


Financial Report

Year Ended September 30, 2010

WAYNE STATE

AIM HIGHER

Executive Officers

Allan Gilmour
President

Ronald T. Brown
Provost and Senior Vice President
for Academic Affairs

David Ripple
Vice President for Development
and Alumni Affairs and President,
Wayne State University Foundation

John L. Davis
Vice President, Treasurer
and Chief Financial Officer

Andrea Roumell Dickson
Executive Vice President and Chief of Staff

Hilary Ratner
Vice President for Research

Harvey Hollins III
Vice President for Government
and Community Affairs

Louis Lessem
Vice President and General Counsel

Julie H. Miller
Secretary to the Board of Governors
and Senior Executive Assistant to the President

Michael Wright
Vice President for Marketing and
Communications

Board of Governors

Richard Bernstein, chair

Tina Abbott, vice chair*

Debbie Dingell

Eugene Driker*

Diane L. Dunaskiss

Paul E. Massaron

Annetta Miller

Gary S. Pollard**

Allan Gilmour, ex officio

*Member — Audit Subcommittee; **chair — Audit Subcommittee

Finance Administration

John L. Davis
Vice President, Treasurer
and Chief Financial Officer

James D. Barbret
Interim Controller and Associate Vice President for
Sponsored Program Administration

Roger W. Kempa
Investment, Debt and Risk Officer
and Assistant Treasurer

Tamaka M. Butler
Associate Controller

Patricia R. Douglas
Director of Accounting

Wayne State University

Financial Report

September 30, 2010

Wayne State University

Contents

Plante & Moran, PLLC
27400 Northwestern Highway
P.O. Box 307
Southfield, MI 48037-0307
Tel: 248.352.2500
Fax: 248.352.0018
plantemoran.com

Independent Auditor's Report

To the Board of Governors
Wayne State University

We have audited the accompanying balance sheet of Wayne State University as of September 30, 2010 and 2009 and the related statements of revenues, expenses, and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wayne State University as of September 30, 2010 and 2009 and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Notes 1 and 6 to the financial statements, the University has changed its method of accounting for derivative investments in 2010 and 2009 due to the adoption of *Governmental Accounting Standards Board No. 53 – Accounting and Financial Reporting for Derivative Instruments*.

In accordance with *Government Auditing Standards*, we have also issued a report under separate cover dated January 7, 2011 on our consideration of the University's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters for the year ended September 30, 2010. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide opinions on the internal control or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

To the Board of Governors
Wayne State University

The management's discussion and analysis presented on pages 3 through 24 is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

January 7, 2011

Plante & Moran, PLLC

Introduction

The following discussion and analysis provides an overview of the financial position of Wayne State University (the "University") at September 30, 2010 and of its operations and cash flows for the year then ended. Selected comparative information is provided for the years ended September 30, 2009 and 2008. This discussion has been prepared by management and should be read in conjunction with the accompanying financial statements and related notes to facilitate and enhance the reader's understanding of the 2010 financial report.

Wayne State University is a nationally recognized public research university with urban roots and a global reputation. The main campus, located in Detroit's University Cultural Center, includes more than 350 undergraduate, graduate, doctoral, certificate, and professional programs offered through 12 of the University's 13 schools and colleges. With fall 2010 enrollment of approximately 31,600 students, the University ranks amongst the top 45 public and private not-for-profit universities in the nation in terms of enrollment and has the most diverse student body of any university in Michigan. As the sixth largest employer in the City of Detroit, as ranked by the 2010 Crain's Business Survey of Detroit's Largest Employers, the University has a significant impact on the local economy and contributes to the state and nation as well through its research and public service programs.

Excellence in research is essential to the University's mission. Based on the 2009 National Science Foundation Research and Development Expenditures Survey, the University ranked 76th among all universities and 52nd among public universities in research and development expenditures. A substantial portion of the University's research is conducted at the School of Medicine, the nation's largest single-campus medical school. The 2009 National Science Foundation Research and Development Expenditures Survey ranked the University 46th in the medical sciences category. Wayne State University, Michigan State University, and the University of Michigan, the state's three largest research universities, are partners in the University Research Corridor (URC). The URC is an alliance between these three universities to spark regional economic development through invention, innovation, and technology transfer, by educating a work force prepared for the "knowledge economy," and by attracting smart and talented people to Michigan.

Using this Report

The University's financial report includes three basic financial statements: the balance sheet, which presents the assets, liabilities, and net assets of the University at September 30, 2010, the statement of revenues, expenses, and changes in net assets, which reflects revenues and expenses recognized during the fiscal year, and the statement of cash flows, which provides information on the major sources and uses of cash during the fiscal year. The report also includes notes to the financial statements which are an integral component of the report. These financial statements and accompanying notes are prepared in accordance with the principles of the Governmental Accounting Standards Board (GASB), which establish standards for external financial reporting for public colleges and universities and require that the financial statements be presented on a combined basis to focus on the University as a whole, including all of its relevant activities. Accordingly, consistent with the GASB principles, the Wayne State University Housing Authority (the "Housing Authority") and the Wayne State University Foundation (the "Foundation"), as controlled corporate organizations, are included in the combined financial statements. The Housing Authority operations, including assets, liabilities and net assets, were transferred to the University effective December 31, 2009. Additional supplemental information, which provides balance sheet and operating information for all individual funds of the University, is also included in the report.

Overall Financial Highlights

The University's financial position remained stable and strong at September 30, 2010 with assets and liabilities of $1.59 and $.70 billion, respectively. Net assets, which represent the residual interest in the University's assets after liabilities are deducted, increased $12.9 million from October 1, 2009 to September 30, 2010.

During fiscal year 2010, the University adopted GASB Statement No. 53, Accounting and Financial Reporting for Derivatives, which requires derivative instruments to be measured and recorded at fair value. As more fully discussed in Notes 1 and 6, the University implemented this standard retroactively and net assets were restated as of October 1, 2008. For comparability purposes, the standard was applied to fiscal year 2008 in the Management's Discussion and Analysis section of the financial statements.

Financial Position

The table below reflects the University's assets, liabilities, and net assets at September 30 for the past three fiscal years:

	2010	2009	2008
		(in millions)	
Total assets	$ 1,592.4	$ 1,542.9	$ 1,546.8
Total liabilities	697.7	661.1	665.0
Net assets	894.7	881.8	881.8

Specific discussion and analysis of the changes in the components of the assets, liabilities, and net asset categories are provided on pages 5-15.

Operations

Summarized revenues and expenses including the operating, nonoperating, and other categories for the years ended September 30, 2010, 2009, and 2008 are as follows:

	2010	2009	2008
		(in millions)	
Revenues:			
Operating revenues	$ 499.3	$ 476.6	$ 500.9
Nonoperating revenues	313.7	287.4	247.9
Other revenues	6.7	12.3	28.3
Total revenues	**$ 819.7**	**$ 776.3**	**$ 777.1**
Expenses:			
Operating expenses	$ 780.2	$ 753.5	$ 746.5
Nonoperating expenses	21.0	21.4	18.8
Other expenses	5.6	1.4	2.0
Total expenses	**$ 806.8**	**$ 776.3**	**$ 767.3**

During fiscal year 2010, total revenues increased $43.4 million (5.6 percent) compared to 2009, while total expenses increased $30.5 million (3.9 percent). During fiscal year 2009, total revenues decreased $.8 million (.1 percent) compared to 2008, while total expenses increased $9.0 million (1.2 percent). Specific discussion and analysis of the changes in the components of the revenue and expense categories are provided on pages 16-23.

Balance Sheet

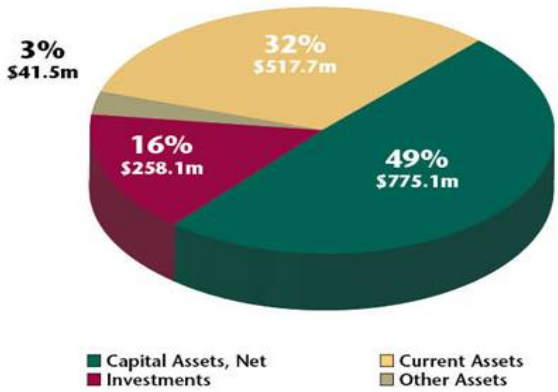
The balance sheet presents the financial position of the University at the end of each fiscal year and includes all assets and liabilities of the University. The difference between total assets and total liabilities, net assets, is one key indicator of the current financial position of the University, while the change in net assets is a key indicator of how the current year's operations have affected the overall financial condition of the University. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost less accumulated depreciation.

A summarized comparison of the University's assets, liabilities, and net assets at September 30, 2010, 2009, and 2008 is as follows:

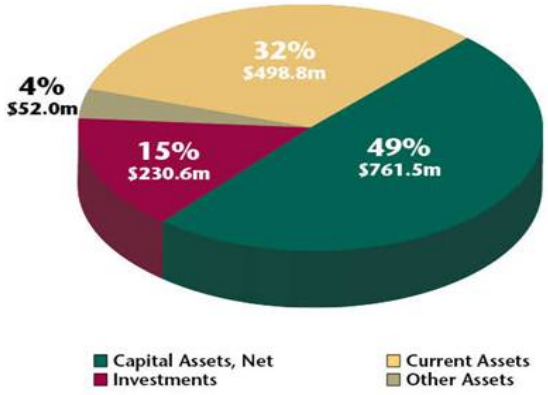
	2010	2009	2008
		(in millions)	
Current assets	$ 517.7	$ 498.8	$ 504.3
Noncurrent assets	1,074.7	1,044.1	1,042.5
Total assets	**$ 1,592.4**	**$ 1,542.9**	**$ 1,546.8**
Current liabilities	$ 245.3	$ 234.8	$ 240.4
Noncurrent liabilities	452.4	426.3	424.6
Total liabilities	697.7	661.1	665.0
Net assets	894.7	881.8	881.8
Total liabilities and net assets	**$ 1,592.4**	**$ 1,542.9**	**$ 1,546.8**

The two sets of charts that follow graphically depict the composition of the University's assets, and liabilities and net assets as a percentage of the respective totals, at September 30, 2010, 2009, and 2008:

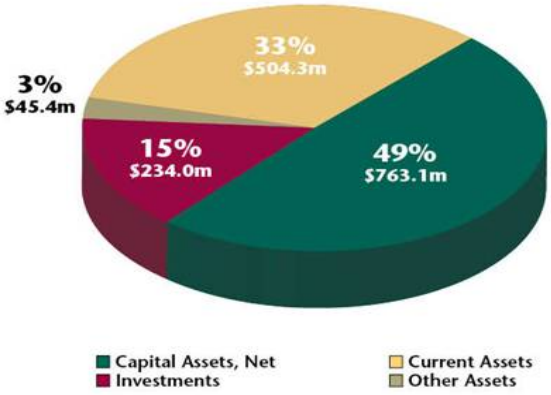
Total Assets



2010 - $1.59 billion

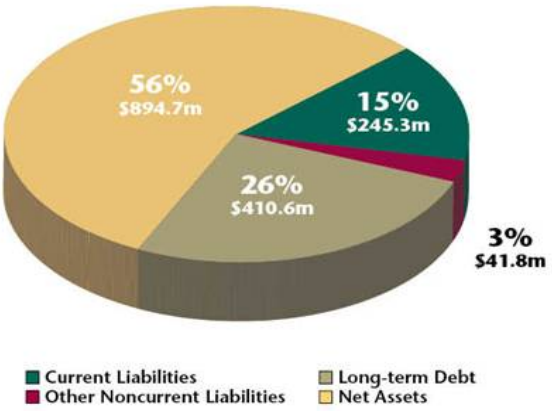


2009 - $1.54 billion

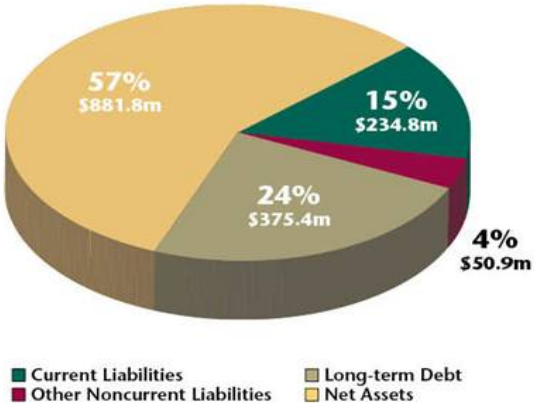


2008 - $1.55 billion

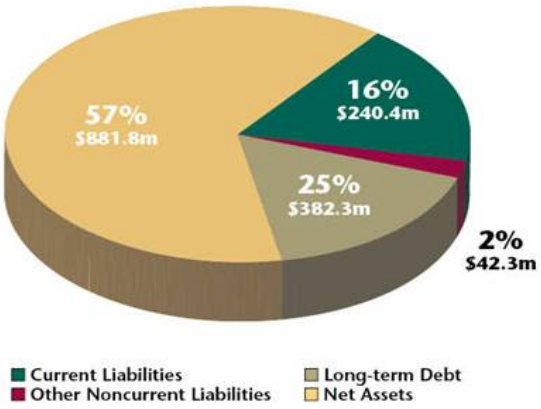
Total Liabilities and Net Assets



2010 - $1.59 billion



2009 - $1.54 billion



2008 - $1.55 billion

Current Assets and Liabilities

Current assets are comprised primarily of cash and temporary investments and receivables. The composition of total current assets at September 30, 2010, 2009, and 2008 is as follows:

	2010	2009	2008
		(in millions)	
Cash and temporary investments	$ 379.5	$ 352.6	$ 358.9
Current receivables - Net	107.4	117.0	126.4
Inventories	1.6	1.7	1.7
Prepaid expenses and deposits	29.2	27.5	17.3
Total current assets	**$ 517.7**	**$ 498.8**	**$ 504.3**

At September 30, 2010, current assets increased $18.9 million (3.8 percent) to $517.7 million compared to $498.8 million at September 30, 2009. The most substantial changes in the components of current assets are attributable to the following factors:

- Cash and temporary investments increased $26.9 million (7.6 percent). Changes in cash and temporary investments are affected by:
  - The University's overall operations, changes in financial position, and changes in net assets;
  - The timing of payments to employees and vendors;
  - The timing of cash receipts from students and other funding sources.
- Total net receivables (see Note 3) decreased by $20.0 million. This total change consisted of a $9.6 million decrease in the current portion of receivables and a corresponding decrease in noncurrent receivables of $10.4 million. Several factors contributed to these changes:
  - A decrease in capital appropriations receivable from the State of Michigan relating to the Marvin I. Danto Engineering Development Center at September 30 from $1.1 million in 2009 to $.1 million in 2010, resulting in a $1.0 million decrease in the 2010 current receivables.
  - A decrease in University Physician Group (UPG) and other affiliated entities' salary reimbursement related receivables of approximately $6.9 and $2.2 million, respectively, which resulted in a net decrease to current receivables of $2.3 million and noncurrent receivables of $6.8 million. The decreases are a direct result of scheduled payments received related to a repayment agreement entered into in 2009 as well as more timely payments for current monthly charges.
  - A decrease in unbilled receivables for the Fund for Medical Research and Education of approximately $5.0 million as a result of more timely payments.
  - A routine and ordinary increase in student accounts receivable of $3.0 million, offset by a decrease in pledge receivables of $2.2 million and an increase in the provision for loss on receivables of approximately $2.5 million.

In 2009, total current assets decreased $5.5 million (1.1 percent) when compared to 2008.

- Cash and temporary investments declined $6.3 million (1.8 percent) from 2008. Such fluctuations are generally influenced each year by factors such as changes in net assets and timing of payments and cash receipts.
- The total decrease in net receivables of $2.8 million (1.7 percent) consisted of a $9.5 million decrease in the current portion of receivables and an offsetting increase in noncurrent receivables of $6.7 million. Several offsetting factors contributed to these changes:
  - A decrease in capital appropriations receivable from the State of Michigan of $8.9 million from $10.0 million in 2008 to 1.1 million in 2009;
  - Increases in UPG and other affiliated entities' salary reimbursement related receivables of approximately $5.7 and $.8 million, respectively. The University entered into an extended payment arrangement with UPG and six of its affiliated Medical Practice Plans during 2009. This arrangement resulted in reclassifying approximately $8.5 million from current to noncurrent receivables at September 30, 2009;
  - Routine and ordinary increases to grant and contracts receivable of $1.9 million, and student notes and accounts receivable of $1.1 million, offset by a $3.2 million decrease in pledge receivables.
- Prepaid expenses and deposits increased approximately $10.2 million (59.0 percent). Consistent with generally accepted accounting principles, nine month faculty payroll expenses and financial aid disbursed to students, are expensed entirely or primarily in the terms to which they relate. As a result, amounts paid prior to September 30, 2009 which are attributable largely to the fall semester are recorded as prepaid expenses as of that date. At September 30, 2009, the nine month faculty payroll paid on September 30 of $4.3 million (paid on October 1 in 2008) and 75 percent of an approximate increase of $5.6 million in scholarships and financial aid over the 2008 fall term, account for the majority of the increase in prepaid expenses and deposits.

Current liabilities are comprised of amounts payable within one year and consist primarily of accounts payable and accrued liabilities, and deferred income. The composition of total current liabilities at September 30, 2010, 2009, and 2008 is as follows:

	2010	2009	2008
		(in millions)	
Accounts payable and accrued liabilities	$ 89.5	$ 87.3	$ 101.8
Deferred income (See Note 1)	136.6	131.4	121.4
Deposits	7.1	6.7	9.3
Current portion of long-term debt	12.1	9.4	7.9
Total current liabilities	**$ 245.3**	**$ 234.8**	**$ 240.4**

At September 30, 2010, total current liabilities increased by $10.5 million (4.5 percent) to $245.3 million compared to $234.8 million at September 30, 2009. The net increase in total current liabilities in 2010 is due to several offsetting factors.

- Accounts payable and accrued liabilities increased $2.2 million. The increase is a result of the increase in Plant Fund trade payables of $8.5 million, offset by a decrease in Agency Fund payables totaling $5.0 million. The increase in the Plant Fund is primarily related to invoices and contractors' retentions due on major in-process construction activity and projects. Major construction projects with significant amounts due to vendors included in trade accounts payable at the end of 2010 were the Chemistry Building Expansion and the Chemistry Building Renovation Project Phase II and the Parking Structure One major repair project. The decrease in the Agency Fund is largely attributed to payroll tax liabilities for the last payroll of the fiscal year which were paid to the taxing and other related authorities on September 30 in 2010 and on October 1, just after the end of fiscal year 2009.

- Deferred income increased $5.2 million. Tuition related deferred income increased $5.8 million primarily due to fall 2010 tuition and fee increases of 4.4 percent for undergraduate residents and 4.9 percent for graduate students.

- The current portion of long-term debt increased $2.7 million primarily due to the issuance of the General Revenue Bonds Series 2009A and 2009B and the refunding of the Series 1999 bonds during fiscal year 2010.

At September 30, 2009, current liabilities decreased $5.6 million (2.3 percent) to $234.8 million compared to $240.4 million at September 30, 2008. The decrease in current liabilities from 2008 to 2009 included the following offsetting factors:

- Accounts payable and accrued liabilities decreased $14.5 million. Approximately $5.0 million of the decrease was related to the net impact of accrued payroll and accrued payroll related liabilities resulting from the last full payroll of the fiscal year which was paid on September 30 in 2009 and on October 1, just after the end of the 2008 fiscal year. In addition, there was a net decline of approximately $8.0 million in routine trade accounts payable as a result of having fewer major construction projects in progress at the end of 2009 than existed at the end of 2008.

- Deferred income relating to fall 2009 tuition payments increased $10.0 million as a result of a fall enrollment increase of approximately 2.5 percent and increased fall 2009 tuition rates ranging from 4.8 percent for Michigan undergraduate residents to 5.4 percent for all other undergraduate and graduate students.

An overall analysis of the University's current assets and current liabilities continues to indicate favorable current ratios, a measure of liquidity, of 2.1 at September 30, 2010, 2009, and 2008.

Noncurrent Assets and Liabilities

Noncurrent Assets

Notable changes from 2009 to 2010 in noncurrent assets include an increase in total investments and net capital assets of $27.5 and $13.6 million, respectively and a decrease in noncurrent receivables of $10.4 million. The composition of noncurrent assets at September 30, 2010, 2009, and 2008 is as follows:

	2010	2009	2008
		(in millions)	
Noncurrent assets:			
Investments	$ 258.1	$ 230.6	$ 234.0
Noncurrent receivables - Net	38.1	48.5	41.8
Unamortized bond issue costs	3.4	3.5	3.6
Capital assets - Net	775.1	761.5	763.1
Total noncurrent assets	**$ 1,074.7**	**$ 1,044.1**	**$ 1,042.5**

Investments are included in either the Endowment Fund or the Plant Fund. Investments in the Plant Fund consist primarily of invested bond proceeds which are restricted for capital projects. The Wayne State University Foundation manages approximately 99 percent of the endowment investments. The invested bond proceeds are managed by the University.

The composition of noncurrent investments at September 30, 2010, 2009, and 2008 is as follows:

	2010	2009	2008
		(in millions)	
Endowment Fund	$ 241.4	$ 224.3	$ 221.1
Plant Fund:			
Invested bond proceeds	16.7	5.3	11.8
Other	-	1.0	1.1
Total noncurrent investments	**$ 258.1**	**$ 230.6**	**$ 234.0**

During 2010, investments in the Endowment Fund increased $17.1 million (7.6 percent). The increase is due to the impact of the recovering financial market on investment income during 2010 and the continuing recognition of gifts and transfers for endowments, net of distributions from the Endowment Fund to spending accounts. The invested bond proceeds component of noncurrent investments increased $11.4 million as a result of the Series 2009B bonds of $30.9 million issued in December 2009, net of the current year's expenditures of bond proceeds for capital projects which are either ongoing or completed during the year.

In 2009 total investments decreased $3.4 million (1.5 percent) to $230.6 million, compared to $234.0 million at September 30, 2008. The value of Endowment Fund investments increased $3.2 million (1.4 percent). The reduction of $6.5 million in invested bond proceeds from 2008 to 2009 represents construction project expenditures as discussed above.

Investment activity is a significant contributing factor to the net assets in the University's Endowment Fund. The table below reflects summarized activity and the net assets for the University's Endowment Fund for the past three years.

	2010	2009	2008
		(in millions)	
Endowment net assets - Beginning of year	$ 222.1	$ 219.6	$ 244.0
Summary of additions:			
Gifts and transfers	7.3	3.2	20.2
Investment income and appreciation (net, market losses)	21.3	10.1	(34.6)
Total additions (declines)	28.6	13.3	(14.4)
Distributions to spending accounts	(10.8)	(10.8)	(10.0)
Endowment net assets - End of year	**$ 239.9**	**$ 222.1**	**$ 219.6**

The University manages its endowment funds to support programs in a way that attempts to strike a balance between generating sufficient earnings to fund current programs while preserving and increasing the purchasing power of the endowment funds for future periods over the long term.

Noncurrent Receivables

The University entered into a payment arrangement with UPG during fiscal year 2009 which permits repayment of certain outstanding accounts receivable balances over a three-year period. During 2009, this arrangement resulted in reclassifying approximately $8.5 million from current to noncurrent receivables for the portion due subsequent to fiscal year 2010. Correspondingly, approximately $6.8 million was reclassified from noncurrent to current during 2010 for those payments due during fiscal year 2011. This amount, in addition to a decline in noncurrent pledged gifts receivable and student notes receivable, account for the $10.4 million decrease in noncurrent receivables when comparing 2010 to 2009.

Capital Assets

One of the critical factors in continually enhancing the quality of the University's academic and research programs and residential life is the development and renewal of its capital assets. The University continues to implement its long-range facilities plan by balancing its efforts to modernize its complement of older teaching, research, and administrative support buildings with the construction of new facilities.

Capital additions during 2010 totaled $69.7 million, compared to $49.9 million in 2009 and $85.9 million in 2008. The 2010 capital additions include construction in progress expenditures for the Chemistry Building Expansion project, the Chemistry Building Renovation Project Phase II, Parking Structure One structural repairs and improvements and renovation of space in the 5057 Woodward building to accommodate the relocation of the Computer Science Department. Also included are final expenditures for the substantial completion of the renovations of the Macomb Library which was renovated to establish the Wayne State University Macomb County Education Center and other projects.

In 2009, the capital expenditures of $49.9 million included substantial completion of the Richard J. Mazurek, M.D. Medical Education Commons and the Marvin I. Danto Engineering Development Center, renovation of the Community Arts Auditorium and the Cohn Building Simulation Lab, chiller replacement in the Engineering Building, and State Hall improvements. Construction in progress included expenditures for the Chemistry Building Expansion project, the Chemistry Building Renovation Project Phase II, the Elliman Building Magnetic Resonance Imaging Installation, and other University facilities.

Capital asset additions are funded primarily with bond proceeds, gifts, state capital appropriations, and unrestricted net assets designated for capital purposes.

Noncurrent Liabilities

Notable changes in the noncurrent liability section of the balance sheet from 2009 to 2010 include an increase in long-term debt of $35.2 million and a decrease in derivative instruments of $11.5 million. The composition of noncurrent liabilities at September 30, 2010, 2009, and 2008 is as follows:

	2010	2009	2008
		(in millions)	
Noncurrent liabilities:			
Federal portion of student loan funds	$ 27.4	$ 26.5	$ 26.0
Accrued employee benefits	12.7	11.2	10.6
Long-term debt - Net of current portion	410.6	375.4	382.3
Derivative instruments	1.7	13.2	5.7
Total noncurrent liabilities	**$ 452.4**	**$ 426.3**	**$ 424.6**

Long-term Debt

Long-term debt totaled $422.7 million, $384.8 million, and $390.2 million at September 30, 2010, 2009, and 2008, respectively.

From 2009 to 2010, total long-term debt increased by $37.9 million. The University issued debt of $143.3 million and made principal payments of $114.2 million. Both of these amounts include refunding transactions of $108.8 million. The $5.4 million decrease in long-term debt between 2009 and 2008 primarily represents principal payments.

In its role of financial steward, the University works to manage its financial resources effectively, including the use of debt to finance capital projects. As more fully discussed in Note 5 to the financial statements, the University issued Series 2009A and 2009B bonds on October 14, 2009 and December 3, 2009, respectively. The Series 2009A bonds were issued to refund all of the outstanding Series 1999 bonds and to terminate the forward starting swaps associated with the Series 1999 bonds. The Series 2009B bonds are taxable Build America Bonds which were issued to finance a portion of the Chemistry Building Expansion and Renovation projects. In conjunction with these bond issuances, the rating services of Moody's and Standard & Poor's affirmed the University's credit rating at "Aa3" and "AA-", respectively, with the highest achievable rating being "AAA". Management believes its current ratings are key indicators of the University's capacity to borrow effectively and its ability to meet its financial obligations.

Derivative Instruments

As previously discussed, the University implemented GASB Statement No. 53, Accounting and Financial Reporting for Derivatives, retroactively and net assets were restated as of October 1, 2008 to accrue a liability for the fair value of derivative instruments. Liabilities related to derivative instruments totaled $1.7, $13.2 and $5.7 million as of September 30, 2010, 2009 and 2008, respectively. The 2010 balance relates to the two interest rate swaps held by the University which are associated with the Series 2006 bonds. Based on the criteria established by GASB Statement No. 53, these swaps are ineffective hedges. The decrease from 2009 is attributable to the elimination of the $11.7 million liability related to the Series 1999 swaps which was an ineffective hedge as of September 30, 2009. The swaps related to the Series 1999 bonds were terminated in October 2009 resulting in a termination fee of $12.5 million in 2010 and a corresponding reduction in the liability.

Net Assets

Net assets represent the residual interest in the University's assets after liabilities are deducted. The University's net assets at September 30, 2010, 2009, and 2008 are summarized as follows:

	2010	2009	2008
		(in millions)	
Invested in capital assets - Net of related debt	$ 354.2	$ 367.4	$ 371.9
Restricted:			
Nonexpendable	137.8	130.8	127.9
Expendable	167.6	151.6	163.3
Unrestricted	235.1	232.0	218.7
Total net assets	**$ 894.7**	**$ 881.8**	**$ 881.8**

Descriptions of the components of total net assets are as follows:

- **Invested in Capital Assets - Net of Related Debt** - The University's investment in capital assets, net of accumulated depreciation, and outstanding principal balances of debt issued for the acquisition, construction, or improvement of those assets. Changes from year to year result from capital additions, issuance and payments of long-term debt, retirement of assets, and depreciation expense.
- **Restricted:**
  - **Nonexpendable** - The corpus portion of gifts to the University's permanent true endowment funds, certain University funds which have been specifically allocated and restricted pursuant to specific agreements with individuals or entities, and the University's required funding match for federal student loans and donor-restricted University loans.
  - **Expendable** - Gifts and sponsored and governmental grants and contracts, which are subject to externally imposed restrictions governing their use (scholarships, academic and research programs, and capital projects). This category of net assets also includes undistributed accretion from investments of permanent true endowments and funds functioning as endowments with externally imposed restrictions. Funds functioning as endowments included in restricted expendable net assets were $77.8 million, $69.4 million, and $68.2 million at September 30, 2010, 2009, and 2008, respectively.

  The restricted nonexpendable and the funds functioning as endowments included in the restricted expendable components of net assets are directly affected by the performance of the University's long-term investments. These restricted balances presented for the three-year period were significantly affected by the financial market trends and performance during the three-year period.

- **Unrestricted** - Funds which are not subject to externally imposed restrictions; however, most of the University's unrestricted net assets are designated by the Board of Governors and management for various academic, research and administrative programs, and capital projects. Unrestricted net assets also include certain funds functioning as endowments which have no externally imposed restrictions. Unrestricted funds functioning as endowments were $7.1 million at September 30, 2010, and $5.7 million at September 30, 2009 and 2008.

Statement of Revenues, Expenses, and Changes in Net Assets

The statement of revenues, expenses, and changes in net assets presents the revenues and expenses recognized during fiscal year 2010. Prior fiscal years' data is provided for comparative purposes.

Revenues

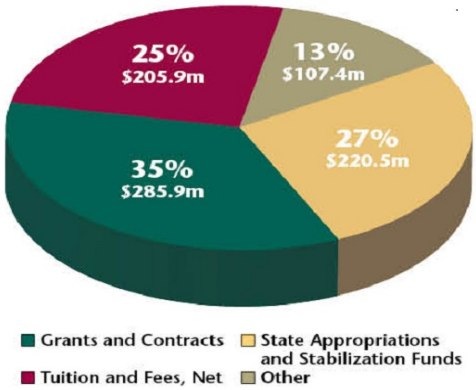
Consistent with GASB principles, revenues are categorized as Operating, Nonoperating, or Other. Operating revenues generally result from exchange transactions, such as revenues received for tuition and fees or grants and contracts revenue for services performed on sponsored programs. Nonoperating revenues are primarily non-exchange in nature, such as state operating appropriations and investment income. Other revenues represent capital and endowment transactions.

Summarized operating, nonoperating, and other revenues for the years ended September 30, 2010, 2009, and 2008 are presented below:

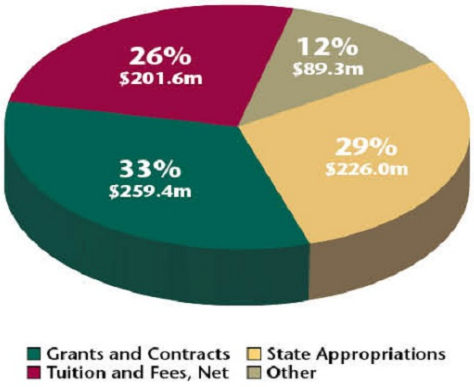
	2010	2009	2008
		(in millions)	
Operating Revenues			
Student tuition and fees - Gross	$ 296.9	$ 272.6	$ 262.3
Less scholarship allowances	(91.0)	(71.0)	(58.4)
Net student tuition and fees	205.9	201.6	203.9
Grants and contracts	243.3	227.6	232.6
Departmental activities, auxiliary enterprises, and other	50.1	47.4	64.4
Total operating revenues	499.3	476.6	500.9
Nonoperating Revenues			
State operating appropriation	214.3	221.2	239.0
State fiscal stabilization funds	6.0	-	-
Federal Pell grant	42.6	31.8	20.1
Gifts	25.8	26.0	28.3
Investment income (loss) including realized and unrealized income and change in fair value of derivatives	25.0	8.4	(41.2)
Other	-	-	1.7
Total nonoperating revenues	313.7	287.4	247.9
Other Revenues			
State capital appropriation	0.2	4.8	10.0
Capital and endowment gifts	6.5	7.5	18.3
Total other revenues	6.7	12.3	28.3
Total revenues	**$ 819.7**	**$ 776.3**	**$ 777.1**

The charts below graphically depict total revenue by source for the years ended September 30, 2010, 2009, and 2008.

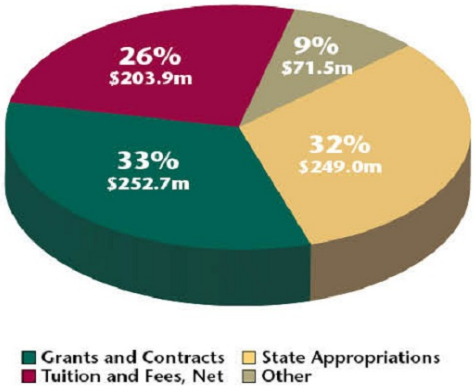
Total Revenue



2010 - $819.7 million



2009 - $776.3 million



2008 - $777.1 million

Primary Revenue Sources

The University's research and public service mission and significant components of instruction are supported primarily by federal, state, and nongovernmental grants and contracts which, in the aggregate, typically comprise the largest single revenue source to the University. The state operating appropriation and student tuition and fees represent the majority of resources available to fund the University's General Fund operations.

Operating Revenues

Operating revenues totaled $499.3 million in 2010, compared to $476.6 million and $500.9 million in 2009 and 2008, respectively. The 2010 increase in total operating revenues of $22.7 million (4.8 percent) from 2009 was attributable to several offsetting factors:

Student Tuition and Fees - In fiscal year 2010, gross student tuition and fees increased $24.3 million offset by an increase of $20.0 million in scholarship allowances, resulting in an increase in net student tuition and fees of $4.3 million. The increase in gross student tuition and fees is largely due to a fall 2009 enrollment increase of approximately 2.5 percent and fall 2009 tuition rate increases ranging from 4.8 percent for Michigan undergraduate residents to 5.4 percent for all other undergraduate and graduate students.

For financial reporting purposes, student tuition and fees and auxiliary enterprise revenue are reduced by "scholarship allowances". These scholarship allowances represent financial aid granted to students which is applied directly to their accounts to pay tuition and fee assessments (in the General Fund) and room and board assessments (in the Auxiliary Activities Fund).

The University continues to increase its allocation of financial aid for some of its students to mitigate the impact of tuition rate increases. In 2010, 2009, and 2008, the University provided total scholarships and fellowships of $102.5 million, $85.7 million, and $71.7 million, respectively. This represents percentage increases in financial aid of 19.6 percent for 2010, 19.5 percent for 2009, and 5.6 percent for 2008.

Grants and Contracts - Grants and contracts revenues increased $15.7 million (6.9 percent) from 2009 to 2010. This change is primarily attributable to research awards attained through the American Recovery and Reinvestment Act (ARRA) which resulted in approximately $13.0 million in ARRA grant and contract revenue in fiscal year 2010, compared to $.9 million in 2009.

Departmental Activities, Auxiliary Enterprises, and Other - The increase in total departmental activities, auxiliary enterprises, and other revenues of $2.7 million (5.7 percent) from 2009 was largely attributable to the following:

- An increase in parking operations revenue of approximately $1.5 million primarily due to an increase in University parking rates. The University adopted new parking rates effective October 1, 2009 in order to offset the costs of maintaining and improving the parking system.
- An increase in residence hall and meal plan revenue of approximately $1.3 million primarily due to an increase in residence hall rates of 4 percent and an overall increase in occupancy during 2010.

The 2009 decrease in operating revenues of $24.3 million (4.9 percent) was influenced by several factors:

- A decrease in departmental activities resulting from non-routine revenues received in 2008 totaling $17.4 million related to the sale of future royalty rights for certain intellectual property in which the University had a significant investment and leasing of excess and available University broadband wireless capacity to Sprint.
- A decline in grants and contracts revenues totaling $5.0 million related to routine and cyclical fluctuations in nongovernmental grants which were adversely impacted in 2009 by economic conditions.

Nonoperating and Other Revenues

Nonoperating and other revenues were $320.4 million in 2010, compared to $299.7 million and $276.2 million in 2009 and 2008, respectively. Factors affecting this change are as follows:

Nonoperating Revenues

- The state operating appropriation, totaling $214.3, $221.2, and $239.0 million in 2010, 2009, and 2008, respectively, is the most significant component of the University's nonoperating and other revenues. The decrease in 2010 of $6.9 million was partially offset by the $6.0 million the University received from the State as a one-time fiscal stabilization appropriation (more fully discussed below). The decrease of $17.8 million from 2009 as compared to 2008 resulted from a State imposed reduction consisting of a $20.0 million delayed payment of a portion of the University's 2007 operating appropriation which was subsequently received and recorded in 2008.
- The University received $6.0 million in state fiscal stabilization funds during 2010 from the State. These funds, which were authorized by the American Recovery and Reinvestment Act of 2009, represent a one-time appropriation awarded to the University to help offset the decrease in the state operating appropriation. The University used these funds to mitigate the need to raise tuition and fees for in-State students during the 2009-10 academic year.
- Federal Pell grant revenue and the related expense increased by $10.8 million from 2009. Federal legislation increased the maximum Federal Pell award per student by $200 (3.7 percent) and $619 (13.1 percent) for the 2010-11 and 2009-10 academic years, respectively. The impact of the 2009-10 regulatory increase of $619 per student was in effect for the full fiscal year in 2010, as compared to a partial term in fiscal year 2009. The regulatory increases account for the increase in Pell grant activity.
- The fund components of investment income (loss) included in nonoperating revenue for the past three years are as follows:

Investment Income
(including realized and unrealized income)

	2010	2009	2008
		(in millions)	
Net investment income (loss)			
Attributable to Endowment Funds	$ 21.3	$ 10.1	$ (34.6)
Attributable to all other funds	4.7	5.8	13.7
Total net investment income (loss)	26.0	15.9	(20.9)
Change in fair value of derivatives	(1.0)	(7.5)	(20.3)
Total net investment income (loss) including the change in fair value of derivatives	**$ 25.0**	**$ 8.4**	**$ (41.2)**

- The increase in net investment income in 2010 and 2009 is primarily associated with the University's endowments and the recovering financial market conditions.

- The change in fair value of derivatives totaled $(1.0) million in 2010, compared to $(7.5) million and $(20.3) million in 2009 and 2008, respectively. As more fully discussed in Note 6 to the financial statements, the change in fair value of derivatives in 2010 is primarily attributable to the termination of the swap agreement related to the Series 1999 bonds which resulted in a termination fee of $12.5 million, offset by a net increase in the unrealized fair value of derivative instruments of $11.4 million. The 2009 increase of $12.8 million is due to the swap termination fee of $14.7 million that occurred in 2008 related to the termination of swap agreements related to the Series 2001, 2002, 2003 and 2004 bonds.

Other Revenues

Total other revenues were $6.7, $12.3, and $28.3 million for the fiscal years ended September 30, 2010, 2009, and 2008, respectively. These amounts included $.2 and $4.8 million in state capital appropriations for 2010 and 2009, respectively, relating to the Marvin I. Danto Engineering Development Center. The State approved the Marvin I. Danto Engineering Development Center project in 2008 at an estimated project cost of $27.35 million with a total state capital appropriation of $15.0 million. The remaining funding of $12.35 million for the project was provided by capital gifts and bond proceeds from the issuance of the Series 2007 General Revenue Bonds.

Capital gifts are used to finance the construction and renovation of university buildings while endowment gifts support university programs and initiatives as designated by the respective donor. Capital and endowment gifts decreased $1.0 million (13.3 percent) to $6.5 million in 2010 and decreased $10.8 million (59.0 percent) to $7.5 million in 2009, compared to $18.3 million in 2008.

The recording of gifts and capital gifts in the financial statements is governed by generally accepted accounting principles which dictate the type and timing of gifts recognized for financial reporting purposes. Gifts included in the financial statements include cash, stocks, and unconditional pledges for operating activities and capital projects, and gifts-in-kind which meet the University's asset capitalization guidelines. Gifts reported for capital campaign reporting purposes also include other sources and types of gifts given or pledged during each year which are not included in the financial statements. These include planned giving, conditional pledges, endowment fund pledges, gifts-in-kind not capitalized, certain gift annuities, and the face amount of life insurance policies in excess of cash surrender values. These gift types, with the exception of gifts-in-kind not capitalized, will be recognized for financial statement purposes in future years when the cash is received. Additionally, capital campaign reporting recognizes as gifts, certain grants and contract-type funds from foundations and other sources, which are classified as nongovernmental grants and contracts revenue for financial statement purposes.

Expenses

Operating and nonoperating expenses for the years ended September 30, 2010, 2009, and 2008 are summarized below:

	2010	2009	2008
		(in millions)	
Operating expenses	$ 780.2	$ 753.5	$ 746.5
Nonoperating and other expenses:			
Interest expense	20.2	18.9	18.8
Other	6.4	3.9	2.0
Total nonoperating and other expenses	26.6	22.8	20.8
Total expenses	**$ 806.8**	**$ 776.3**	**$ 767.3**

Operating expenses by both functional and natural classification for the years ended September 30, 2010, 2009, and 2008 are as follows:

	2010		2009		2008	
	Dollars	% of Total Operating Expenses	Dollars	% of Total Operating Expenses	Dollars	% of Total Operating Expenses
			(in millions)			
Functional Classification						
Instruction	$ 277.5	35.6%	$ 265.3	35.2%	$ 256.9	34.4%
Research	153.6	19.7%	145.1	19.3%	143.6	19.2%
Public service	51.0	6.5%	46.6	6.2%	47.0	6.3%
Academic support	62.8	8.0%	61.5	8.2%	63.3	8.5%
Student services	36.7	4.7%	34.0	4.5%	30.3	4.1%
Institutional support	59.9	7.7%	58.3	7.7%	58.8	7.9%
Operation and maintenance of plant	58.2	7.5%	60.1	8.0%	62.7	8.4%
Scholarships and fellowships [1]	8.2	1.1%	11.3	1.5%	10.3	1.4%
Auxiliary enterprises	21.8	2.8%	21.2	2.8%	21.9	2.9%
Depreciation	50.5	6.4%	50.1	6.6%	51.7	6.9%
Total	**$ 780.2**	**100.0%**	**$ 753.5**	**100.0%**	**$ 746.5**	**100.0%**
Natural Classification						
Compensation and benefits	$ 546.9	70.1%	$ 531.7	70.6%	$ 514.1	68.9%
Supplies, services and other	174.6	22.4%	160.4	21.3%	170.4	22.8%
Depreciation	50.5	6.4%	50.1	6.6%	51.7	6.9%
Scholarships and fellowships [1]	8.2	1.1%	11.3	1.5%	10.3	1.4%
Total	**$ 780.2**	**100.0%**	**$ 753.5**	**100.0%**	**$ 746.5**	**100.0%**

[1] Excludes "scholarship allowances" applied directly to students' tuition and room and board (see pages 16, 18, and 22).

Operating Expenses

The University's operating expense trends continue to emphasize its ongoing commitment to the core missions of instruction and research.

Expenditures for instruction increased $12.2 million (4.6 percent) to $277.5 million in 2010 and $8.4 million (3.3 percent) to $265.3 million in 2009, compared to $256.9 million in 2008. The summary below, extracted from the supplemental information on pages 54 and 57 illustrates the three-year trend in operating expenses relating to instruction by fund for the years ended September 30, 2010, 2009, and 2008:

Instruction by Fund

	2010	2009	2008
		(in millions)	
General Fund	$ 220.8	$ 209.8	$ 202.0
% Change from Prior Year	***5.2%***	***3.9%***	***3.7%***
Designated Fund	$ 46.5	$ 45.1	$ 45.0
% Change from Prior Year	***3.1%***	***0.2%***	***-3.2%***
Expendable Restricted Fund	$ 12.7	$ 14.2	$ 12.9
% Change from Prior Year	***-10.6%***	***10.1%***	***-3.7%***

Research expenditures increased $8.5 million (5.9 percent) in 2010 to $153.6 million compared to $145.1 million in 2009. This change is a direct result of increased research awards attained through the American Recovery and Reinvestment Act (ARRA) which resulted in an increase of approximately $10.8 million in research expenditures in fiscal year 2010.

Public service expenses increased $4.4 million (9.4 percent) to $51.0 million in 2010, compared to $46.6 million in 2009. The increase is due to increased activity in the Expendable Restricted Fund totaling $4.9 million for new and existing programs.

Operation and maintenance of plant expenses decreased $1.9 million (3.2 percent) during 2010 to $58.2 million, compared to $60.1 million in 2009. The decrease relates to fewer non-capitalizable plant projects in 2010.

University scholarships and fellowships have continuously been increased in an effort to partially mitigate the rising tuition costs for need based students. Total scholarships and fellowships granted in 2010 increased $16.8 million (19.6 percent) to $102.5 million, compared to $85.7 million in 2009. As previously discussed, Federal Pell awards increased $10.8 million during 2010, accounting for the majority of the increase. The remaining increase is resulting from the state fiscal stabilization funds of $6.0 million received in 2010 which was used to fund additional scholarships to students. In 2009, the total scholarships granted increased $14.0 million to $85.7 compared to the $71.7 million reported in 2008.

Total scholarships and fellowships granted have two components. The scholarships and fellowships reflected on the table on page 21 of $8.2, $11.3, and $10.3 million are disbursed directly to students and are reported as operating expenses in 2010, 2009, and 2008, respectively. The remaining amounts for 2010, 2009, and 2008 of $94.3, $74.4, and $61.4 million, respectively, are applied directly to the students' accounts receivable balances. These amounts are netted against student tuition and fees, or room and board in the Auxiliary Activities Fund, as "scholarship allowances" in the statement of revenues, expenses, and changes in net assets on page 26.

Depreciation expense increased $.4 million to $50.5 million in 2010 and decreased $1.6 million to $50.1 million in 2009, compared to $51.7 million in 2008.

Nonoperating and Other Expenses

Interest expense totaled $20.2 million, $18.9 million, and $18.8 million in 2010, 2009, and 2008, respectively. The total interest expense in 2010 includes interest cost of $20.7 million, netted against a federal subsidy of $.5 million related to the Series 2009B Build America Bonds. The increased interest expense for 2010 was directly related to the additional bond indebtedness incurred in conjunction with construction of new buildings and other capital projects on campus.

The increase in other expenses of $2.5 million in 2010 to $6.4 million, compared to $3.9 million in 2009, is largely due to the loss on disposal of capital assets during the current fiscal year.

Statement of Cash Flows

The statement of cash flows provides information about the University's cash receipts and cash disbursements during the fiscal year. Unlike the statement of revenues, expenses and changes in net assets, which reports revenues when they are earned and expenses when they are incurred, regardless of when cash is received or disbursed, the statement of cash flows reports actual cash received and disbursed during the period. The focus of the statement of cash flows is on the increase or decrease in cash and temporary investments. The statement of cash flows assists the users in assessing the University's ability to meet its obligations as they come due and the needs for external financing. A comparative summary of the statement of cash flows for the years ended September 30, 2010, 2009, and 2008 is as follows:

Cash Flows	2010	2009	2008
		(in millions)	
Cash and Temporary Investments Provided By (Used In):			
Operating activities	$ (216.7)	$ (243.0)	$ (164.4)
Noncapital financing activities	299.9	282.2	266.2
Capital and related financing activities	(53.3)	(63.8)	(70.0)
Investing activities	(3.0)	18.3	23.6
Net increase (decrease) in cash and temporary investments	26.9	(6.3)	55.4
Cash and Temporary Investments - Beginning of year	352.6	358.9	303.5
Cash and Temporary Investments - End of year	**$ 379.5**	**$ 352.6**	**$ 358.9**

The major components of cash flows provided from operating activities are tuition and fees, grants and contracts, and auxiliary and departmental activities. The major components of cash flows used in operating activities include payment of wages, fringe benefits, supplies, utilities, and scholarships. The most significant source of cash flows provided by noncapital financing activities is the state operating appropriation, which totaled $214.3 million, $221.2 million, and $239.0 million in 2010, 2009, and 2008, respectively. Cash flows from capital and related financing activities represent plant fund and related long-term debt activities and capital gifts. Cash flows from investing activities includes uses of cash to purchase investments, increases in cash and equivalents as a result of selling investments, and income earned on cash and temporary investments. Investing activities also include cash proceeds from the sale of bond related investments to finance construction expenditures.

Economic Factors That Will Affect the Future

The Michigan economic climate and the resulting ongoing reductions in state operating appropriations and dwindling capital appropriations for higher education, continues to remain one of the University's most significant challenges. Uncertainty over the level of state support presents a significant challenge to long term planning and development. If the current economic conditions continue to deteriorate and/or do not begin to turn around in the near future, the University's operations will be affected.

Wayne State University

Balance Sheet

	September 30	
	2010	2009
Assets		
Current Assets		
Cash and temporary investments (Note 2)	$ 379,536,881	$ 352,568,580
Current receivables - Net (Note 3)	107,366,115	116,983,766
Inventories	1,592,795	1,739,774
Prepaid expenses and deposits	29,187,725	27,532,426
Total current assets	517,683,516	498,824,546
Noncurrent Assets		
Investments (Note 2)	258,104,221	230,612,855
Noncurrent receivables - Net (Note 3)	38,109,010	48,446,846
Unamortized bond issue costs	3,397,606	3,504,058
Capital assets - Net (Note 4)	775,111,161	761,524,090
Total noncurrent assets	1,074,721,998	1,044,087,849
Total assets	**$ 1,592,405,514**	**$ 1,542,912,395**
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	$ 89,519,374	$ 87,260,549
Deferred income	136,583,924	131,455,620
Deposits	7,103,569	6,722,006
Long-term debt - Current portion (Note 5)	12,071,800	9,386,808
Total current liabilities	245,278,667	234,824,983
Noncurrent Liabilities		
Federal portion of student loan funds	27,432,479	26,532,208
Accrued employee benefits	12,729,299	11,225,575
Long-term debt - Net of current portion (Note 5)	410,557,950	375,375,311
Derivative instruments (Note 6)	1,680,587	13,115,877
Total noncurrent liabilities	452,400,315	426,248,971
Total liabilities	697,678,982	661,073,954
Net Assets		
Invested in capital assets - Net of related debt	354,198,430	367,482,056
Restricted:		
Nonexpendable	137,811,405	130,800,874
Expendable	167,607,056	151,617,422
Unrestricted	235,109,641	231,938,089
Total net assets	894,726,532	881,838,441
Total liabilities and net assets	**$ 1,592,405,514**	**$ 1,542,912,395**

See Notes to Financial Statements.

Wayne State University

Statement of Revenues, Expenses, and Changes in Net Assets

	Year Ended September 30	
	2010	2009
Operating Revenues		
Student tuition and fees	$ 296,952,984	$ 272,624,899
Less scholarship allowances	(91,007,514)	(70,998,239)
Net student tuition and fees	205,945,470	201,626,660
Federal grants and contracts	123,815,088	110,917,780
State and local grants and contracts	19,174,274	21,122,129
Nongovernmental grants and contracts	100,339,955	95,520,656
Departmental activities	18,355,165	18,260,220
Auxiliary enterprises - Net of scholarship allowances of $3,281,911 in 2010 and $3,362,487 in 2009	29,322,046	26,755,193
Other operating revenues	2,378,649	2,396,708
Total operating revenues	499,330,647	476,599,346
Operating Expenses (Note 10)		
Instruction	277,485,712	265,279,180
Research	153,631,812	145,108,382
Public service	51,022,821	46,544,771
Academic support	62,766,474	61,496,120
Student services	36,706,537	33,967,437
Institutional support	59,854,187	58,346,196
Operation and maintenance of plant	58,203,906	60,094,759
Scholarships and fellowships	8,193,074	11,325,344
Auxiliary enterprises	21,843,745	21,225,595
Depreciation	50,537,196	50,084,962
Total operating expenses	780,245,464	753,472,746
Operating Loss	(280,914,817)	(276,873,400)
Nonoperating Revenues (Expenses)		
State operating appropriation	214,325,400	221,231,257
State fiscal stabilization funds	6,003,800	-
Federal Pell Grant	42,623,613	31,803,231
Gifts	25,789,991	25,952,780
Investment income (loss) including change in fair value of derivatives of ($1,049,710) in 2010 and ($7,442,761) in 2009	24,958,505	8,412,258
Interest on capital asset - Related debt	(20,232,966)	(18,869,632)
Other	(772,845)	(2,505,251)
Net nonoperating revenues	292,695,498	266,024,643
Income (Loss) Before Other Revenues (Expenses)	11,780,681	(10,848,757)
Other Revenues (Expenses)		
State capital appropriation	177,159	4,831,886
Capital gifts	207,734	5,305,806
Gifts for permanent endowments	6,310,210	2,160,836
Loss on capital assets retired	(5,587,693)	(1,394,185)
Net other revenues	1,107,410	10,904,343
Increase in Net Assets	12,888,091	55,586
Net Assets		
Beginning of year (Note 1)	881,838,441	881,782,855
End of year	**$ 894,726,532**	**$ 881,838,441**

See Notes to Financial Statements.

Wayne State University

Statement of Cash Flows

	Year Ended September 30	
	2010	2009
Cash Flows from Operating Activities		
Tuition and fees - Net	$ 209,945,228	$ 210,026,267
Grants and contracts	257,457,686	221,963,174
Auxiliary enterprises	29,358,318	26,733,801
Departmental activities	19,374,777	11,837,223
Loans issued to students	(2,549,119)	(4,317,640)
Collection of loans from students	3,150,243	2,277,449
Scholarships and fellowships	(8,889,957)	(16,930,750)
Payments to suppliers	(183,544,705)	(152,505,617)
Payments to employees and benefit providers	(543,365,715)	(544,540,220)
Other receipts	2,380,271	2,405,378
Net cash used in operating activities	(216,682,973)	(243,050,935)
Cash Flows from Noncapital Financing Activities		
State operating appropriation	214,325,400	221,231,257
State fiscal stabilization funds	6,003,800	-
Federal Pell Grants	42,623,613	31,803,231
Gifts	25,982,799	26,528,868
Gifts for permanent endowments	6,368,399	2,294,345
External student lending receipts	233,885,045	213,329,591
External student lending disbursements	(230,677,993)	(215,565,360)
Other	1,443,239	2,587,158
Net cash provided by noncapital financing activities	299,954,302	282,209,090
Cash Flows from Capital and Related Financing Activities		
State capital appropriation	1,126,538	13,709,341
Capital gifts and grants	3,017,182	6,759,348
Proceeds from issuance of debt and other long-term obligations	151,297,540	-
Expenditures for capital assets	(61,234,321)	(57,551,729)
Principal paid on capital debt	(114,250,000)	(7,735,000)
Interest paid on capital debt	(20,745,751)	(19,015,904)
Payment of swap termination fee	(12,485,000)	-
Net cash used in capital and related financing activities	(53,273,812)	(63,833,944)
Cash Flows from Investing Activities		
Investment income - Net	10,796,539	(1,988,479)
Proceeds from sales and maturities of investments	179,943,569	85,802,987
Purchase of investments	(193,769,324)	(65,479,934)
Net cash (used in) provided by investing activities	(3,029,216)	18,334,574
Net Increase (Decrease) in Cash and Temporary Investments	26,968,301	(6,341,215)
Cash and Temporary Investments - Beginning of year	352,568,580	358,909,795
Cash and Temporary Investments - End of year	**$ 379,536,881**	**$ 352,568,580**
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	$ (280,914,817)	$ (276,873,400)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation expense	50,537,196	50,084,962
(Increase) decrease in assets of current operating funds:		
Receivables - Net	14,904,877	(10,083,309)
Prepaid expenses and inventories	(1,655,299)	(10,358,308)
Increase (decrease) in liabilities of current operating funds:		
Accounts payable and accrued liabilities	(6,282,523)	(2,081,735)
Deposits	(153,119)	(3,202,028)
Deferred income	5,438,032	8,801,904
Accrued employee benefits	1,442,680	660,979
Net cash used in operating activities	**$ (216,682,973)**	**$ (243,050,935)**

See Notes to Financial Statements.

Note 1 - Basis of Presentation and Significant Accounting Policies

Overview

Wayne State University (the "University") is a state-supported institution with fall 2010 enrollment of approximately 31,600 students. The financial statements include the individual schools, colleges, and departments, and all controlled organizations. The controlled organizations of the University are the Wayne State University Housing Authority (the "Housing Authority") and the Wayne State University Foundation (the "Foundation"). The Housing Authority manages the University's residence halls, apartments, and related activities and the Foundation manages approximately 99 percent of the University's endowment funds. While the University is a political subdivision of the State of Michigan, it is not a component unit of the State of Michigan as defined by the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. The Housing Authority's operations, including assets, liabilities and net assets, were transferred to the University effective December 31, 2009. The University is classified as a state instrumentality under Internal Revenue Code Section 115 and is also classified as an educational organization under Internal Revenue Code Section 501(c)(3), and is generally exempt from federal and state income taxes. Certain activities of the University may be subject to taxation as unrelated business income under Internal Revenue Code Sections 511 to 514.

Basis of Presentation

The financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In addition, the University applies all applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The University has elected not to apply FASB pronouncements issued after November 30, 1989. In accordance with GASB principles, the balance sheet, statement of revenues, expenses, and changes in net assets, and statement of cash flows are reported on a combined basis and all intra-university transactions are eliminated.

Net Assets - Consistent with GASB principles, the University reports its net assets in four categories:

- **Invested in Capital Assets - Net of Related Debt** - The University's investment in capital assets, net of accumulated depreciation, and outstanding principal balances of debt issued for the acquisition, construction, or improvement of those assets. Changes from year to year result from capital additions, issuance and payments of long-term debt, retirement of assets, and depreciation expense.
- **Restricted Nonexpendable** - The corpus portion of gifts to the University's permanent true endowment funds, certain University funds which have been specifically allocated and restricted pursuant to specific agreements with individuals or entities, and the University's required funding match for federal student loans and donor-restricted University loans.
- **Restricted Expendable** - Gifts and sponsored and governmental grants and contracts, which are subject to externally imposed restrictions governing their use (scholarships, academic and research programs, and capital projects). This category of net assets also includes undistributed accretion from investments of permanent true endowments and funds functioning as endowments with externally imposed restrictions.

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

- **Unrestricted** - Funds which are not subject to externally imposed restrictions; however, most of the University's unrestricted net assets are designated by the Board of Governors and management for various academic, research and administrative programs, and capital projects. Unrestricted net assets also include certain funds functioning as endowments which have no externally imposed restrictions.

Summary of Significant Accounting Policies

The accompanying financial statements have been prepared on the accrual basis. The University reports its operations as a business-type activity. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

Scholarships and fellowships applied directly to student accounts are shown as a reduction to gross student tuition and fees and auxiliary enterprises revenue. Scholarships and fellowships disbursed directly to students are presented as scholarship and fellowship expenses.

Operating activities, as reported in the statement of revenues, expenses, and changes in net assets, are those activities that generally result from exchange transactions, such as revenues received for tuition and fees, grants and contracts revenue for services performed on sponsored programs, or expenses paid for goods or services. Nonoperating revenues are generally non-exchange in nature. State appropriation, Pell Grant revenue, gifts, and investment activity are non-exchange transactions.

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Change in accounting policy – Effective with the fiscal year ended September 30, 2010 the University adopted GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments. This statement requires derivative instruments to be measured and recorded at fair value. Derivative instruments consist of interest rate swap agreements associated with the University's outstanding long-term debt obligations. To the extent the derivative instruments are considered effective hedges based on the criteria established by GASB Statement No. 53, recognition of annual changes in fair value are deferred (deferred inflow or outflow); otherwise, the annual changes are recognized as a component of net investment income (loss). Prior to the change, the University's derivative instruments (interest rate swaps) were disclosed in the footnotes without recognition on the balance sheet. This new pronouncement requires the recognition of the asset or liability that is represented by the derivative instruments fair value, and will better match the income or loss to the appropriate reporting period. In accordance with the statement, the University has also retroactively applied and restated prior periods presented in these financial statements. Net assets as of October 1, 2009 were decreased by $7,442,761, while the October 1, 2008 net assets were reduced by $5,673,116. This change has impacted the amount reported as a change in net assets by an increase for the year ended September 30, 2010 of $11,435,290, while decreasing the change in net assets for the year ended September 30, 2009 by $7,442,761. (See Footnote 6 for additional disclosures).

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

Investments - Investments in marketable securities are recorded at market value as established by the major securities markets. Purchases and sales of investments are accounted for on the trade date basis. Realized and unrealized gains and losses are reported as investment income. Nonmarketable investments are valued based on the most recent available data.

For donor-restricted endowments, the Uniform Management of Institutional Funds and Uniform Prudent Management of Institutional Funds Acts, as adopted in Michigan on September 15, 2009, permits the Board of Governors to spend an amount of realized and unrealized endowment appreciation as they deem prudent. The University's policy is to retain the realized and unrealized appreciation with the endowment after the spending policy distributions are applied. The University's endowment rate spending policy provides for an annual distribution of 5.00 percent of a three-year moving average of the market value of endowment assets, measured at quarterly intervals. Of this annual distribution, 4.50 percent is transferred to the beneficiary or operating program accounts and 0.5 percent is used for administration of the University's development efforts. Prior to October 1, 2008, the annual distribution amount was 4.75 percent, of which 4.25 percent was transferred to the beneficiary or operating program accounts.

Deferred Income - Deferred income represents amounts received and/or receivable in advance of an event or in advance of incurring the related costs. This includes 75 percent of the student tuition and fees for the current fall term received or due prior to October 1, with the remaining 25 percent being recognized as revenue during the current fiscal year. It also includes amounts received from grant and contract sponsors which have not yet been earned under the terms of the underlying agreements. Deferred income will be recognized as revenue in subsequent periods commensurate with generally accepted accounting principles and/or the applicable grant and contract terms and conditions.

Inventories - Inventories are stated at the lower of cost or market.

Prepaid Expenses and Deposits - Prepaid expenses and deposits primarily represent cash payments made in advance of when the related expenditures are recognized for financial statement purposes. The balances at fiscal year-end consist primarily of prepaid student financial aid which is paid to students at the beginning of the fall term each fiscal year, with the expense recognized for accounting purposes over the financial reporting period (fall semester) to which it relates.

Capital Assets - Capital assets are recorded at cost or, if acquired by gift, at the fair market value as of the date of donation. Depreciation is computed on the straight-line method over the estimated service lives (5 to 40 years) of the respective assets.

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

Revenue Recognition - State operating appropriations are recognized in the period for which they are appropriated. Grants and contracts revenue is recognized as the related expenditures are incurred. State capital appropriations, funded through the State Building Authority, are recognized as eligible capital project expenditures are incurred.

Pledges and bequests of financial support from corporations, foundations, and individuals are recognized as revenue when a pledge representing an unconditional promise to give is received and all eligibility requirements, including time requirements, have been met. In the absence of such a promise, revenue is recognized when the gift is received. Endowment pledges and conditional promises do not meet eligibility requirements, as defined by GASB Statement No. 33, *Financial Reporting for Non-Exchange Transactions*, and are not recorded as assets until the related gifts are received.

Donor unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows. The discounts on these amounts are computed using risk-free interest rates applicable to the years in which the promises are made, commensurate with expected future payments. The allowance for uncollectible pledge receivables is provided based on management's judgment of potential uncollectible amounts.

The University disbursed approximately $230,678,000 and $215,565,000 in 2010 and 2009, respectively, for student loans through the U.S. Department of Education federal direct lending and federal guaranteed student loan programs. These disbursements and the related receipts are not included as revenues or expenditures in the accompanying statement of revenues, expenses, and changes in net assets. The disbursements and related receipts are reflected in the noncapital financing activities section of the statement of cash flows.

Reclassifications - Certain reclassifications have been made to the 2009 balances to conform to the 2010 presentation.

Note 2 - Cash and Investments

Cash and investments, by balance sheet classification and investment type, at September 30, 2010 and 2009 are as follows:

Classification	2010	2009
Cash and temporary investments	$ 379,536,881	$ 352,568,580
Investments:		
Endowment Fund	241,366,257	224,320,131
Plant Fund:		
Invested bond proceeds	16,737,964	5,321,486
Other	-	971,238
Total investments	258,104,221	230,612,855
Total cash and investments	$ 637,641,102	$ 583,181,435

Type	2010	2009
Fixed income	$ 507,561,664	$ 451,493,501
Equity securities	81,664,513	74,726,074
Certificates of deposit and savings accounts	108,300	141,209
Real estate investment pool and other investments	158,172	966,849
Commingled investment funds	63,160,406	57,885,825
Other	1,617,204	1,735,957
Checks issued in excess of available cash balances	(16,629,157)	(3,767,980)
Total cash and investments	$ 637,641,102	$ 583,181,435

The University's cash and temporary investments provided a return of .5 percent and 1.1 percent for the years ended September 30, 2010 and 2009, respectively. The University's endowment-related investments provided a return of 9.4 percent and 5.9 percent for the years ended September 30, 2010 and 2009, respectively.

Investment Policies

The cash and temporary investments and bond proceed investments are managed in accordance with the Board of Governors' cash management policy. The policy permits investments in bank certificates of deposit, bankers' acceptances, secondary market certificates of deposit, bank repurchase agreements, corporate fixed income securities with limited maturities, municipal obligations, U.S. Treasury bills and notes, other U.S. agency notes, commercial paper, and any instruments that have been selected and approved by the Common Fund short- and intermediate-term investment pools, including the Global Fund. The policy also provides that investments in bank instruments may be those issued by any bank chartered in the United States of America which is a member of the Federal Reserve System or any bank chartered by the State of Michigan.

Note 2 - Cash and Investments (Continued)

The Foundation manages approximately 99 percent of the endowment investments in accordance with the Statement of Investment Policy ("Endowment Investment Policy") as approved by the Foundation's Board of Directors. Certain investments which are restricted by external agreements or by special donor restrictions are not subject to these policies.

The endowment investment policy sets a general target allocation for investments as follows:

Investment Instrument	Target	Range
U.S. equities	30%	20%-40%
Non-U.S. equities	15%	10%-30%
Fixed income securities	20%	10%-50%
Global asset allocation strategies	15%	0%-20%
Hedge funds	15%	5%-25%
Real assets	5%	0%-15%
Opportunistic investments	0%	0%-15%

The Foundation's Board of Directors approved an allocation to "opportunistic investments," in order to take advantage of investment strategies that become attractive from a valuation standpoint from time-to-time. Recognizing that opportunistic investments may not always be available, a target of zero percent was established.

The endowment investment policy uses diversification as a fundamental risk management strategy and these funds are broadly diversified. This policy does not specifically limit interest rate, credit, concentration of credit, or foreign currency risks. These risks are considered part of the overall risk versus investment return characteristics of the aggregate Endowment Fund investment portfolio when establishing its asset allocation. Investments are managed in accordance with the asset allocation guidelines in the endowment investment policy at the time of manager appointment and are monitored according to the risk versus investment return characteristics as compared to applicable benchmarks in the investment industry.

The commingled investment funds in the Endowment Fund are comprised of global asset allocation investment managers and hedge fund managers who invest in U.S. and international equities and fixed income instruments. Due to the pooled nature of these investments, the related amounts are not included in the disclosures that follow. Additionally, certain managers utilize derivatives to manage investment risks to increase their portfolio liquidity and flexibility and to increase investment return within the level of risk defined in the manager's investment guidelines.

Note 2 - Cash and Investments (Continued)

Custodial Credit Risk

For deposits, custodial credit risk is the risk that in the event of a bank failure, the University's deposits may not be available or returned. The University does not have a deposit policy for custodial credit risk. At September 30, 2010 and 2009, the carrying amount of deposits was $3,656,028 and $7,683,344, respectively. Of those amounts, $637,251 and $7,683,344, respectively, were insured. Most of the amount outstanding as of September 30, 2009 was in a temporary U.S. Federal Deposit Insurance Corporation guarantee program which expired in June 2010. The University does not require deposits to be insured or collateralized, and is legally prohibited from collateralizing its deposits.

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the University may not be able to recover the value of its investments that are in the possession of an outside party. The counterparty is the firm that sells investments to or buys them from the University. The cash management and endowment investment policies do not limit the value of investments that may be held by an outside party. Investments in external investment pools and 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. The University's counterparties held $348,127,662 and $278,781,090 of its portfolio at September 30, 2010 and 2009, respectively. These investments are either held in the name of the University or a nominee's name for the benefit of the University, and would not be subject to any general creditor claims.

Credit Risk

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. Nationally recognized statistical rating organizations, such as Moody's and Standard and Poor's, assign credit ratings to security issuers and issues that indicate a measure of potential credit risk to investors. To limit its exposure to credit risk, the cash management policy limits the minimum acceptable credit rating of individual investments as follows (Moody's/Standard and Poor's): commercial paper (P1/A1), municipal obligations (A/A), and corporate fixed income securities (A/A). The University is in compliance with its credit risk policy for its related portfolios.

As previously discussed, the endowment investment policy does not specifically limit the credit risk that an issuer or counterparty to an investment assumes.

Note 2 - Cash and Investments (Continued)

Fixed income investments classified by credit ratings at September 30, 2010 and 2009 were as follows:

	2010 Credit Rating						
Investment Type	AAA	AA	A	Baa	Below BB	Not Rated	Total
U.S. Treasuries	$ -	$ -	$ -	$ -	$ -	$ 206,806,954	$ 206,806,954
U.S. government-sponsored enterprises	67,116,325	-	-	-	-	-	67,116,325
U.S. government guaranteed bank securities	11,209,651	-	-	-	-	-	11,209,651
Corporate asset-backed securities	2,819,477	225,207	349,305	-	-	649,482	4,043,471
Money market mutual funds	142,195,745	-	-	-	-	979,525	143,175,270
Corporate securities	2,040,402	766,625	1,976,010	-	-	-	4,783,037
Fixed income institutional bond funds	-	44,206,879	-	16,050,416	-	-	60,257,295
High yield short term fund	-	-	-	-	10,169,661	-	10,169,661
Investments by rating	$ 225,381,600	$ 45,198,711	$ 2,325,315	$ 16,050,416	$ 10,169,661	$ 208,435,961	$ 507,561,664

	2009 Credit Rating						
Investment Type	AAA	AA	A	Baa	Below BB	Not Rated	Total
U.S. Treasuries	$ -	$ -	$ -	$ -	$ -	$ 95,805,635	$ 95,805,635
U.S. government-sponsored enterprises	117,276,876	-	-	-	-	-	117,276,876
U.S. government guaranteed bank securities	12,725,272	-	-	-	-	-	12,725,272
Corporate asset-backed securities	3,248,971	-	-	-	-	-	3,248,971
Money market mutual funds	149,510,673	-	-	-	-	-	149,510,673
Corporate securities	-	-	982,085	-	-	-	982,085
Fixed income institutional bond funds	-	45,892,215	-	14,709,112	-	-	60,601,327
Distressed U.S. residential mortgage pool	-	-	-	-	11,293,495	-	11,293,495
Non-U.S. fixed income securities	-	-	-	-	-	49,167	49,167
Investments by rating	$ 282,761,792	$ 45,892,215	$ 982,085	$ 14,709,112	$ 11,293,495	$ 95,854,802	$ 451,493,501

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer of fixed-income securities. The cash management policy provides that investment pool funds be sufficiently diversified and that no more than 10 percent of its assets can be in any particular issue. Direct placements are limited to 20 percent of total resources with any given institution (banks, companies, or other institutions), including investment pools. The foregoing restrictions do not apply to securities that are issued or fully guaranteed by the United States government. The University is in compliance with its concentration of credit risk policy.

As previously discussed, the endowment investment policy does not specifically limit the concentration of credit risk. This is the risk that an issuer or counterparty to an investment will not fulfill its obligations.

Note 2 - Cash and Investments (Continued)

Investments with a particular issuer which equal or exceed 5 percent of the University's combined cash and temporary investments and endowment investment portfolio as of September 30, 2010 and 2009 are presented below:

2010	2009
Federal National Mortgage Association Securities	Federal Home Loan Bank Securities Federal National Mortgage Association Securities

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting exposure to fair value losses resulting from rising interest rates, the cash management policy limits the maturities of its investments. Securities exceeding maturities of one year are limited to corporate fixed income securities maturing in less than or equal to three years, U.S. Treasury notes and instruments maturing in less than or equal to seven years, and intermediate-term investment pools (those with securities maturing on an average of seven years or less). Additionally, securities with maturities exceeding one year are limited to 70 percent of the total short-term cash pool.

As previously discussed, the endowment investment policy does not specifically limit the interest rate risk of its investments.

The University held the following types of fixed income investments and maturities at September 30, 2010 and 2009:

	2010 Maturities (in Years)				
Investment Type	Less Than 1	1-5	6-10	More Than 10	Total
U.S. Treasuries	$ 159,885,090	$ 45,658,397	$ 1,263,467	$ -	$ 206,806,954
U.S. government-sponsored enterprises	59,962,753	7,153,572	-	-	67,116,325
U.S. government guaranteed bank securities	-	11,209,651	-	-	11,209,651
Corporate asset-backed securities	-	3,724,795	318,676	-	4,043,471
Money market mutual funds [1]	143,175,270	-	-	-	143,175,270
Corporate securities	-	4,783,037	-	-	4,783,037
Fixed income institutional bond funds [1]	-	-	44,206,879	16,050,416	60,257,295
High yield short term fund [1]	-	10,169,661	-	-	10,169,661
Total fixed income investments	$ 363,023,113	$ 82,699,113	$ 45,789,022	$ 16,050,416	$ 507,561,664

Note 2 - Cash and Investments (Continued)

Investment Type	2009 Maturities (in Years) Less Than 1	1-5	6-10	More Than 10	Total
U.S. Treasuries	$ 89,972,347	$ 5,833,288	$ -	$ -	$ 95,805,635
U.S. government-sponsored enterprises	108,699,024	8,577,852	-	-	117,276,876
U.S. government guaranteed bank securities	-	12,725,272	-	-	12,725,272
Corporate asset-backed securities	-	3,248,971	-	-	3,248,971
Money market mutual funds [1]	149,510,673	-	-	-	149,510,673
Corporate securities	-	982,085	-	-	982,085
Fixed income institutional bond funds [1]	-	-	45,892,215	14,709,112	60,601,327
Distressed U.S residential mortgage pool [1]	-	-	11,293,495	-	11,293,495
Non-U.S. fixed income securities	49,167	-	-	-	49,167
Total fixed income investments	$ 348,231,211	$ 31,367,468	$ 57,185,710	$ 14,709,112	$ 451,493,501

[1] The maturities indicated for these funds are the average of the overall pool.

Foreign Currency Risk

Foreign currency risk represents the risk that changes in exchange rates will adversely affect the fair value of an investment. The University's cash and temporary investment portfolio did not include direct investments denominated in foreign currencies at September 30, 2010 and 2009.

As previously discussed, the endowment investment policy does not specifically limit the foreign currency risk.

Endowment Fund investments in non-U.S. equities totaled $30,216,759 and $27,680,044, approximately 13 and 12 percent of the University's total endowment fund investments at September 30, 2010 and 2009, respectively. Of these amounts, 28 percent was exposed to European Union euro currency risk at September 30, 2010 and 2009, while 11 percent and 12 percent was exposed to the British pound sterling currency risk at September 30, 2010 and 2009, respectively.

Endowment fund investments in fixed income institutional bond funds and high yield short term funds that could have currency exposure totaled $70,426,956 and $60,601,327 at September 30, 2010 and 2009, respectively. Of these amounts, 5 percent was exposed to both the Canadian dollar and Brazilian real currency risk at September 30, 2010, while 3 percent was exposed to British pound sterling currency risk at September 30, 2009.

Note 3 - Receivables

At September 30, 2010 and 2009, receivables consist of the following:

	2010	2009
Grants and contracts receivable	$ 24,620,243	$ 28,591,251
Pledged gifts receivable	24,796,241	26,959,070
Student notes receivable	28,606,759	29,289,545
Student accounts receivable	56,997,360	53,989,095
State appropriations receivable - Capital projects	148,298	1,097,677
Other	26,980,475	40,258,550
Total	162,149,376	180,185,188
Less:		
Provision for loss on receivables	(15,158,872)	(12,699,192)
Unamortized discount to present value on pledged gifts receivable	(1,515,379)	(2,055,384)
Total	145,475,125	165,430,612
Less net current portion of receivables	(107,366,115)	(116,983,766)
Net noncurrent receivables	$ 38,109,010	$ 48,446,846

Payments on pledged gifts receivable at September 30, 2010 are expected to occur in the following fiscal years:

2011	$ 13,046,533
2012-2019	11,749,708
Total	$ 24,796,241

Student notes receivable consist of loans to students made from both federal and University resources. The principal repayment and interest rate terms on these loans vary considerably. The provision for loss on receivables, which is applicable to the student notes receivable, applies only to University-funded notes and the University portion of federal student loans, since federal regulations do not require the University to provide reserves on the federal portion of uncollectible student loans. Federal loan programs are funded principally with federal advances to the University from the Perkins and various health profession loan programs.

Note 4 - Capital Assets

Capital assets activity for the years ended September 30, 2010 and 2009 was as follows:

	Balance September 30, 2009	Additions	Retirements	Balance September 30, 2010
Land improvements	$ 22,507,641	$ 229,645	$ -	$ 22,737,286
Buildings	1,038,941,318	10,242,929	(4,717,480)	1,044,466,767
Library materials	128,447,036	6,264,354	(1,719,762)	132,991,628
Equipment and software	172,523,403	11,233,134	(18,686,913)	165,069,624
Subtotal - Depreciable assets	1,362,419,398	27,970,062	(25,124,155)	1,365,265,305
Land	31,581,553	3,578,348	(29,571)	35,130,330
Construction in progress	9,656,261	38,163,550	-	47,819,811
Subtotal - Nondepreciable assets	41,237,814	41,741,898	(29,571)	82,950,141
Total	1,403,657,212	69,711,960	(25,153,726)	1,448,215,446
Less accumulated depreciation:				
Land improvements	12,837,659	837,405	-	13,675,064
Buildings	381,825,034	36,586,863	(2,863,303)	415,548,594
Library materials	108,727,824	3,414,627	-	112,142,451
Equipment and software	138,742,605	9,698,301	(16,702,730)	131,738,176
Total accumulated depreciation	642,133,122	50,537,196	(19,566,033)	673,104,285
Net capital assets	$ 761,524,090	$ 19,174,764	$ (5,587,693)	$ 775,111,161

Note 4 - Capital Assets (Continued)

	Balance September 30, 2008	Additions	Retirements	Balance September 30, 2009
Land improvements	$ 22,290,527	$ 217,114	$ -	$ 22,507,641
Buildings	965,894,758	73,046,560	-	1,038,941,318
Library materials	123,278,289	6,103,347	(934,600)	128,447,036
Equipment and software	161,229,201	13,028,355	(1,734,153)	172,523,403
Subtotal - Depreciable assets	1,272,692,775	92,395,376	(2,668,753)	1,362,419,398
Land	31,466,755	114,798	-	31,581,553
Construction in progress	52,226,020	(42,569,759)	-	9,656,261
Subtotal - Nondepreciable assets	83,692,775	(42,454,961)	-	41,237,814
Total	1,356,385,550	49,940,415	(2,668,753)	1,403,657,212
Less accumulated depreciation:				
Land improvements	12,002,351	835,308	-	12,837,659
Buildings	346,735,598	35,089,436	-	381,825,034
Library materials	105,377,708	3,350,116	-	108,727,824
Equipment and software	129,207,071	10,810,102	(1,274,568)	138,742,605
Total accumulated depreciation	593,322,728	50,084,962	(1,274,568)	642,133,122
Net capital assets	$ 763,062,822	$ (144,547)	$ (1,394,185)	$ 761,524,090

Construction in progress represents expenditures for new projects that are underway but not yet completed. As projects are completed, they are removed from construction in progress and recorded as "additions" and reflected in the applicable asset classification.

Several buildings on campus were financed through the issuance of bonds by the State of Michigan Building Authority (SBA). The SBA bonds are secured by a pledge of rentals to be received from the State of Michigan pursuant to a lease agreement entered into between the SBA, the State of Michigan, and the University. During the lease term, the SBA holds title to the buildings, the State of Michigan makes all lease payments directly to the SBA, and the University is responsible for all operating and maintenance costs. At the expiration of the lease, the SBA will transfer title to the buildings to the University.

Note 5 - Long-term Debt

Long-term debt activity for the years ended September 30, 2010 and 2009 was as follows:

2010	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
General Revenue Bonds, Series 2009A, with interest ranging from 2.0% to 5.0%, maturing November 15, 2029	$ -	$ 112,430,000	$ -	$ 112,430,000	$ 3,855,000
Taxable General Revenue Build America Bonds, Series 2009B, with interest ranging from 1.412% to 6.536%,	-	30,890,000	-	30,890,000	635,000
General Revenue Bonds, Series 2008, with interest ranging from 5.0% to 5.25%, maturing November 15, 2035	177,665,000	-	3,180,000	174,485,000	3,345,000
General Revenue Bonds, Series 2007A, with interest ranging from 4.0% to 5.0%, maturing November 15, 2037	32,105,000	-	1,025,000	31,080,000	1,070,000
Taxable General Revenue Bonds, Series 2007B, with interest at 6.01%, maturing November 15, 2030	4,220,000	-	-	4,220,000	-
General Revenue Bonds, Series 2006, with interest ranging from 4.0% to 5.0%, maturing November 15, 2036	50,475,000	-	890,000	49,585,000	930,000
Taxable General Revenue Bonds, Series 2003B, with interest at 5.02%, maturing November 15, 2018	3,490,000	-	275,000	3,215,000	290,000
General Revenue and Refunding Bonds, Series 1999, with interest ranging from 4.75% to 5.50%, refunded with Series 2009A	108,780,000	-	108,780,000	-	-
Various notes payable with varying interest rates maturing from 2011 through 2014	4,111,541	45,524	713,908	3,443,157	1,946,800
Gross long-term debt	380,846,541	143,365,524	114,863,908	409,348,157	12,071,800
Plus/(less) unamortized bond premium/(discount), net	3,915,578	7,274,284	(2,091,731)	13,281,593	-
Total long-term debt	$ 384,762,119	$ 150,639,808	$ 112,772,177	$ 422,629,750	$ 12,071,800

Note 5 - Long-term Debt (Continued)

2009	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
General Revenue Bonds, Series 2008, with interest ranging from 5.0% to 5.25%, maturing November 15, 2035	$ 180,690,000	$ -	$ 3,025,000	$ 177,665,000	$ 3,180,000
General Revenue Bonds, Series 2007A, with interest ranging from 4.0% to 5.0%, maturing November 15, 2037	32,520,000	-	415,000	32,105,000	1,025,000
Taxable General Revenue Bonds, Series 2007B, with interest at 6.01%, maturing November 15, 2030	4,220,000	-	-	4,220,000	-
General Revenue Bonds, Series 2006, with interest ranging from 4.0% to 5.0%, maturing November 15, 2036	51,335,000	-	860,000	50,475,000	890,000
Taxable General Revenue Bonds, Series 2003B, with interest at 5.02%, maturing November 15, 2018	3,750,000	-	260,000	3,490,000	275,000
General Revenue and Refunding Bonds, Series 1999, with interest ranging from 4.75% to 5.50%, maturing November 15, 2029	111,855,000	-	3,075,000	108,780,000	3,230,000
Various notes payable with varying interest rates maturing from 2010 through 2014	1,824,210	2,540,950	253,619	4,111,541	786,808
Gross long-term debt	386,194,210	2,540,950	7,888,619	380,846,541	9,386,808
Plus unamortized bond premium, net	4,012,486	-	96,908	3,915,578	-
Total long-term debt	$ 390,206,696	$ 2,540,950	$ 7,985,527	$ 384,762,119	$ 9,386,808

Note 5 - Long-term Debt (Continued)

During the fiscal year ended September 30, 2010, the University issued the Series 2009A and 2009B bonds on October 14, 2009 and December 3, 2009, respectively. The Series 2009A bonds are tax exempt bonds that were issued at a par amount of $112,430,000. The bond proceeds were used to refund all of the outstanding General Revenue Bonds, Series 1999, maturing November 15, 2010 and thereafter and to terminate the forward starting swaps associated with the Series 1999 bonds for $12,485,000. The Series 2009B bonds are taxable Build America Bonds (BABs) issued with a par amount of $30,890,000 to finance a portion of the Chemistry Building Expansion and Renovation projects. These Build America Bonds are taxable municipal bonds. They are Direct Payment type BABs, which provide a federal subsidy of 35% of the interest paid on the bonds to the issuer. The purpose of BABs is to reduce the cost of borrowing for state and local government issuers and governmental agencies. Taking into account the federal subsidy, the net financing cost on the Series 2009B BABs was less than that which could have been obtained if traditional tax exempt bonds had been issued.

The General Revenue Bonds are secured by unrestricted operating revenues. When economically feasible, the University considers defeasance or refunding of prior debt issuances to reduce borrowing costs. The total amount of defeased bonds outstanding at September 30, 2010 and 2009 was $750,000 and $1,100,000, respectively.

Principal and interest maturities on long-term debt at September 30, 2010 are as follows:

Fiscal Years	Principal	Interest*	Total
2011	$ 12,071,800	$ 19,865,646	$ 31,937,446
2012	11,088,391	19,473,298	30,561,689
2013	11,533,818	18,993,842	30,527,660
2014	10,884,148	18,480,161	29,364,309
2015	11,015,000	17,975,527	28,990,527
2016-2020	63,235,000	81,146,725	144,381,725
2021-2025	78,500,000	63,739,528	142,239,528
2026-2030	100,165,000	41,596,251	141,761,251
2031-2035	78,730,000	18,990,803	97,720,803
2036-2040	32,125,000	2,426,139	34,551,139
Total	$ 409,348,157	$ 302,687,920	$ 712,036,077

*Amounts do not reflect federal subsidies to be received for Build America Bonds interest.

Interest paid on long-term debt was $20,752,001 in 2010 and $19,055,615 in 2009.

Note 6 – Derivative Instruments

Interest Rate Swaps

The University currently holds two interest rate swap instruments that are associated with its Series 2006 bonds. The University entered into these swap agreements at the same time and for the same amount as the issuance of the related bonds, with the intent of lowering its borrowing cost by creating a cash flow hedge, at a net interest rate that is lower than the fixed rate debt on the debt that was issued. The swap agreements are not effective hedges. The ineffective swap agreements did not have consistent critical terms. In accordance with GASB Statement No. 53, an interest rate swap is considered an effective cash flow hedge if the swap payments received substantially offset the payments made on the associated debt and changes in fair value are deferred. An interest rate swap that is not considered an effective cash flow hedge, in accordance with the provisions of this Statement, is deemed to be an investment derivative instrument and changes in fair value are recorded as a component of the change in net investment income (loss) in the statement of revenues, expenses, and changes in net assets.

At October 1, 2008, the University held four interest rate swaps. Two of these were forward starting swaps associated with the Series 1999 bonds. The intent of these swaps was to lock in favorable refunding interest rates prior to the date that the Series 1999 bonds would be refunded. These swaps were terminated when the Series 1999 bonds were refunded by the Series 2009A bonds in October 2009.

The fair value balances and notional amounts of the derivative instruments outstanding at September 30, 2010 or terminated during fiscal year 2009, classified by type and the change in fair value associated with the Series 2006 and Series 1999 bonds, are shown below:

Investment Derivative Instrument	Change in Fair Value		Fair Value at September 30, 2010		
	Classification	Amount	Classification	Amount	Notional
Series 2006 - Pay-variable, Receive variable/fixed annuity	Net investment income (loss)	$ (243,016)	Liability	$ (1,680,587)	$ 49,585,000
Series 1999 - Pay-fixed, Receive variable	Net investment income (loss)	11,678,306	None	$ -	$ -
Change in fair value		11,435,290			
Swap termination fee - Series 1999		(12,485,000)			
Total change in fair value of derivatives		$ (1,049,710)			

Note 6 - Derivative Financial Instruments (Continued)

The fair value balances and notional amounts of the derivative instruments outstanding at September 30, 2009, classified by type and the change in fair value associated with the Series 2006 and 1999 bonds, respectively, are shown below:

Investment Derivative Instrument	Change in Fair Value		Fair Value at September 30, 2009		
	Classification	Amount	Classification	Amount	Notional
Series 2006 - Pay-variable, Receive variable/fixed annuity	Net investment income (loss)	$ (37,946)	Liability	$ (1,437,571)	$ 50,475,000
Series 1999 - Pay-fixed, Receive variable	Net investment income (loss)	(7,404,815)	Liability	$ (11,678,306)	$ 107,500,000
Total change in fair value of derivatives		$ (7,442,761)			

The fair value of the swaps was estimated using the proprietary pricing model of an independent derivative valuation service.

Terms for the years ended September 30, 2010 and 2009 were as follows:

As of September 30, 2010

Associated Bond Issue	Effective Date	Type	Objective	Current Notional Amounts	Pay terms	Receive terms	Maturity Date	Counter-party credit rating
Series 2006 (2 swaps)	9/18/2006	Pay variable, Receive variable plus fixed annuity	Cash flow hedge for Series 2006 bonds	$ 49,585,000	SIFMA	67% LIBOR plus 40.73 bps	11/15/2036	AAA/A+

As of September 30, 2009

Associated Bond Issue	Effective Date	Type	Objective	Current Notional Amounts	Pay terms	Receive terms	Maturity Date	Counter-party credit rating
Series 2006 (2 swaps)	9/18/2006	Pay variable, Receive variable plus fixed annuity	Cash flow hedge for Series 2006 bonds	$ 50,475,000	SIFMA	67% LIBOR plus 40.73 bps	11/15/2036	AAA/A+
Series 1999 (2 swaps)	11/15/2009	Pay fixed, Receive variable	Forward starting swaps for refunding	$ 107,500,000	3.58%	67% LIBOR plus 40.73 bps	11/15/2029	AAA/A+

LIBOR - London Interbank Offered Rate
SIFMA - Securities Industry and Financial Markets Association
bps - basis points

Note 6 - Derivative Financial Instruments (Continued)

Associated Risk - The associated risk of the outstanding swaps as of September 30, 2010 and 2009 were as follows:

The Series 2006 swaps are tax basis swaps, which were executed with the objective of reducing the financing cost of the Series 2006 bonds. Changes in interest rates as well as the SIFMA/LIBOR ratio cause the fair value of these swaps to rise and fall with financial market conditions. Due to changes in these market factors since inception, these swaps have a negative fair value at September 30, 2010 and 2009.

The Series 1999 swaps were forward starting swaps and were transacted in connection with the anticipated refunding of the Series 1999 bonds. For the Series 1999 swaps, LIBOR swap rates were lower at September 30, 2009 than at the inception of the swaps, causing these swaps to have a negative fair value. These swaps were terminated on October 7, 2009 and a $12,485,000 swap termination fee was paid and is included in the change in fair value of derivatives in the statement of revenues, expenses and changes in net assets.

Credit Risk - As of September 30, 2010 and 2009, the University was not exposed to any credit risk from swap counterparties because the existing swaps had a negative fair value of $1,680,587 and $13,115,877, respectively. The University executes swap transactions with various counterparties. At September 30, 2010, there were two outstanding swaps with two counterparties. The first counterparty held one swap that represented approximately 70% of the notional amount of swaps outstanding. This counterparty is rated "AAA" by Standard and Poor's and "Aa1" by Moody's. A second counterparty held one swap that represented approximately 30% of the notional amount of the swaps outstanding. This counterparty is rated "A+" by Fitch, "A+" by Standard and Poor's, and "Aa3" by Moody's (downgraded from "Aa2" in November 2009).

As of September 30, 2009 there were four outstanding swaps, two with each of the same counterparties. Each of the counterparties held the same 70% and 30% of the notional amount.

Basis Risk - The swaps expose the University to basis risk. This is the risk that arises when the variable interest rates of a derivative instrument and a hedged item are based upon different interest rate reference indices. For the basis swaps, the University is exposed to the risk that the SIFMA interest rate which it pays to the counterparties will be more than the amount which it receives from the counterparties, which is based upon 67% of LIBOR plus an additional fixed annuity amount of 40.73 basis points (0.4073 percent).

Termination - The swap termination date for the Series 2006 bonds is November 2036. The derivative contracts are documented by the International Swap Dealers Associations (ISDA) Master Agreement which includes standard termination events such as failure to pay and bankruptcy. The schedule to the master agreement also provides that the swaps may be terminated by the University if the counterparty's credit quality rating falls below certain specified levels. The University or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If at the time of termination, the swap has a negative fair value, the University is liable for a payment equal to the swap's fair value.

Note 7 - Defined Contribution Retirement Plan

The University offers pension benefits for substantially all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Prior to August 1, 2010, all employees were eligible to participate after they reached 26 years of age and completed two years of service. For eligible employees, the University contributed an amount equal to 10 percent of an employee's salary each pay period provided that the employee contributed 5 percent of his/her salary. The University's contributions for each employee were fully vested immediately.

Effective August 1, 2010, the University modified its defined contribution retirement plan for certain represented employee groups and effective October 4, 2010 for non-represented employees to make them eligible to participate immediately upon reaching age 26. Under the 2010 modification of the plan, eligible employees that contribute at least 1 percent of their salary will receive a University matching contribution equal to two times their contribution up to a maximum University contribution of 10 percent. The University contribution under the modification to the plan is not vested until the employee has completed two years of service. Until agreements are reached with the remaining represented employee groups, the employees in those groups will continue to receive benefits in accordance with the original terms of the plan.

University contributions to the plan for the years ended September 30, 2010 and 2009 were $29,041,000 and $29,253,000, respectively.

Note 8 - Commitments

Approximately $23,557,000 was committed to current University construction projects at September 30, 2010. This amount includes approximately $8,434,000 related to the Chemistry Building Renovation Project Phase II, $5,233,000 related to the Chemistry Building Expansion Project, $3,324,000 related to the Keith Classroom Building and Center for Civil Rights, and various smaller construction projects. Commitments will be funded through a combination of resources including external long-term financing, gifts, investment income, and various other University sources.

Note 9 - Contingencies

Insurance Program

In conjunction with the conduct of its operations, the University is exposed to various risks of loss and legal actions. To mitigate such risks, the University participates, with 10 other Michigan public universities, in the Michigan Universities Self-Insurance Corporation (MUSIC). This corporation provides comprehensive general liability, errors and omissions, property and vehicle liability, and excess liability insurance. The University participates in all of the aforementioned insurance programs except property liability. Loss coverages are structured on a three-layer basis with each member retaining a portion of its losses, MUSIC covering the second layer and commercial carriers covering the third. Comprehensive general liability coverage is provided on an occurrence basis, errors and omissions coverage is provided on a claims-made basis, and property coverage is provided on a blanket basis. Each university is responsible for its regular anticipated losses, determined actuarially, for both general liability and errors and omissions. The aggregate retention amounts for each member are actuarially determined annually. MUSIC provides coverage for claims in excess of these retentions. By agreements with MUSIC, in the event the insurance reserves established by MUSIC are insufficient to meet its second tier obligations, each of the participating universities share this obligation. Participating universities are subject to additional assessments if the obligations and expenses (claims) of MUSIC exceed the combined periodic payments and accumulated operational reserves for any given year. The maximum possible additional assessment for the University for the year ended September 30, 2010 is approximately $1,554,000. The University has not been subjected to additional assessments since the formation of MUSIC in 1987.

The University is self-insured for certain employee benefits. Claim expenditures and liabilities are recorded when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. This would include an estimate of any significant claims that have been incurred but not reported. The University's recorded reserves for its self-insured workers' compensation, dental, and certain medical insurance programs at September 30, 2010 and 2009 totaled approximately $5,300,000 and $5,800,000, respectively. Specific excess (umbrella) coverage has been purchased by the University for its self-insured workers' compensation and medical insurance programs.

Pending Litigation

The University is named as a defendant in certain civil actions. The University is of the opinion that the resulting disposition of these actions will not have a material effect on the financial statements.

Loan Guarantees

The University has guaranteed an operating line of credit of $2.25 million and a construction loan of $13 million for the Research and Technology Park in the City of Detroit, Inc., a 501(c)(3) organization. As of September 30, 2010, guaranteed funds drawn against the construction loan totaled $12.4 million with no draws against the operating line of credit.

Note 9 - Contingencies (Continued)

Derivative Instruments

One of the University's derivative instrument agreements requires the University to post collateral when the University credit rating is suspended, withdrawn or downgraded to BBB+ or below by Standard and Poor's or Baa1 or below by Moody's in order to preclude an Additional Termination Event from occurring. The collateral would be posted in the amount of the fair value of the hedging instrument in a liability position over a specified threshold, which varies with the University's credit rating. The collateral could be posted in the form of cash, U.S Treasury securities, Agency Notes or other securities that the parties may agree to, and the valuation percentage allowed would vary by the credit worthiness and maturities of the underlying securities used for collateral. An Additional Termination Event would occur if the University's rating is suspended, withdrawn, or downgraded to BBB- or below by Standard and Poor's or Baa3 or below by Moody's. The other University derivative instrument agreement does not require the University to post collateral. However, this agreement provides that an Additional Termination Event occurs when the University credit rating is suspended, withdrawn or downgraded below BBB- by Standard and Poor's or below Baa3 by Moody's. In order to preclude this Additional Termination Event from terminating the swap, the University would need to provide the counterparty with an acceptable Credit Support Document.

At September 30, 2010, the aggregate fair value of all hedging derivative instruments with these collateral posting provisions is $1,680,587. If the collateral posting requirements were triggered at September 30, 2010 for the swap agreement that the University would need to provide an acceptable Credit Support Document for, the amount of that credit support would be approximately $1,176,778. In addition, the other counterparty would require the University to post approximately $503,809 based upon the fair value of the hedging instrument in a liability position. The University's credit ratings are AA-/Aa2; therefore, no collateral has been posted at September 30, 2010.

Note 10 - Natural Classification of Expenses

Operating expenses by natural classification for the years ended September 30, 2010 and 2009 are summarized as follows:

	2010	2009
Compensation and benefits	$ 546,875,884	$ 531,682,243
Supplies, services and other	174,639,310	160,380,197
Depreciation	50,537,196	50,084,962
Scholarships and fellowships	8,193,074	11,325,344
Total operating expenses	$ 780,245,464	$ 753,472,746

Note 11 - Postemployment Benefits Other Than Pensions

The University offers a postemployment benefit of a fixed payout life insurance policy to its retirees. The University obtained an actuarial valuation as of September 30, 2010 to determine its future obligations for these benefits. The aggregate unfunded accrued liability which has been recorded as accrued employee benefits on the balance sheet was $4,900,000 and $4,512,200 at September 30, 2010 and 2009, respectively. The related expense was $387,800 for 2010 and $358,500 in 2009.

In addition, the University makes available a plan under which certain retirees may receive health care coverage. There is no implicit rate subsidy and the employees pay 100 percent of the cost. As a result, there is no required or recorded liability relating to the retiree healthcare plan.

Supplemental Information

Plante & Moran, PLLC
27400 Northwestern Highway
P.O. Box 307
Southfield, MI 48037-0307
Tel: 248.352.2500
Fax: 248.352.0018
plantemoran.com

Report on Supplemental Information

To the Board of Governors
Wayne State University

We have audited the financial statements of Wayne State University for the years ended September 30, 2010 and 2009. Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information, as listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Plante & Moran, PLLC

January 7, 2011

Wayne State University

Combining Balance Sheet
September 30, 2010
(with comparative totals for September 30, 2009)

	2010											2009
	General Fund	Designated Fund	Auxiliary Activities Fund	Independent Operations Fund	Expendable Restricted Fund	Subtotal Current Funds	Plant Fund	Student Loan Fund	Endowment and Similar Funds	Agency Fund	Combined Fund Totals	Combined Fund Totals
Assets												
Current assets:												
Cash and temporary investments	$ 209,804,296	$ 32,924,047	$ 7,812,402	$ (1,916,373)	$ 37,250,150	285,874,522	$ 65,419,444	$ 11,723,511	$ (2,214,135)	$ 18,733,539	$ 379,536,881	$ 352,568,580
Current receivables - Net	52,969,535	18,208,935	3,669,982	255,327	25,098,489	100,202,268	5,307,665	104,399	1,375,965	375,818	107,366,115	116,983,766
Inventories	1,086,429	-	506,366	-	-	1,592,795	-	-	-	-	1,592,795	1,739,774
Prepaid expenses and deposits	28,351,910	175,290	93,106	5,742	223,838	28,849,886	16,762	-	-	321,077	29,187,725	27,532,426
Total current assets	292,212,170	51,308,272	12,081,856	(1,655,304)	62,572,477	416,519,471	70,743,871	11,827,910	(838,170)	19,430,434	517,683,516	498,824,546
Noncurrent assets:												
Investments	-	-	-	-	-	-	16,737,964	-	241,366,257	-	258,104,221	230,612,855
Noncurrent receivables - Net	-	2,374,434	-	11,482	2,792,851	5,178,767	4,807,475	28,122,768	-	-	38,109,010	48,446,846
Interfund receivables (payables)	-	-	(2,200,000)	-	-	(2,200,000)	2,200,000	-	-	-	-	-
Unamortized bond issue costs	-	-	-	-	-	-	3,397,606	-	-	-	3,397,606	3,504,058
Capital assets - Net	-	-	-	-	-	-	775,111,161	-	-	-	775,111,161	761,524,090
Total noncurrent assets	-	2,374,434	(2,200,000)	11,482	2,792,851	2,978,767	802,254,206	28,122,768	241,366,257	-	1,074,721,998	1,044,087,849
Total assets	**$ 292,212,170**	**$ 53,682,706**	**$ 9,881,856**	**$ (1,643,822)**	**$ 65,365,328**	**$ 419,498,238**	**$ 872,998,077**	**$ 39,950,678**	**$ 240,528,087**	**$ 19,430,434**	**$ 1,592,405,514**	**$ 1,542,912,395**
Liabilities and Net Assets (Deficit)												
Liabilities												
Current liabilities:												
Accounts payable and accrued liabilities	$ 32,268,182	$ 7,854,638	$ 2,833,153	$ 166,710	$ 10,583,857	$ 53,706,540	$ 20,769,169	$ -	$ 196,253	$ 14,847,412	$ 89,519,374	$ 87,260,549
Deferred income	122,087,655	212,625	5,674,179	16,700	8,330,110	136,321,269	262,655	-	-	-	136,583,924	131,455,620
Deposits	2,277,774	774,933	334,462	-	-	3,387,169	-	-	-	3,716,400	7,103,569	6,722,006
Long-term debt - Current portion	-	-	-	-	-	-	12,071,800	-	-	-	12,071,800	9,386,808
Total current liabilities	156,633,611	8,842,196	8,841,794	183,410	18,913,967	193,414,978	33,103,624	-	196,253	18,563,812	245,278,667	234,824,983
Noncurrent liabilities:												
Federal portion of student loan funds	-	-	-	-	-	-	-	27,432,479	-	-	27,432,479	26,532,208
Accrued employee benefits	10,093,235	444,554	208,755	5,826	642,015	11,394,385	-	-	468,292	866,622	12,729,299	11,225,575
Long-term debt - Net of current portion	-	-	-	-	-	-	410,557,950	-	-	-	410,557,950	375,375,311
Derivative instruments	-	-	-	-	-	-	1,680,587	-	-	-	1,680,587	13,115,877
Total noncurrent liabilities	10,093,235	444,554	208,755	5,826	642,015	11,394,385	412,238,537	27,432,479	468,292	866,622	452,400,315	426,248,971
Total liabilities	166,726,846	9,286,750	9,050,549	189,236	19,555,982	204,809,363	445,342,161	27,432,479	664,545	19,430,434	697,678,982	661,073,954
Net Assets (Deficit)												
Invested in capital assets - Net of related debt	-	-	-	-	-	-	354,198,430	-	-	-	354,198,430	367,482,056
Restricted:												
Nonexpendable	-	-	-	-	-	-	-	11,543,317	126,268,088	-	137,811,405	130,800,874
Expendable	-	-	-	-	45,809,346	45,809,346	15,336,742	-	106,460,968	-	167,607,056	151,617,422
Unrestricted	125,485,324	44,395,956	831,307	(1,833,058)	-	168,879,529	58,120,744	974,882	7,134,486	-	235,109,641	231,938,089
Total net assets (deficit)	125,485,324	44,395,956	831,307	(1,833,058)	45,809,346	214,688,875	427,655,916	12,518,199	239,863,542	-	894,726,532	881,838,441
Total liabilities and net assets (deficit)	**$ 292,212,170**	**$ 53,682,706**	**$ 9,881,856**	**$ (1,643,822)**	**$ 65,365,328**	**$ 419,498,238**	**$ 872,998,077**	**$ 39,950,678**	**$ 240,528,087**	**$ 19,430,434**	**$ 1,592,405,514**	**$ 1,542,912,395**

(A) General Fund unrestricted net assets are appropriated or allocated as follows (in thousands):

	2010	2009
Contractually committed, encumbrances	$ 15,578	$ 14,240
Rainy Day Fund	19,612	19,517
Faculty, instructional, and research	54,763	54,928
Academic support	1,572	16,006
Divisions and central unit funds carried forward	8,612	5,533
Financial Aid commitments	20,393	8,942
Funds available for allocation in subsequent years	4,955	4,343
Total General Fund unrestricted net assets	**$ 125,485**	**$ 123,509**

Wayne State University

Combining Statement of Revenues, Expenses, Transfers and Changes in Net Assets (Deficit)
Year Ended September 30, 2010
(with comparative totals for the year ended September 30, 2009)

	Year Ended September 30											
	2010											2009
	General Fund	Designated Fund	Auxiliary Activities Fund	Independent Operations Fund	Expendable Restricted Fund	Subtotal Current Funds	Plant Fund	Student Loan Fund	Endowment and Similar Funds	Adjustments	Combined Total	Combined Total
Operating Revenues												
Student tuition and fees	$ 293,020,205	$ -	$ 3,751,165	$ -	$ -	$ 296,771,370	$ 181,614	$ -	$ -		$ 296,952,984	$ 272,624,899
Less scholarship allowances	-	-	-	-	-	-	-	-	-	(91,007,514)	(91,007,514)	(70,998,239)
Net student tuition and fees	293,020,205	-	3,751,165	-	-	296,771,370	181,614	-	-	(91,007,514)	205,945,470	201,626,660
Federal grants and contracts	-	-	-	-	122,998,128	122,998,128	816,960	-	-	-	123,815,088	110,917,780
State and local grants and contracts	-	-	-	-	19,174,274	19,174,274	-	-	-	-	19,174,274	21,122,129
Nongovernmental grants and contracts	-	60,853,919	-	-	39,486,036	100,339,955	-	-	-	-	100,339,955	95,520,656
Departmental activities	6,561,563	11,225,791	-	567,811	-	18,355,165	-	-	-	-	18,355,165	18,260,220
Auxiliary enterprises (net of scholarship allowances)	-	-	32,603,957	-	-	32,603,957	-	-	-	(3,281,911)	29,322,046	26,755,193
Recovery of indirect costs of sponsored programs	35,574,557	-	-	-	(35,574,557)	-	-	-	-	-	-	-
Other operating revenues	2,287,629	-	-	-	-	2,287,629	-	91,020	-	-	2,378,649	2,396,708
Total Operating Revenues	337,443,954	72,079,710	36,355,122	567,811	146,083,881	592,530,478	998,574	91,020	-	(94,289,425)	499,330,647	476,599,346
Operating Expenses												
Instruction	220,834,632	46,511,433	-	-	12,680,337	280,026,402	-	-	-	(2,540,690)	277,485,712	265,279,180
Research	36,757,747	1,961,539	-	-	121,173,575	159,892,861	-	-	-	(6,261,049)	153,631,812	145,108,382
Public service	2,862,375	23,011,053	-	1,993,366	23,212,513	51,079,307	-	-	-	(56,486)	51,022,821	46,544,771
Academic support	66,267,271	2,646,469	-	-	1,880,545	70,794,285	-	-	-	(8,027,811)	62,766,474	61,496,120
Student services	35,391,205	999,428	-	-	351,515	36,742,148	-	-	-	(35,611)	36,706,537	33,967,437
Institutional support	58,022,466	1,747,827	-	-	254,452	60,024,745	-	-	-	(170,558)	59,854,187	58,346,196
Operation and maintenance of plant	50,984,767	15,723	-	-	1,126,455	52,126,945	6,095,111	-	-	(18,150)	58,203,906	60,094,759
Scholarships and fellowships	47,446,936	188,768	-	-	54,846,795	102,482,499	-	-	-	(94,289,425)	8,193,074	11,325,344
Auxiliary enterprises	-	-	21,918,540	-	-	21,918,540	-	-	-	(74,795)	21,843,745	21,225,595
Depreciation	-	-	-	-	-	-	50,537,196	-	-		50,537,196	50,084,962
Capital additions - Net	-	-	-	-	-	-	(17,185,150)	-	-	17,185,150	-	-
Transfers (in) out:												
Debt service	15,973,773	985,982	12,000,880	-	-	28,960,635	(28,960,635)	-	-	-	-	-
Loan matching	88,568	-	-	-	-	88,568	-	(88,568)	-	-	-	-
Plant improvement and extension	17,268,673	2,544,026	885,340	125,000	951,341	21,774,380	(21,774,380)	-	-	-	-	-
Other	187,085	(58,254)	-	-	348,243	477,074	-	92,993	(570,067)	-	-	-
Total Operating Expenses	552,085,498	80,553,994	34,804,760	2,118,366	216,825,771	886,388,389	(11,287,858)	4,425	(570,067)	(94,289,425)	780,245,464	753,472,746
Operating (Loss) Income	(214,641,544)	(8,474,284)	1,550,362	(1,550,555)	(70,741,890)	(293,857,911)	12,286,432	86,595	570,067	-	(280,914,817)	(276,873,400)

Wayne State University

Combining Statement of Revenues, Expenses, Transfers and Changes in Net Assets (Deficit) (Continued)
Year Ended September 30, 2010
(with comparative totals for the year ended September 30, 2009)

	Year Ended September 30											
	2010											2009
	General Fund	Designated Fund	Auxiliary Activities Fund	Independent Operations Fund	Expendable Restricted Fund	Subtotal Current Funds	Plant Fund	Student Loan Fund	Endowment and Similar Funds	Adjustments	Combined Total	Combined Total
Nonoperating Revenues (Expenses)												
State operating appropriation	$ 214,043,521	$ -	$ -	$ -	$ 281,879	$ 214,325,400	$ -	$ -	$ -	$ -	$ 214,325,400	$ 221,231,257
State fiscal stabilization funds	-	-	-	-	6,003,800	6,003,800	-	-	-	-	6,003,800	-
Federal Pell Grant	-	-	-	-	42,623,613	42,623,613	-	-	-	-	42,623,613	31,803,231
Gifts	-	5,269,272	17,026	1,145,513	18,879,862	25,311,673	-	8,688	469,630	-	25,789,991	25,952,780
Investment income (loss):												
Change in fair value of derivatives	-	-	-	-	-	-	(1,049,710)	-	-	-	(1,049,710)	(7,442,761)
Endowment and similar funds	1,052,206	159,504	-	161	9,488,826	10,700,697	37,585	31,772	(10,770,054)	-	-	-
Other	1,522,278	2,198,402	931	(4)	1,237,975	4,959,582	(244,338)	37,224	21,255,747	-	26,008,215	15,855,019
Interest on capital asset - Related debt	-	-	-	-	-	-	(20,232,966)	-	-	-	(20,232,966)	(18,869,632)
Other	-	-	-	-	-	-	(642,326)	(19,840)	(110,679)	-	(772,845)	(2,505,251)
Net nonoperating revenues (expenses)	216,618,005	7,627,178	17,957	1,145,670	78,515,955	303,924,765	(22,131,755)	57,844	10,844,644	-	292,695,498	266,024,643
Income (Loss) Before Other Revenues (Expenses)	1,976,461	(847,106)	1,568,319	(404,885)	7,774,065	10,066,854	(9,845,323)	144,439	11,414,711	-	11,780,681	(10,848,757)
Other Revenues (Expenses)												
State capital appropriation	-	-	-	-	-	-	177,159	-	-	-	177,159	4,831,886
Capital gifts	-	-	-	-	-	-	207,734	-	-	-	207,734	5,305,806
Gifts for permanent endowments	-	-	-	-	-	-	-	-	6,310,210	-	6,310,210	2,160,836
Loss on capital assets retired	-	-	-	-	-	-	(5,587,693)	-	-	-	(5,587,693)	(1,394,185)
Net other revenues	-	-	-	-	-	-	(5,202,800)	-	6,310,210	-	1,107,410	10,904,343
Increase (Decrease) in Net Assets	1,976,461	(847,106)	1,568,319	(404,885)	7,774,065	10,066,854	(15,048,123)	144,439	17,724,921		12,888,091	55,586
Net Assets (Deficit) - Beginning of year	123,508,863	45,243,062	(737,012)	(1,428,173)	38,035,281	204,622,021	442,704,039	12,373,760	222,138,621	-	881,838,441	881,782,855
Net Assets (Deficit) - End of year	**$ 125,485,324**	**$ 44,395,956**	**$ 831,307**	**$ (1,833,058)**	**$ 45,809,346**	**$ 214,688,875**	**$ 427,655,916**	**$ 12,518,199**	**$ 239,863,542**	**$ -**	**$ 894,726,532**	**$ 881,838,441**

Wayne State University

Combining Balance Sheet
September 30, 2009

	2009										
	General Fund	Designated Fund	Auxiliary Activities Fund	Independent Operations Fund	Expendable Restricted Fund	Subtotal Current Funds	Plant Fund	Student Loan Fund	Endowment and Similar Funds	Agency Fund	Combined Fund Totals
Assets											
Current assets:											
Cash and temporary investments	$ 203,578,728	$ 24,496,078	$ 5,414,766	$ (1,463,084)	$ 25,305,742	$ 257,332,230	$ 65,712,381	$ 10,022,289	$ (2,598,273)	$ 22,099,953	$ 352,568,580
Current receivables - Net	53,071,339	22,928,787	3,713,648	175,123	28,826,580	108,715,477	6,580,644	106,020	1,008,743	572,882	116,983,766
Inventories	1,070,350	-	669,424	-	-	1,739,774	-	-	-	-	1,739,774
Prepaid expenses and deposits	26,792,082	48,778	90,283	-	277,546	27,208,689	16,762	-	-	306,975	27,532,426
Total current assets	284,512,499	47,473,643	9,888,121	(1,287,961)	54,409,868	394,996,170	72,309,787	10,128,309	(1,589,530)	22,979,810	498,824,546
Noncurrent assets:											
Investments	-	-	-	-	-	-	6,292,724	-	224,320,131	-	230,612,855
Noncurrent receivables - Net	-	9,239,058	-	10,555	3,172,870	12,422,483	7,246,704	28,777,659	-	-	48,446,846
Interfund receivables (payables)	-	-	(2,200,000)	-	-	(2,200,000)	2,200,000	-	-	-	-
Unamortized bond issue costs	-	-	-	-	-	-	3,504,058	-	-	-	3,504,058
Capital assets - Net	-	-	-	-	-	-	761,524,090	-	-	-	761,524,090
Total noncurrent assets	-	9,239,058	(2,200,000)	10,555	3,172,870	10,222,483	780,767,576	28,777,659	224,320,131	-	1,044,087,849
Total assets	**$ 284,512,499**	**$ 56,712,701**	**$ 7,688,121**	**$ (1,277,406)**	**$ 57,582,738**	**$ 405,218,653**	**$ 853,077,363**	**$ 38,905,968**	**$ 222,730,601**	**$ 22,979,810**	**$ 1,542,912,395**
Liabilities and Net Assets (Deficit)											
Liabilities											
Current liabilities:											
Accounts payable and accrued liabilities	$ 33,053,709	$ 9,975,179	$ 2,205,342	$ 144,998	$ 9,662,564	$ 55,041,792	$ 12,235,931	$ -	$ 184,734	$ 19,798,092	$ 87,260,549
Deferred income	116,302,612	213,825	5,361,689	-	9,318,097	131,196,223	259,397	-	-	-	131,455,620
Deposits	1,992,717	893,226	654,345	-	-	3,540,288	-	-	-	3,181,718	6,722,006
Long-term debt - Current portion	-	-	-	-	-	-	9,386,808	-	-	-	9,386,808
Total current liabilities	151,349,038	11,082,230	8,221,376	144,998	18,980,661	189,778,303	21,882,136	-	184,734	22,979,810	234,824,983
Noncurrent liabilities:											
Federal portion of student loan funds	-	-	-	-	-	-	-	26,532,208	-	-	26,532,208
Accrued employee benefits	9,654,598	387,409	203,757	5,769	566,796	10,818,329	-	-	407,246	-	11,225,575
Long-term debt - Net of current portion	-	-	-	-	-	-	375,375,311	-	-	-	375,375,311
Derivative instruments	-	-	-	-	-	-	13,115,877	-	-	-	13,115,877
Total noncurrent liabilities	9,654,598	387,409	203,757	5,769	566,796	10,818,329	388,491,188	26,532,208	407,246	-	426,248,971
Total liabilities	161,003,636	11,469,639	8,425,133	150,767	19,547,457	200,596,632	410,373,324	26,532,208	591,980	22,979,810	661,073,954
Net Assets (Deficit)											
Invested in capital assets - Net of related debt	-	-	-	-	-	-	367,482,056	-	-	-	367,482,056
Restricted:											
Nonexpendable	-	-	-	-	-	-	-	11,441,496	119,359,378	-	130,800,874
Expendable	-	-	-	-	38,035,281	38,035,281	16,511,502	-	97,070,639	-	151,617,422
Unrestricted	123,508,863	45,243,062	(737,012)	(1,428,173)	-	166,586,740	58,710,481	932,264	5,708,604	-	231,938,089
Total net assets (deficit)	123,508,863	45,243,062	(737,012)	(1,428,173)	38,035,281	204,622,021	442,704,039	12,373,760	222,138,621	-	881,838,441
Total liabilities and net assets (deficit)	**$ 284,512,499**	**$ 56,712,701**	**$ 7,688,121**	**$ (1,277,406)**	**$ 57,582,738**	**$ 405,218,653**	**$ 853,077,363**	**$ 38,905,968**	**$ 222,730,601**	**$ 22,979,810**	**$ 1,542,912,395**

(A) General Fund unrestricted net assets are appropriated or allocated as follows (in thousands):

	2009
Contractually committed, encumbrances	$ 14,240
Rainy Day Fund	19,517
Faculty, instructional, and research	54,928
Academic support	16,006
Divisions and central unit funds carried forward	5,533
Financial Aid commitments	8,942
Funds available for allocation in subsequent years	4,343
Total General Fund unrestricted net assets	**$ 123,509**

Wayne State University

Combining Statement of Revenues, Expenses, Transfers, and Changes in Net Assets (Deficit)
Year Ended September 30, 2009

	Year Ended September 30										
	2009										
	General Fund	Designated Fund	Auxiliary Activities Fund	Independent Operations Fund	Expendable Restricted Fund	Subtotal Current Funds	Plant Fund	Student Loan Fund	Endowment and Similar Funds	Adjustments	Combined Total
Operating Revenues											
Student tuition and fees	$ 268,821,811	$ -	$ 3,617,586	$ -	$ -	$ 272,439,397	$ 185,502	$ -	$ -	$ -	$ 272,624,899
Less scholarship allowances	-	-	-	-	-	-	-	-	-	(70,998,239)	(70,998,239)
Net student tuition and fees	268,821,811	-	3,617,586	-	-	272,439,397	185,502	-	-	(70,998,239)	201,626,660
Federal grants and contracts	-	-	-	-	110,728,398	110,728,398	189,382	-	-	-	110,917,780
State and local grants and contracts	-	-	-	-	21,122,129	21,122,129	-	-	-	-	21,122,129
Nongovernmental grants and contracts	-	62,386,108	-	-	33,134,548	95,520,656	-	-	-	-	95,520,656
Departmental activities	6,585,750	11,068,409	-	606,061	-	18,260,220	-	-	-	-	18,260,220
Auxiliary enterprises (net of scholarship allowances)	-	-	30,117,680	-	-	30,117,680	-	-	-	(3,362,487)	26,755,193
Recovery of indirect costs of sponsored programs	34,078,978	-	-	-	(34,078,978)	-	-	-	-	-	-
Other operating revenues	2,294,869	-	-	-	-	2,294,869	-	101,839	-	-	2,396,708
Total Operating Revenues	311,781,408	73,454,517	33,735,266	606,061	130,906,097	550,483,349	374,884	101,839	-	(74,360,726)	476,599,346
Operating Expenses											
Instruction	209,794,833	45,085,544	-	-	14,244,079	269,124,456	-	-	-	(3,845,276)	265,279,180
Research	36,834,973	200,148	-	-	113,919,846	150,954,967	-	-	-	(5,846,585)	145,108,382
Public service	1,783,776	24,169,443	-	2,293,483	18,325,419	46,572,121	-	-	-	(27,350)	46,544,771
Academic support	63,402,254	4,871,982	-	-	1,210,903	69,485,139	-	-	-	(7,989,019)	61,496,120
Student services	33,517,798	206,342	-	-	302,698	34,026,838	-	-	-	(59,401)	33,967,437
Institutional support	55,952,657	2,443,226	-	-	72,065	58,467,948	-	-	-	(121,752)	58,346,196
Operation and maintenance of plant	52,577,069	32,353	-	-	1,295,066	53,904,488	6,279,186	-	-	(88,915)	60,094,759
Scholarships and fellowships	43,747,791	133,039	-	-	41,805,239	85,686,069	-	-	-	(74,360,725)	11,325,344
Auxiliary enterprises	-	-	21,330,412	-	-	21,330,412	-	-	-	(104,817)	21,225,595
Depreciation	-	-	-	-	-	-	50,084,962	-	-	-	50,084,962
Capital additions - Net	-	-	-	-	-	-	(18,083,114)	-	-	18,083,114	-
Transfers (in) out:											
Debt service	13,571,999	985,982	11,595,739	-	-	26,153,720	(26,153,720)	-	-	-	-
Loan matching	20,187	-	-	-	-	20,187	-	(20,187)	-	-	-
Plant improvement and extension	19,294,649	150,000	1,025,130	-	4,550	20,474,329	(20,474,329)	-	-	-	-
Other	155,362	166,919	-	-	564,302	886,583	-	37,532	(924,115)	-	-
Total Operating Expenses	530,653,348	78,444,978	33,951,281	2,293,483	191,744,167	837,087,257	(8,347,015)	17,345	(924,115)	(74,360,726)	753,472,746
Operating (Loss) Income	(218,871,940)	(4,990,461)	(216,015)	(1,687,422)	(60,838,070)	(286,603,908)	8,721,899	84,494	924,115	-	(276,873,400)

Wayne State University

Combining Statement of Revenues, Expenses, Transfers, and Changes in Net Assets (Deficit) (Continued)
Year Ended September 30, 2009

	Year Ended September 30										
	2009										
	General Fund	Designated Fund	Auxiliary Activities Fund	Independent Operations Fund	Expendable Restricted Fund	Subtotal Current Funds	Plant Fund	Student Loan Fund	Endowment and Similar Funds	Adjustments	Combined Total
Nonoperating Revenues (Expenses)											
State operating appropriation	$ 220,953,989	$ -	$ -	$ -	$ 277,268	$ 221,231,257	$ -	$ -	$ -	$ -	$ 221,231,257
Federal Pell Grant	-	-	-	-	31,803,231	31,803,231	-	-	-	-	31,803,231
Gifts	-	3,472,694	5,350	951,223	21,394,942	25,824,209	-	5,622	122,949	-	25,952,780
Investment income (loss):											
Change in fair value of derivatives	-	-	-	-	-	-	(7,442,761)	-	-	-	(7,442,761)
Endowment and similar funds	1,103,697	161,520	-	163	9,438,032	10,703,412	37,720	33,028	(10,774,160)	-	-
Other	3,037,047	1,467,629	2,131	(19)	583,321	5,090,109	601,203	79,307	10,084,400	-	15,855,019
Interest on capital asset - Related debt	-	-	-	-	-	-	(18,869,632)	-	-	-	(18,869,632)
Other	-	-	-	-	-	-	(2,420,018)	(56,621)	(28,612)	-	(2,505,251)
Net nonoperating revenues (expenses)	225,094,733	5,101,843	7,481	951,367	63,496,794	294,652,218	(28,093,488)	61,336	(595,423)	-	266,024,643
Income (Loss) Before Other Revenues (Expenses)	6,222,793	111,382	(208,534)	(736,055)	2,658,724	8,048,310	(19,371,589)	145,830	328,692	-	(10,848,757)
Other Revenues (Expenses)											
State capital appropriation	-	-	-	-	-	-	4,831,886	-	-	-	4,831,886
Capital gifts	-	-	-	-	-	-	5,305,806	-	-	-	5,305,806
Gifts for permanent endowments	-	-	-	-	-	-	-	-	2,160,836	-	2,160,836
Loss on capital assets retired	-	-	-	-	-	-	(1,394,185)	-	-	-	(1,394,185)
Net other revenues	-	-	-	-	-	-	8,743,507	-	2,160,836	-	10,904,343
Increase (Decrease) in Net Assets	6,222,793	111,382	(208,534)	(736,055)	2,658,724	8,048,310	(10,628,082)	145,830	2,489,528		55,586
Net Assets (Deficit) - Beginning of year	117,286,070	45,131,680	(528,478)	(692,118)	35,376,557	196,573,711	453,332,121	12,227,930	219,649,093	-	881,782,855
Net Assets (Deficit) - End of year	**$ 123,508,863**	**$ 45,243,062**	**$ (737,012)**	**$ (1,428,173)**	**$ 38,035,281**	**$ 204,622,021**	**$ 442,704,039**	**$ 12,373,760**	**$ 222,138,621**	**$ -**	**$ 881,838,441**

WAYNE STATE UNIVERSITY

wayne.edu v (877) WSU-INFO