bonds NRSRO rating is based on a weighted average of the individual investment ratings.

Note 2 - Cash and Investments (Continued)

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of the failure of the bank or counterparty, the University will not be able to recover the value of its deposits or investments that are in the possession of an outside party. The University's cash investment policy does not limit the value of deposits or investments that may be held by an outside party. Investments in external investment pools and in open-ended mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book-entry form. At June 30, 2024 and 2023, the carrying amount of the University's deposits was $27,748,606 and $67,931,641, respectively. These amounts include the Foundations' balances of $1,873,901 and $4,240,401, respectively. Of that amount, $1,270,646 and $1,252,000 was insured as of June 30, 2024 and 2023, respectively. The remaining $26,477,960 and $66,679,641 at June 30, 2024 and 2023, respectively, was uninsured and uncollateralized. The University does not require deposits to be insured or collateralized.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The University's cash investment policy provides that investment pool direct placements are to be sufficiently diversified and provides that no more than 10 percent of its assets can be in any particular issue. The foregoing restrictions do not apply to securities that are issued or fully guaranteed by the United States government. The University did not have investments in any single issuer that equaled 10 percent or more in fiscal year 2024 or 2023. Additionally, the University did not have investments in any single issuer that equaled 5 percent or more in fiscal year 2024 or 2023.

Foreign Currency Risk – All of the University's and foundations' holdings of foreign investments were in U.S. dollars at June 30, 2024 and 2023; therefore, the University and foundations have no direct exposure to foreign currency risk.

Note 3 – Fair Value Measurements

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the 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 or liability.

Note 3 – Fair Value Measurements (Continued)

The University has the following recurring fair value measurements:

Assets Measured at Fair Value on a Recurring Basis at June 30, 2024:

		Fair Value Measurements Using		
	Balance at June 30, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Money Market Funds	$ 162,485,229	$ 162,485,229	$ -	$ -
Corporate Stock	15,120	15,120	-	-
Equity Funds	116,566,315	48,981,207	67,585,108	-
Bond Funds	122,882,112	100,352,936	22,529,176	-
Real Estate Investment Trust Fund	392,800	350,721	42,079	-
Total investments by fair value level	$ 402,341,576	$ 312,185,213	$ 90,156,363	$ -

Assets Measured at Fair Value on a Recurring Basis at June 30, 2023:

		Fair Value Measurements Using		
	Balance at June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Money Market Funds	$ 169,636,370	$ 169,636,370	$ -	$ -
Corporate Stock	41,658	41,658	-	-
Equity Funds	115,332,683	41,645,714	73,686,969	-
Bond Funds	100,050,620	79,168,184	20,882,436	-
Real Estate Investment Trust Fund	327,618	309,996	17,622	-
Total investments by fair value level	$ 385,388,949	$ 290,801,922	$ 94,587,027	$ -

Corporate stock, equity funds, bond funds, and the real estate investment trust fund classified in Level 1 are valued using prices quoted in active markets for those securities. Money market funds classified in Level 1 are included as cash and cash equivalents on the statement of net position.

The fair value of equity funds, bond funds, and land and land contracts at June 30, 2024 and 2023 was determined primarily based on level 2 inputs. 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 or liabilities in active markets, and other inputs such as appraisals that are observable and obtained annually.

Note 4 – Receivables

As of June 30, 2024 and 2023, accounts receivable consisted of the following:

	2024	2023
Appropriations from the State of Michigan for operations	$ 21,815,252	$ 20,791,250
Sponsored research grants receivable	7,677,528	7,081,850
Student accounts receivable	11,881,901	9,871,939
Capital appropriations from the State of Michigan	2,141,101	10,329,090
Other	8,410,160	8,111,442
Total	51,925,942	56,185,571
Less allowances for doubtful accounts	(5,015,414)	(4,128,284)
Net accounts receivable	$ 46,910,528	$ 52,057,287

As of June 30, 2024 and 2023, student loans receivable consisted of the following:

	2024	2023
Student loans receivable	$ 1,220,573	$ 1,861,837
Less: allowance for doubtful accounts	(340,636)	(540,026)
Net student loans receivable	$ 879,937	$ 1,321,811

As of June 30, 2024 and 2023, pledges receivable at the component units consisted of the following:

	Western Michigan University Foundation		Paper Technology Foundation, Inc.		Western Michigan University Homer Stryker M.D. School of Medicine	
	2024	2023	2024	2023	2024	2023
Pledges expected to be collected within 1 year	$ 5,578,298	$ 6,745,579	$ 90,528	$ 38,123	$ 1,047,500	$ 1,097,500
Pledges expected to be collected in 1-5 years	207,323,516	235,071,608	262,500	12,028	1,034,000	2,050,000
Pledges expected to be collected in 6-10 years	110,000,000	165,000,000	-	-	-	-
Total	322,901,814	406,817,187	353,028	50,151	2,081,500	3,147,500
Less:						
Allowance for uncollectible contributions	(768,996)	(871,916)	(17,651)	(2,852)	-	-
Present value discount	(19,178,174)	(25,644,651)	(36,107)	(2,508)	-	-
Net pledges receivable	$ 302,954,644	$ 380,300,620	$ 299,270	$ 44,791	$ 2,081,500	$ 3,147,500

Note 4 – Receivables (Continued)

Pledges receivable are presented net of a discount for the value of future cash flows and an allowance for uncollectible contributions. The discount to present value was calculated using the yield on a three-year Treasury bill rate, equal to 4.52 percent and 4.49 percent as of June 30, 2024 and 2023, respectively for receivables payable in five years or less. Receivables payable in ten years were discounted at the 10-year Treasury bill rate of 1.45 percent as of June 30, 2021. The allowance for uncollectible contributions is a general valuation allowance of 5.0 percent for fiscal years 2024 and 2023, established based on historical contribution collection history. Estate gifts receivable at Western Michigan University Foundation of approximately $6.4 million and $4.4 million at June 30, 2024 and 2023, respectively, included in the total pledges receivable, have no allowance for uncollectible contributions. Pledges deemed uncollectible are charged against the allowance for uncollectible contributions in the period in which the determination is made.

In June 2021, a gift was pledged for $550 million to the Foundation for the benefit of the University and WMed to fund scholarships, advance medical education and research, support faculty expertise, increase athletic competitiveness and fuel numerous other initiatives. The pledge payments will be made in annual amounts of $55 million over a ten-year period, which began in fiscal year 2022.

Note 5 – Capital Assets

The following table presents the changes in the various capital asset class categories for the year ended June 30, 2024:

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Capital assets:				
Land	$ 13,478,527	$ -	$ -	$ 13,478,527
Construction in progress	156,797,813	69,256,106	174,601,436	51,452,483
Total nondepreciable property	170,276,340	69,256,106	174,601,436	64,931,010
Land improvements	99,142,782	20,712,880	791,835	119,063,827
Buildings	1,105,306,602	151,354,180	-	1,256,660,782
Equipment, software, and other	87,965,411	12,101,866	3,444,032	96,623,245
Library holdings	99,773,372	1,283,028	-	101,056,400
Total depreciable property	1,392,188,167	185,451,954	4,235,867	1,573,404,254
Total capital assets	1,562,464,507	254,708,060	178,837,303	1,638,335,264
Less accumulated depreciation:				
Land improvements	45,595,665	4,928,774	788,697	49,735,742
Buildings	438,603,061	31,981,654	-	470,584,715
Equipment, software, and other	70,823,964	4,124,547	3,441,617	71,506,894
Library holdings	93,653,837	1,299,599	-	94,953,436
Total accumulated depreciation	648,676,527	42,334,574	4,230,314	686,780,787
Capital assets - Net	$ 913,787,980			$ 951,554,477

Note 5 – Capital Assets (Continued)

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

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Capital assets:				
Land	$ 13,392,390	$ 376,137	$ 290,000	$ 13,478,527
Construction in progress	121,852,558	67,116,205	32,170,950	156,797,813
Total nondepreciable property	135,244,948	67,492,342	32,460,950	170,276,340
Land improvements	102,483,148	15,512,789	18,853,155	99,142,782
Buildings	1,134,954,729	-	29,648,127	1,105,306,602
Equipment, software, and other	88,745,533	4,330,671	5,110,793	87,965,411
Library holdings	99,004,898	768,474	-	99,773,372
Total depreciable property	1,425,188,308	20,611,934	53,612,075	1,392,188,167
Total capital assets	1,560,433,256	88,104,276	86,073,025	1,562,464,507
Less accumulated depreciation:				
Land improvements	60,046,922	4,051,857	18,503,114	45,595,665
Buildings	433,521,557	20,624,484	15,542,980	438,603,061
Equipment, software, and other	72,209,776	3,523,616	4,909,428	70,823,964
Library holdings	92,271,878	1,381,959	-	93,653,837
Total accumulated depreciation	658,050,133	29,581,916	38,955,522	648,676,527
Capital assets - Net	$ 902,383,123			$ 913,787,980

The estimated additional costs to be incurred for major construction projects in progress and scheduled to begin is approximately $158.1 million as of June 30, 2024. Planning and site work has begun for the $124.9 million Valley residence hall. In addition, a renovation project of $8.8 million for the Hilltop Village Road was started during the year. Construction work of $4.2 million began on a new parking structure.

Note 6 – Leases

The University is a lessee for noncancelable leases of various buildings. The University recognizes a lease liability and an intangible right-of-use lease asset (“leased assets”). At the commencement of a lease, the University initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the University determines the discount rate it uses to discount the expected lease payments to present value.

The University is a lessor for noncancelable leases of land, land improvements, and buildings. The University recognizes a lease receivable and a deferred inflow of resources in the financial statements. At the commencement of a lease, the University initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Key estimates and judgments include how the University determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

Lessee

The University leases certain assets from various third parties. The assets leased include buildings. Payments are generally fixed monthly with certain variable payments not included in the measurement of the lease liability required based on the number of credit hours offered and fees collected from certain programs. There are no residual value guarantees.

The University also leases a certain asset that is subsequently subleased by the University to a third party. The noncancelable terms of this leasing arrangement mature in July 2025. The discount rate applicable to this leasing arrangement is 0.719 percent. There are no variable payments required or residual value guarantees associated with this leasing arrangement.

Note 6 – Leases (Continued)

Lease asset activity of the University for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Leased asset class (lessee)				
Buildings	$ 15,527,134	$ 75,475	$14,189,608	$ 1,413,001
Total leased assets	15,527,134	75,475	14,189,608	1,413,001
Less accumulated amortization:				
Buildings	3,966,429	618,019	3,547,939	1,036,509
Total accumulated amortization	3,966,429	618,019	3,547,939	1,036,509
Leased assets (lessee) - Net	$ 11,560,705			$ 376,492

Lease asset activity of the University for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Leased asset class (lessee)				
Buildings	$ 12,592,803	$ 2,934,331	$ -	$ 15,527,134
Total leased assets	12,592,803	2,934,331	-	15,527,134
Less accumulated amortization:				
Buildings	2,624,339	1,342,090	-	3,966,429
Total accumulated amortization	2,624,339	1,342,090	-	3,966,429
Leased assets (lessee) - Net	$ 9,968,464			$ 11,560,705

On June 29, 2023, the Board of Trustees approved the University entering into a purchase agreement to buy real estate located at 200 Ionia Ave SW in Grand Rapids, Michigan for $11.45 million. As part of this purchase agreement the lease was converted to a capital asset during fiscal year 2024, $11.45 million of assets along with $3.5 million of accumulated depreciation was converted as part of this process.

During the year ended June 30, 2024 and 2023, the University recognized the following outflows as a result of certain items that were properly excluded from the initial measurement of the lease liability:

	2024	2023
Variable payments	$ 150,000	$ 150,000
Residual value guarantees	-	-
Termination penalties	-	-

Note 6 – Leases (Continued)

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

	Principal	Interest	Total
2025	$ 275,244	$ 3,460	$ 278,704
2026	47,382	1,541	48,923
2027	26,791	799	27,590
2028	7,221	496	7,717
2029	7,317	399	7,716
2030-3032	22,545	606	23,151
Total	$ 386,500	$ 7,301	$ 393,801

Lessor

The University leases certain assets to various third parties. The assets leased include land, land improvements, and buildings. Payments are generally fixed monthly with certain variable payments not included in the measurement of the lease receivable required based on the number of parking spaces leased.

As of June 30, 2024 and 2023, the following amounts are included on the statement of net position:

	2024	2023
Lease receivable	$ 2,372,272	$ 2,886,074
Lease-related deferred inflows of resources	2,253,767	2,772,371

The University also subleases a certain asset that it initially leases from a third party. The noncancelable terms of this leasing arrangement mature in July 2025. The discount rate applicable to this leasing arrangement is 0.719 percent. There are no variable payments required or residual value guarantees associated with this leasing arrangement.

Note 6 – Leases (Continued)

During the year ended June 30, 2024 and 2023, the University recognized the following related to its lessor agreements:

	2024	2023
Lease revenue	$ 545,047	$ 542,390
Interest income related to its leases	39,790	45,007
Revenue from variable payments not previously included in the measurement of the lease receivable	17,100	17,100
Revenue from residual value guarantees	-	-
Revenue from termination penalties	-	-

Note 7 – Subscription-Based Information Technology Arrangements (SBITAs)

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 ("subscription assets"). 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 has subscription agreements to use the IT assets of various third parties. Payments are fixed amounts made monthly or annually.

Subscription asset activity of the University for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Subscription asset class				
Software	$ 13,308,570	$ 3,887,912	$ 549,794	$ 16,646,688
Total subscription assets	13,308,570	3,887,912	549,794	16,646,688
Less accumulated amortization:				
Software	5,741,145	3,944,027	549,794	9,135,378
Total accumulated amortization	5,741,145	3,944,027	549,794	9,135,378
Subscription assets - Net	$ 7,567,425			$ 7,511,310

Note 7 – Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

Subscription asset activity of the University for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Subscription asset class				
Software	$ 11,242,857	$ 3,332,748	$ 1,267,035	$ 13,308,570
Total subscription assets	11,242,857	3,332,748	1,267,035	13,308,570
Less accumulated amortization:				
Software	2,797,705	4,210,475	1,267,035	5,741,145
Total accumulated amortization	2,797,705	4,210,475	1,267,035	5,741,145
Subscription assets - Net	$ 8,445,152			$ 7,567,425

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

	Principal	Interest	Total
2025	$ 3,227,074	$ 113,099	$ 3,340,173
2026	2,339,001	47,135	2,386,136
2027	44,612	1,609	46,221
2028	39,035	600	39,635
2029	-	-	-
Total	$ 5,649,722	$ 162,443	$ 5,812,165

Note 8 – Long Term Obligations

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

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds Payable					
General Revenue and Refunding Bonds, Series 2021C, with interest at 5.00%, maturing November 15, 2040	$ 33,635,000	$ -	$ 500,000.00	$ 33,135,000	$ 1,270,000
General Revenue and Refunding Bonds, Series 2021A, with interest at 5.00%, maturing November 15, 2053	52,125,000	-	720,000	51,405,000	750,000
General Revenue Refunding Bonds, Series 2021B, with interest ranging from 0.275% to 2.878%, maturing November 15, 2043	64,405,000	-	1,230,000	63,175,000	2,680,000
General Revenue and Refunding Bonds, Series 2019A, with interest at 5.00%, maturing November 15, 2049	63,430,000	-	1,140,000	62,290,000	1,195,000
General Revenue Bonds, Series 2019B, with interest ranging from 2.29% to 3.77%, maturing November 15, 2049	15,570,000	-	370,000	15,200,000	380,000
General Revenue and Refunding Bonds, Series 2015A, with interest ranging from 3.00% to 5.00%, maturing November 15, 2045	81,460,000	-	6,190,000	75,270,000	6,600,000
General Revenue Refunding Bonds, Series 2014, with interest ranging from 3.00% to 5.00%, maturing November 15, 2035	22,660,000	-	1,295,000	21,365,000	1,360,000
General Revenue and Refunding Bonds, Series 2013, with interest ranging from 5.00% to 5.25%, maturing November 15, 2024	2,195,000	-	2,195,000	-	-
General Revenue Bonds, Series 2002B, with interest ranging from 5.25% to 5.42%, maturing November 15, 2032	9,795,000	-	770,000	9,025,000	815,000
Total bonds payable	345,275,000	-	14,410,000	330,865,000	15,050,000
Notes Payable					
Note payable for school of Aviation plane fleet, with an effective rate of 8.00%	-	9,021,750	-	9,021,750	-
Total bonds and notes payable	345,275,000	9,021,750	14,410,000	339,886,750	15,050,000
Other Long-term Obligations					
Annuities payable	676,961	1,032,835	605,335	1,104,461	-
Charitable remainder trusts payable	2,607,575	677,749	652,721	2,632,603	-
Unamortized bond premiums	47,827,267	-	2,830,811	44,996,456	2,536,143
Accrued compensated absences	10,175,132	-	441,196	9,733,936	-
Total long-term obligations	$406,561,935	$ 10,732,334	$ 18,940,063	$398,354,206	$ 17,586,143

Note 8 – Long Term Obligations (Continued)

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

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds Payable					
General Revenue and Refunding Bonds, Series 2021C, with interest at 5.00%, maturing November 15, 2040	$ 33,635,000	$ -	$ -	$ 33,635,000	$ 500,000
General Revenue and Refunding Bonds, Series 2021A, with interest at 5.00%, maturing November 15, 2053	52,125,000	-	-	52,125,000	720,000
General Revenue Refunding Bonds, Series 2021B, with interest ranging from 0.275% to 2.878%, maturing November 15, 2043	64,955,000	-	550,000	64,405,000	1,230,000
General Revenue and Refunding Bonds, Series 2019A, with interest at 5.00%, maturing November 15, 2049	70,585,000	-	7,155,000	63,430,000	1,140,000
General Revenue Bonds, Series 2019B, with interest ranging from 2.29% to 3.77%, maturing November 15, 2049	15,930,000	-	360,000	15,570,000	370,000
General Revenue and Refunding Bonds, Series 2015A, with interest ranging from 3.00% to 5.00%, maturing November 15, 2045	87,685,000	-	6,225,000	81,460,000	6,190,000
General Revenue Refunding Bonds, Series 2014, with interest ranging from 3.00% to 5.00%, maturing November 15, 2035	23,890,000	-	1,230,000	22,660,000	1,295,000
General Revenue and Refunding Bonds, Series 2013, with interest ranging from 5.00% to 5.25%, maturing November 15, 2024	4,290,000	-	2,095,000	2,195,000	2,195,000
General Revenue Bonds, Series 2002B, with interest ranging from 5.25% to 5.42%, maturing November 15, 2032	10,530,000	-	735,000	9,795,000	770,000
Total bonds payable	363,625,000	-	18,350,000	345,275,000	14,410,000
Other Long-term Obligations					
Annuities payable	524,164	381,306	228,509	676,961	-
Charitable remainder trusts payable	2,642,070	389,204	423,699	2,607,575	-
Unamortized bond premiums	50,782,265	-	2,954,998	47,827,267	2,830,811
Accrued compensated absences	10,214,219	-	39,087	10,175,132	-
CARES Act deferred employer payroll taxes	4,358,895	-	4,358,895	-	-
Total long-term obligations	$432,146,613	$ 770,510	$ 26,355,188	$406,561,935	$ 17,240,811

Note 8 – Long Term Obligations (Continued)

The bonds payable are generally callable by the University. The principal and interest amounts are payable as follows:

	Bonds Payable		
	Principal	Interest	Total
2025	$ 15,050,000	$ 14,130,375	$ 29,180,375
2026	15,695,000	13,482,010	29,177,010
2027	16,380,000	12,795,461	29,175,461
2028	17,100,000	12,078,271	29,178,271
2029	17,800,000	11,320,512	29,120,512
2030-2034	78,320,000	45,161,865	123,481,865
2035-2039	57,750,000	31,704,371	89,454,371
2040-2044	56,700,000	19,488,358	76,188,358
2045-2049	36,375,000	9,230,369	45,605,369
2050-2054	19,695,000	2,023,652	21,718,652
Total	$ 330,865,000	$ 171,415,244	$ 502,280,244

Interest expense for the University on all indebtedness was $12,231,757 and $12,564,290 for the years ended June 30, 2024 and 2023, respectively.

Line of Credit

In May 2023, the University signed a new multi-draw term note agreement with the Foundation at an amount not to exceed $20,000,000 with an interest rate of 8.00 percent for the purchase of 32 new Cirrus aircraft. Acquisition of the new fleet and sale of the old fleet will take place over approximately two years. The University will repay the note over a ten-year payment period. Flight fees and the sale of the old fleet will be used to pay the principal and interest to the Foundation. As of June 30, 2024, the University has drawn $9,021,750 on the note.

Note 9 – Insurance

The University participates in the Michigan Universities Self-Insurance Corporation (“M.U.S.I.C.”), which provides indemnity to members against comprehensive general liability, errors and omissions, and property losses commonly covered by insurance. M.U.S.I.C. also provides risk management and loss control services and programs. Loss coverages are structured on a three-layer basis with each member retaining a portion of its losses, M.U.S.I.C. covering the second layer and commercial carriers covering the third. Comprehensive general liability coverage is provided on an occurrence basis. Errors and omissions and property coverage are provided on a claims-made basis. The payments made to M.U.S.I.C. and premiums to excess carriers reflect the claims experience of each university.

Note 9 – Insurance (Continued)

The University is also self-insured for workers' compensation, unemployment compensation and substantially all employee health benefits. Liabilities for estimates of losses retained by the University under M.U.S.I.C. and reserves for claims incurred but not reported under self-insurance programs have been established.

Claims activity for the year ended June 30, 2024 is as follows:

	Liability - Beginning of Year	Claims Incurred, Including Changes in Estimates	Claim Payments	Liability - End of Year
Hospital/Medical claims	$ 2,524,000	$ 35,965,826	$ (36,627,326)	$ 1,862,500
Workers' compensation claims	1,001,385	718,352	(889,052)	830,685
Long-term disability claims	186,600	991,025	(949,025)	228,600
General liability claims	338,745	450,428	(393,375)	395,798
	$ 4,050,730	$ 38,125,631	$ (38,858,778)	$ 3,317,583

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

	Liability - Beginning of Year	Claims Incurred, Including Changes in Estimates	Claim Payments	Liability - End of Year
Hospital/Medical claims	$ 2,597,000	$ 38,956,898	$ (39,029,898)	$ 2,524,000
Workers' compensation claims	977,000	1,245,188	(1,220,803)	1,001,385
Long-term disability claims	324,600	576,133	(714,133)	186,600
General liability claims	401,607	(306,501)	243,639	338,745
	$ 4,300,207	$ 40,471,718	$ (40,721,195)	$ 4,050,730

Note 10 – Retirement Plans

Defined Contribution Plan

The University offers employees eligible for the WMU retirement plan the opportunity to participate in the TIAA-CREF plan. Funding for the plan consists of an employer contribution of 11 percent of covered compensation for employees hired before January 1, 2013. For participating employees hired on or after January 1, 2013, the University contributes 9 percent of covered compensation. The University contribution increases to 10 percent if the employee contributes at least 1 percent but less than 2 percent, and to 11 percent if the employee contributes 2 percent or more. The University has no liability beyond its contribution. Benefits vest immediately for eligible salaried employees and vest over a five-year period for eligible hourly nonexempt participants. Contributions for the years ended June 30, 2024 and 2023 were approximately $21.6 million and $20.4 million, respectively.

Note 10 – Retirement Plans (Continued)

Other Postemployment Benefit Plan

Plan Description - The University provides other postemployment benefits (OPEB) to retired employees, their spouses, and dependent children. Benefits are provided to all retired faculty, academic, and support staff that retired at the age of 55 or older and had provided 10 years or more of service to the University for employees hired on or before September 1, 2010. Employees who are professional and support staff hired after September 1, 2010 pay 100 percent of the premium upon retirement and must be at the age of 60 or older and have provided 15 or more years of service to the University. Other employee groups' agreements vary based on contracts.

This is a single-employer defined benefit plan administered by the University. The benefits are provided under collective bargaining agreements. There are no assets accumulated in a trust for this plan. Administrative costs are paid by the plan through employer contributions (or by the employer if not funded through the plan).

Benefits Provided - The University OPEB plan provides retiree life insurance, health, and dental care benefits, including prescription drug coverage to retired employees, their spouses, and dependent children. Benefits are provided through the University's self-insurance program and the full cost of benefits is covered by the plan.

Employees Covered by Benefit Terms - As of January 1, 2023, the plan had 935 active retiree medical participants and 1,069 retired retiree medical participants, and the plan had 1,971 active life insurance participants and 1,124 retired life insurance participants.

Contributions - Retiree healthcare costs are paid by the University on a "pay-as-you-go" basis. The University has no obligation to make contributions in advance of when the insurance premiums are due for payment. For the fiscal years ended June 30, 2024 and 2023, the University made payments for postemployment health benefit premiums of $6,739,472 and $7,085,333, respectively. Retirees or their surviving spouses are required to make annual contributions between $1,895 to $17,803, depending on their age and if their spouses or dependents are covered.

Total OPEB Liability - The June 30, 2024 total OPEB liability was measured as of June 30, 2023 and was determined by an actuarial valuation performed as of January 1, 2023, which used update procedures to roll forward the estimated liability to June 30, 2023, the measurement date. The June 30, 2023 total OPEB liability has a measurement date of June 30, 2022, based on an actuarial valuation performed as of January 1, 2021, which used update procedures to roll forward the liability to June 30, 2022.

Note 10 – Retirement Plans (Continued)

Changes in the total OPEB liability during the measurement year were as follows:

	Increase (Decrease) Total OPEB Liability 2024	2023
Balance as of July 1	$ 156,979,342	$ 206,431,747
Changes for the fiscal year:		
Service cost	2,043,731	3,495,376
Interest on the total OPEB liability	5,511,166	4,458,313
Changes of benefit terms	-	(13,532,226)
Differences between expected and actual experience	(2,940,366)	-
Changes of assumptions	3,585,766	(36,788,535)
Benefit payments	(6,739,472)	(7,085,333)
Net changes	1,460,825	(49,452,405)
Balance as of June 30	$ 158,440,167	$ 156,979,342

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54 percent to 3.65 percent as of June 30, 2023 and a change in the discount rate from 2.16 percent to 3.54 percent as of June 30, 2022. The maximum healthcare cost trend rate increased from 6.05% as of June 30, 2022 to 7.82% as of June 30, 2023. The percentage of employees eligible for subsidized healthcare benefits at retirement assumed to elect coverage increased from 60% to 65%. The percentage of employees assumed to elect spouse coverage at retirement decreased from 30 percent to 20 percent for male employees and from 10 percent to 0 percent for female employees as of June 30, 2022.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the years ended June 30, 2024 and 2023, the University recognized OPEB recovery of $16,538,416 and OPEB recovery of $29,765,386, 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:

	June 30, 2024		June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,104,035	$ (8,797,613)	$ 1,549,211	$ (11,898,022)
Changes of assumptions	18,386,761	(46,471,849)	19,774,355	(69,942,923)
Total amortized deferrals	19,490,796	(55,269,462)	21,323,566	(81,840,945)
University contributions subsequent to the measurement date	5,749,675	-	6,739,472	-
Total	$ 25,240,471	$ (55,269,462)	$ 28,063,038	$ (81,840,945)

Note 10 – Retirement Plans (Continued)

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 total OPEB liability and therefore will not be included in future OPEB expense):

Year Ending June 30	Amount
2025	$ (15,848,107)
2026	(5,265,859)
2027	(3,620,678)
2028	(5,054,872)
2029	(6,073,334)
Thereafter	84,184
Total	$ (35,778,666)

Actuarial Assumptions - The total OPEB liability as of June 30, 2023 is based on the results of an actuarial valuation as of January 1, 2023 and rolled forward. The total OPEB liability as of June 30, 2022 is based on the results of an actuarial valuation as of January 1, 2022 and rolled forward.

The total OPEB liability was determined using the following actuarial assumptions as of June 30, 2023:

Actuarial cost method	Entry age normal cost actuarial cost method
Discount rate	3.65%
20-year municipal bond rate	3.65%, based on the rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of June 30, 2023
Salary increases	3.00%
Healthcare participation rate	65.00%
Healthcare Cost Trend Rate	4.50%-7.82%
Mortality basis	PUB-2010 General Employees headcount-weighted Mortality Tables, projected generationally from 2010 with MP-2021

The total OPEB liability was determined using the following actuarial assumptions as of June 30, 2022:

Note 10 – Retirement Plans (Continued)

Actuarial cost method	Entry age normal cost actuarial cost method
Discount rate	3.54%
20-year municipal bond rate	3.54%, based on the rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of June 30, 2022
Salary increases	3.00%
Healthcare participation rate	60.00%
Healthcare Cost Trend Rate	4.50%-6.05%
Mortality basis	PUB-2010 General Employees headcount-weighted Mortality Tables, projected generationally from 2010 with MP-2021

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2021 through December 31, 2023 for medical and dental and vision costs were based on Blue Cross Blue Shield renewal rates furnished by the University effective January 1, 2024.

Note 10 – Retirement Plans (Continued)

Discount Rate - The discount rate used to measure the total OPEB liability was 3.65 percent and 3.54 percent as of June 30, 2023 and 2022, respectively. The discount rate is based on the 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of June 30, 2023 and June 30, 2022.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the University, calculated using the discount rate, as well as what the University's total OPEB 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:

2024		
1.00 percent decrease (2.65 percent)	Current Discount Rate (3.65 percent)	1.00 percent increase (4.65 percent)
$ 182,249,101	$ 158,440,167	$ 138,924,338

2023		
1.00 percent decrease (2.54 percent)	Current Discount Rate (3.54 percent)	1.00 percent increase (4.54 percent)
$ 180,395,695	$ 156,979,342	$ 137,825,093

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate The following presents the total OPEB liability of the University, calculated using the healthcare cost trend rate, as well as what the University's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

2024		
1.00 percent decrease	Current Healthcare Cost Trend Rate	1.00 percent increase
$ 137,736,722	$ 158,440,167	$ 184,059,502

2023		
1.00 percent decrease	Current Healthcare Cost Trend Rate	1.00 percent increase
$ 136,326,003	$ 156,979,342	$ 182,666,987

Note 11 – Michigan Public School Employees' Retirement System

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

The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the pension and postemployment healthcare plans. That report is available on the web at http://www.michigan.gov/orsschools, or by writing to the Office of Retirement System (ORS) at 7150 Harris Drive, P.O. Box 30171, Lansing, MI 48909.

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

Depending on the plan option selected, member retirement benefits are calculated as final average compensation times years of service 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 to 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.

Depending on the member's date of hire, MPSERS offers the option of participating in the Defined Contribution (DC) plan that provides a 50.00 percent employer match (up to 3.00 percent of salary) on employee contributions.

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. The disability benefits plus authorized outside earnings are limited to 100.00 percent of the participant's final average compensation, with an increase of 2.00 percent each year thereafter.

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

Note 11 – Michigan Public School Employees' Retirement System (Continued)

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 3.00 percent. For some members who do not receive an annual increase, they are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions.

MPSERS provides medical, prescription drug, dental, and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by MPSERS with the balance deducted from the monthly pension of each retiree healthcare recipient. Depending on the member's date of hire, this subsidized portion ranges from 80.00 percent to the maximum allowed by the statute.

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 the OPEB plan, retirees electing this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10.00 percent, or 20.00 percent for those not Medicare eligible, of the monthly premium amount for the health, dental, and vision coverage at the time of receiving the benefits. The MPSERS board of trustees annually sets the employer contribution rate to fund the benefits. Participating employers are required to contribute at that rate.

Under Public Act 300 of 2012, members were given the choice between continuing the 3.00 percent contribution to the retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3.00 percent contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2.00 percent employee contribution into their 457 account as of their transition date, earning them a 2.00 percent employer match into a 401(k) account. Members who selected this option stopped paying the 3.00 percent contribution to the retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

The University's contributions are determined based on employee elections. There are multiple different pension and healthcare benefit options included in the plan available to employees based on date of hire and the elections available at that time. Contribution rates are adjusted annually by the ORS.

Note 11 – Michigan Public School Employees' Retirement System (Continued)

The rates are as follows:

	Pension	OPEB
October 1, 2021 - September 30, 2022	26.38%	6.79%
October 1, 2022 - September 30, 2023	16.52%	0.92%
October 1, 2023 - September 30, 2024	10.94%	1.53%

Depending on the plan selected, member pension contributions range from 0.00 percent up to 7.00 percent of gross wages. For certain plan members, a 4.00 percent employer contribution to the defined contribution pension plan is required. In addition, for certain plan members, a 3.00 percent employer match is provided to the defined contribution pension plan.

The University's required and actual pension contributions to the plan for the years ended June 30, 2024 and 2023 were $50,360,075 and $76,445,241, respectively, which include the University's contributions required for those members with a defined contribution benefit. The State of Michigan allocated $45,584,356 to the University through Section 236(h) of Public Act 144 of 2022 as part of the $50,360,075 contribution in fiscal year 2024. The State of Michigan allocated $68,377,164 to the University through Section 236(h) of HB4400 as part of the $76,445,241 contribution in fiscal year 2023.

The University's required and actual OPEB contributions to the plan for the years ended June 30, 2024 and 2023 were $90,281 and $982,761, 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 $5,227,673 and $72,880,357, respectively, for its proportionate share of the net pension liability as calculated for the universities reporting unit of MPSERS. The net pension liability was measured as of September 30, 2023 and 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2022 and 2021, which used updated procedures to roll forward the estimated liability to September 30, 2023 and 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 universities, actuarially determined. At September 30, 2023, 2022, and 2021 the University's proportion was 22.66 percent, 22.80 percent, and 22.81 percent, respectively, of the universities reporting unit.

Note 11 – Michigan Public School Employees' Retirement System (Continued)

Net OPEB Asset - At June 30, 2024 and 2023, the University reported an asset of $17,021,431 and $8,529,507, respectively, for its proportionate share of the net OPEB asset as calculated for the universities reporting unit of MPSERS. The net OPEB asset was measured as of September 30, 2023 and 2022 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of September 30, 2022 and 2021, which used updated procedures to roll forward the estimated asset to September 30, 2023 and 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 universities, actuarially determined. At September 30, 2023, 2022, and 2021, the University's proportion was 20.13 percent, 22.78 percent, and 22.79 percent, respectively, of the universities reporting unit.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the years ended June 30, 2024 and 2023, the University recognized a pension recovery of $12,086,346, and expense of $25,045,191, 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:

	June 30, 2024		June 30, 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 assets	$ -	$ (411,344)	$ 3,899,020	$ -
Total amortized deferrals	-	(411,344)	3,899,020	-
University contributions subsequent to the measurement date	945,687	-	4,037,811	-
Total	$ 945,687	$ (411,344)	$ 7,936,831	$ -

The $0 and $2,800 reported as deferred inflows of resources resulting from the pension portion of state aid payments received pursuant to Section 236(4) of the State School Aid Act (PA 94 of 1979), will be recognized as state appropriations revenue for the years ended June 30, 2024 and 2023, respectively.

Note 11 – Michigan Public School Employees' Retirement System (Continued)

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

Year Ending June 30	Amount
2025	(1,081,844)
2026	(1,476,703)
2027	3,128,973
2028	(981,770)
2029	-
Thereafter	-
Total	$ (411,344)

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

The University had deferred inflows of resources related to revenue in support of pension payments made subsequent to the measurement date totaling $411,344 and $15,400 at June 30, 2024 and 2023, respectively.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the years ended June 30, 2024 and 2023, the University recognized OPEB recovery of $7,721,539 and OPEB recovery of $1,961,174, 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:

	June 30, 2024		June 30, 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 OPEB plan assets	$ -	$ (14,811)	$ 699,179	$ -
Total amortized deferrals	-	(14,811)	699,179	-
University contributions subsequent to the measurement date	73,690	-	44,311	-
Total	$ 73,690	$ (14,811)	$ 743,490	$ -

Note 11 – Michigan Public School Employees' Retirement System (Continued)

There were no amounts reported as deferred inflows of resources resulting from the OPEB portion of state aid payments received pursuant to Section 236(4) of the State School Aid Act (PA 94 of 1979) that will be recognized as state appropriations revenue for the years ended June 30, 2025 or 2024. 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 liability and therefore will not be included in future OPEB expense):

Year Ending June 30	Amount
2025	(315,824)
2026	(427,387)
2027	898,426
2028	(170,026)
2029	-
Thereafter	-
Total	$ (14,811)

Actuarial Assumptions - The total pension liability and total OPEB liability 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 total OPEB liability were determined using the following actuarial assumptions as of September 30, 2022:

Actuarial cost method		Entry age normal cost actuarial cost method
Investment rate of return - Pension	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
Salary increases	2.75% 11.55%	Including wage inflation of 2.75%
Healthcare Cost Trend Rate	Pre-65:	7.50% Year 1 graded to 3.5% Year 15
	Post-65:	6.25% Year 1 graded to 3.5% Year 15
Mortality basis	Retirees:	PubT-2010 Male and Female Retiree Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
	Active Members:	PubT-2010 Male and Female Employee Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.
Cost of living pension adjustments	3.00%	Annual non-compounded for MIP members

Note 11 – Michigan Public School Employees' Retirement System (Continued)

The total pension liability and total OPEB liability were determined using the following actuarial assumptions as of September 30, 2021:

Actuarial cost method		Entry age normal cost actuarial cost method
Investment rate of return - Pension	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
Salary increases	2.75% 11.55%	Including wage inflation of 2.75%
Healthcare Cost Trend Rate	Pre-65:	7.75% Year 1 graded to 3.5% Year 15; 3.00% Year 120
	Post-65:	5.25% Year 1 graded to 3.5% Year 15; 3.00% Year 120
Mortality basis	Retirees:	RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
	Active Members:	RP-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% 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

Assumption changes as a result of an experience study for the periods 2014 to 2019 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2020 valuation.

Discount Rate - The discount rate used to measure the total pension liability was 6.0 percent and 6.0 percent as of September 30, 2023 and 2022, respectively. The discount rate used to measure the total OPEB liability was 6.0 percent and 6.0 percent as of September 30, 2023 and 2021, respectively. 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 University 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 liability.

Note 11 – Michigan Public School Employees' Retirement System (Continued)

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:

	September 30, 2023		September 30, 2022	
Investment Category	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%
Real Return/Opportunistic Pools	10.0%	7.3%	10.0%	5.8%
Short Term Investment Pools	2.0%	0.3%	2.0%	-0.5%
Total	100.0%		100.0%	

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:

2024		
1.00 percent decrease (5.00 percent)	Current Discount Rate (6.00 percent)	1.00 percent increase (7.00 percent)
$ 30,005,221	$ 5,227,673	$ (16,027,250)

2023		
1.00 percent decrease (5.00 percent)	Current Discount Rate (6.00 percent)	1.00 percent increase (7.00 percent)
$ 101,528,107	$ 72,880,357	$ 48,561,900

Note 11 – Michigan Public School Employees' Retirement System (Continued)

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. The following 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:

2024		
1.00 percent decrease (5.00 percent)	Current Discount Rate (6.00 percent)	1.00 percent increase (7.00 percent)
$ (14,453,659)	$ (17,021,431)	$ (19,234,981)

2023		
1.00 percent decrease (5.00 percent)	Current Discount Rate (6.00 percent)	1.00 percent increase (7.00 percent)
$ (4,563,011)	$ (8,529,507)	$ (11,898,977)

Sensitivity of the Net OPEB Asset to Changes in the Healthcare Cost Trend Rate - The following presents the net OPEB Asset of the University, calculated using the current healthcare cost trend rate. The following also reflects what the University's net OPEB Asset would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

2024		
1.00 percent decrease	Current Healthcare Cost Trend Rate	1.00 percent increase
$ (19,366,851)	$ (17,021,431)	$ (14,382,320)

2023		
1.00 percent decrease	Current Healthcare Cost Trend Rate	1.00 percent increase
$ (12,110,477)	$ (8,529,507)	$ (4,422,357)

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, there was a payable to the pension plan of $41,706 and a payable to the OPEB plan of $15,161. At June 30, 2023, the University reported a payable of $2,341,559 for the outstanding contributions to the pension plan. There were no amounts payable to the OPEB plan at June 30, 2023.

Note 12 – Commitments and Contingencies

In the normal course of its activities, the University is a party in various legal and regulatory actions. The University believes that the outcome of these actions will not have a material effect on the financial statements.

Note 13 – Upcoming Accounting Pronouncements

In December 2023, the Government Accounting Standards Board issued Statement No. 102, Certain Risk Disclosures, which requires governments to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. It also requires governments 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. The provisions of this statement are effective for the University's financial statements for the year ending June 30, 2026.

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 noncash 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.

Note 14 – Restatement

During fiscal year 2024, the University reclassified the fund balance for the University’s Net OPEB asset from unrestricted to restricted net position. This change resulted in adjustments to and restatements of the fiscal year 2023 balance of approximately $8,500,000. The change did not result in any changes in total net position.

Required Supplementary Information

Schedule of Pension Funding Progress
Michigan Public School Employee's Retirement System
(amounts were determined as of September 30 of each fiscal year):

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
University's proportion of the universities collective MPSERS net pension liability:										
As a percentage	22.66%	22.80%	22.81%	22.84%	22.86%	22.78%	22.58%	22.68%	21.51%	21.67%
Amount	$ 5,227,673	$ 72,880,357	$128,163,238	$155,972,566	$153,069,975	$145,574,677	$129,887,690	$127,039,098	$118,006,895	$ 81,280,501
University's covered payroll	$ 52,523,000	$ 51,493,000	$ 50,484,000	$ 49,494,000	$ 48,523,000	$ 47,571,816	$ 48,271,000	$ 46,639,000	$ 18,109,793	$ 19,352,399
University's proportional share of the collective pension liability (amount), as a percentage of the University's covered payroll	9.95%	141.53%	253.87%	315.13%	315.46%	306.01%	269.08%	272.39%	651.62%	420.00%
University-only plan fiduciary net position as a percentage of the total pension liability	65.91%	74.39%	52.26%	43.07%	44.24%	45.87%	47.42%	46.77%	47.45%	63.00%

See accompanying notes to required supplementary information.

Schedule of Pension Contributions
Michigan Public School Employee's Retirement System
(amounts were determined as of June 30 of each fiscal year):

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 47,966,006	$ 76,429,353	$ 31,168,805	$ 11,575,525	$ 11,131,258	$ 11,146,090	$ 11,669,886	$ 8,818,750	$ 8,480,013	$ 7,007,529
Contributions in relation to the actuarially determined contractually required contribution	$ 47,966,006	$ 76,429,353	$ 31,168,805	$ 11,575,525	$ 11,131,258	$ 11,146,090	$ 11,669,886	$ 8,818,750	$ 8,480,013	$ 7,548,071
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (540,542)
Covered payroll	$ 53,310,845	$ 52,265,395	$ 51,241,260	$ 50,236,410	$ 49,250,845	$ 48,285,204	$ 47,746,750	$ 47,863,000	$ 17,156,507	$ 19,002,237
Contributions as a percentage of covered payroll	89.97%	146.23%	60.83%	23.04%	22.60%	23.08%	24.44%	18.42%	49.43%	39.72%

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Schedule of OPEB Funding Progress
Michigan Public School Employee's Retirement System
(amounts were determined as of September 30 of each fiscal year):

	2023	2022	2021	2020	2019	2018	2017
University's proportion of the universities collective MPSERS net OPEB liability:							
As a percentage	20.13%	22.78%	22.79%	22.82%	22.80%	22.80%	22.56%
Amount	$(17,021,431)	$ (8,529,507)	$ (9,774,047)	$ 9,640,545	$20,928,583	$27,048,712	$32,104,204
University's covered payroll	$ 52,523,000	$51,493,000	$50,484,000	$49,494,000	$48,523,000	$47,571,816	$48,271,000
University's proportional share of the collective OPEB liability (amount), as a percentage of the University's covered payroll	-32.41%	-16.56%	-19.36%	19.48%	43.13%	56.86%	66.51%
University-only plan fiduciary net position as a percentage of the total OPEB liability	158.96%	121.19%	123.91%	77.20%	61.07%	51.90%	44.11%

See accompanying notes to required supplementary information.

Schedule of OPEB Contributions
Michigan Public School Employee's Retirement System
(amounts were determined as of June 30 of each fiscal year):

	2024	2023	2022	2021	2020	2019	2018
Statutorily required OPEB contributions	$ 88,460	$ 981,078	$ 2,535,419	$ 2,606,741	$ 2,888,952	$ 2,888,696	$ 3,110,164
OPEB contributions in relation to the actuarially determined contractually required contribution	$ 88,460	$ 981,078	$ 2,535,419	$ 2,606,741	$ 2,888,952	$ 2,888,696	$ 3,110,164
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll (OPEB)	$ 53,310,845	$52,265,395	$51,241,260	$50,236,410	$49,250,845	$48,285,204	$47,746,750
OPEB contributions as a percentage of covered payroll	0.17%	1.88%	4.95%	5.19%	5.87%	5.98%	6.51%

Note: GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

See accompanying notes to required supplementary information.

Schedule of Changes in the Total OPEB Liability and Related Ratios
Western Michigan University OPEB Plan
(amounts were determined as of June 30 of each fiscal year):

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	$ 2,043,731	$ 3,495,376	$ 4,939,533	$ 3,854,859	$ 4,577,061	$ 4,774,226	$ 11,313,559
Interest cost	5,511,166	4,458,313	4,807,466	6,283,147	7,283,275	6,827,765	9,128,719
Changes of benefit terms	-	(13,532,226)	-	-	-	-	-
Differences between expected and actual experiences	(2,940,366)	-	(4,810,345)	(1,471,296)	3,329,915	-	(36,247,242)
Changes of assumptions	3,585,766	(36,788,535)	(8,383,430)	33,135,407	(18,120,506)	(8,469,080)	(102,088,976)
Benefit payments	(6,739,472)	(7,085,333)	(5,399,210)	(4,338,724)	(5,699,240)	(5,223,162)	(5,128,658)
Net change in total OPEB liability	1,460,825	(49,452,405)	(8,845,986)	37,463,393	(8,629,495)	(2,090,251)	(123,022,598)
Total OPEB liability (beginning)	156,979,342	206,431,747	215,277,733	177,814,340	186,443,835	188,534,086	311,556,684
Total OPEB liability (ending)	$ 158,440,167	$ 156,979,342	$ 206,431,747	$ 215,277,733	$ 177,814,340	$ 186,443,835	$ 188,534,086
Covered-employee payroll	$ 163,749,951	$ 159,058,516	$ 159,058,516	$ 176,159,000	$ 176,159,000	$ 157,594,000	$ 157,594,000
Total OPEB liability as a percentage of payroll	96.76%	98.69%	129.78%	122.21%	100.94%	118.31%	119.63%

See accompanying notes to required supplementary information.

Pension Information

RSI covered-payroll - The employer's 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.

Benefit Changes - There were no changes of benefit terms for each of the reported plan years ended September 30.

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

2023 There were no changes in assumptions used in the September 30, 2023 actuarial valuation.

2022 The discount rate used in the September 30, 2021 actuarial valuation decreased from 6.80 percent to 6.00 percent.

2021 There were no changes in assumptions used in the September 30, 2020 actuarial valuation.

2020 There were no changes in assumptions used in the September 30, 2019 actuarial valuation.

2019 The discount rate used in the September 30, 2018 actuarial valuation decreased from 7.05 percent to 6.80 percent.

2018 The discount rate used in the September 30, 2017 actuarial valuation decreased from 7.50 percent to 7.05 percent. 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 from 8.00 percent to 7.50 percent.

OPEB Information

RSI covered-payroll – The employer's 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.

Benefit Changes –

There were no significant changes of assumptions for MPSERS for each of the reported plan years ended September 30.

There were no significant changes of assumptions for the single-employer plan for each of the reported plan years ended June 30, except for the following:

2023 The plan deductibles and out-of-pocket maximums used in the June 30, 2022 actuarial valuation increased by up to 50 percent for in-network and out-of-network coverage.

Changes in Assumptions –

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

2023 The mortality rate tables for retirees were updated to reflect an increase from 82% to 116% for males and 78% to 116% for females.

2022 The discount rate used in the September 30, 2021 actuarial valuation decreased from 6.95 percent to 6.00 percent.

2021 The healthcare cost trend rate used in the September 30, 2020 actuarial valuation increased by 0.75 percent for pre-65 and decreased by 1.75 percent for post-65.

2020 The healthcare cost trend rate used in the September 30, 2019 actuarial valuation decreased by 0.50 percent 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 $42.0 million for the university employer portion of the total OPEB liability.

2019 The discount rate used in the September 30, 2018 actuarial valuation decreased from 7.15 percent to 6.95 percent.

2018 The discount rate used in the September 30, 2017 actuarial valuation decreased from 7.50 percent to 7.15 percent. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017.

OPEB Information (Continued)

There were no significant changes of assumptions for the single-employer plan for each of the reported plan years ended June 30, except for the following:

2024	The discount rate used in the June 30, 2023 actuarial valuation increased from 3.54 percent to 3.65 percent.
2023	The discount rate used in the June 30, 2022 actuarial valuation increased from 2.16 percent to 3.54 percent.
2022	The discount rate used in the June 30, 2021 actuarial valuation decreased from 2.21 percent to 2.16 percent. The percentage of employees assumed to elect spouse coverage at retirement decreased from 50 percent to 30 percent for male employees and 10 percent for female employees.
2021	The discount rate used in the June 30, 2020 actuarial valuation decreased from 3.50 percent to 2.21 percent.
2020	The discount rate used in the June 30, 2019 actuarial valuation decreased from 3.87 percent to 3.50 percent. The mortality basis changed to the PUB2010 general employees classification headcount-weighted mortality table projected using scale MP-2018 from the RP-2014 aggregate mortality table projected using scale MP-2016.
2019	The discount rate used in the June 30, 2018 actuarial valuation increased from 3.58 percent to 3.87.
2018	The discount rate used in the June 30, 2017 actuarial valuation decreased from 2.85 percent to 3.58 percent.