

Grand Valley State University

Financial Report
with Additional Information
June 30, 2011

Grand Valley State University

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Independent Auditor's Report

To the Board of Trustees
Grand Valley State University

We have audited the accompanying basic financial statements of Grand Valley State University (a component unit of the State of Michigan) (the "University") as of June 30, 2011 and 2010 and for the years then ended, as listed in the table of contents. These basic financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these basic financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 that the 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 basic financial statements referred to above present fairly, in all material respects, the financial position of Grand Valley State University at June 30, 2011 and 2010 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 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, grants, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis presented on pages 3 through 16 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.

Plante & Moran, PLLC

October 10, 2011

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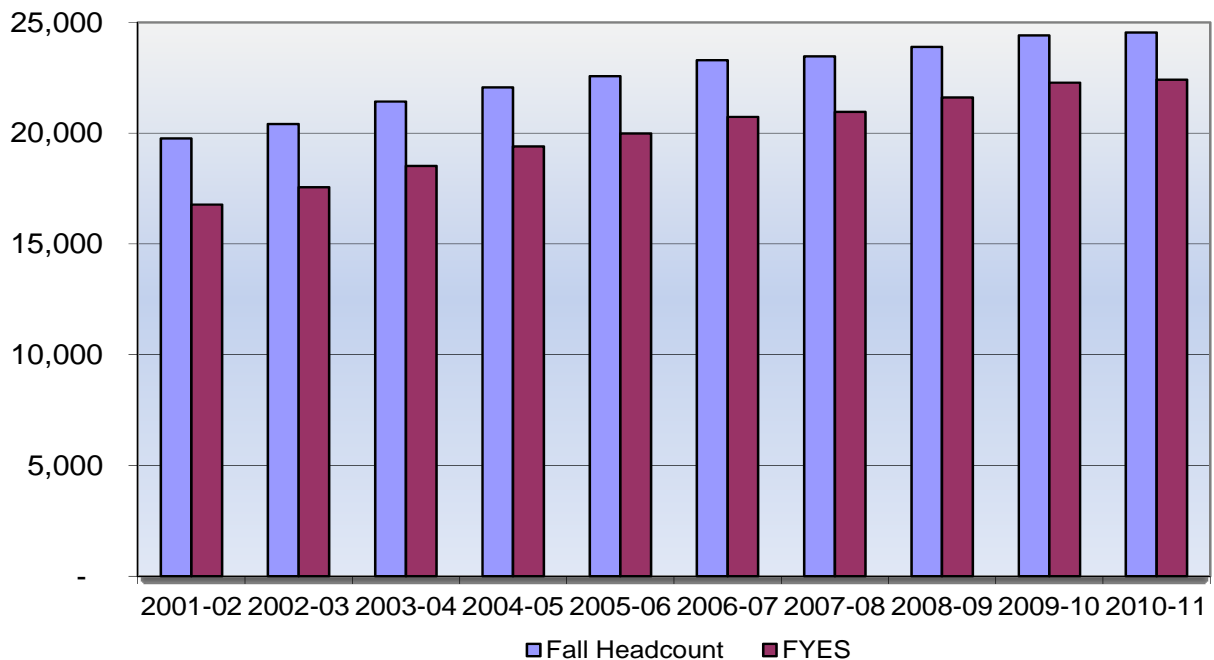
Grand Valley State University

Management's Discussion and Analysis - Unaudited

Financial and Enrollment Highlights for the Year Ended June 30, 2011

- Enrollment increased slightly based on FYES (fiscal year equated students). The headcount for the fall semester was 24,541 students.
- Operating revenue increased by 3.6 percent as a result of an average 5.3 percent tuition rate increase, while housing rates remained unchanged. The rate increases, however, were offset by a significantly higher level of scholarship allowances - including additional Pell grants and need-based scholarships.
- State appropriations for operations remained static for 2011 at \$62 million, with state support per FYES declining to \$2,766.
- Endowment investments climbed to \$76 million mainly due to a 21.8 percent investment return in 2011 compared to a 12.5 percent return in 2010.
- In May 2011, the University issued \$21.6 million in long-term debt to fund a portion of the Mary Idema Pew Library Learning and Information Commons on Allendale Campus. Construction is underway and will be completed by August 2013.
- Groundbreaking started for the new L. William Seidman Center in downtown Grand Rapids. In addition to receiving generous private support, the project will also qualify for New Markets and Brownfield tax credits.

Historical Enrollment



Grand Valley State University

Management's Discussion and Analysis - Unaudited (Continued)

The purpose of the annual report is to provide readers with financial information about the activities and financial condition of the University. The report consists of three basic financial statements that provide information on the University as a whole: the statement of net assets, the statement of revenue, expenses, and changes in net assets, and the statement of cash flows. These reports begin on page 17 and should be read in conjunction with the notes to the financial statements. The following summary and management discussion of the results are intended to provide the readers with an overview of the financial statements.

The Statement of Net Assets

The statement of net assets includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector institutions. Net assets - the difference between assets and liabilities - are one way to measure the financial health of the University. Over the past three years, net assets has increased by 19.2 percent from \$494 million to \$589 million.

	June 30		
	2011	2010	2009
	(in 000s)		
Current Assets			
Cash and short-term investments	\$ 81,748	\$ 46,997	\$ 37,296
Endowment cash and short-term investments	519	1,227	2,638
Receivables	54,634	48,416	43,484
Inventory, prepaid expenses, and other	8,322	7,312	5,299
Total current assets	145,223	103,952	88,717
Noncurrent Assets			
Restricted cash and investments	23,224	15,761	39,426
Endowment investments	75,464	61,206	52,594
Other long-term investments	117,147	112,942	108,803
Long-term receivables	22,825	20,295	12,624
Capital assets - Net of depreciation	546,831	540,578	513,292
Other	9,113	12,355	9,474
Total assets	<u>\$939,827</u>	<u>\$867,089</u>	<u>\$824,930</u>

Grand Valley State University

Management's Discussion and Analysis - Unaudited (Continued)

	June 30		
	2011	2010	2009
	(in 000s)		
Current Liabilities			
Accounts payable and accrued liabilities	\$ 59,154	\$ 49,976	\$ 43,620
Deferred revenue	13,241	12,276	10,591
Long-term liabilities - Current portion	<u>6,006</u>	<u>6,060</u>	<u>9,565</u>
Total current liabilities	78,401	68,312	63,776
Noncurrent Liabilities			
Federal student loan payable	10,135	10,240	10,278
Long-term liabilities - Net of current portion	252,534	238,609	249,370
Other	<u>9,681</u>	<u>11,170</u>	<u>7,506</u>
Total liabilities	<u>\$350,751</u>	<u>\$328,331</u>	<u>\$330,930</u>
Net Assets			
Invested in physical properties	\$ 314,064	\$ 310,011	\$ 302,898
Restricted	108,843	92,856	70,876
Unrestricted	<u>166,169</u>	<u>135,891</u>	<u>120,226</u>
Total net assets	<u>\$589,076</u>	<u>\$538,758</u>	<u>\$494,000</u>

Cash and short-term investments include unrestricted funds which are used for operating expenditures and are managed within the parameters of the University's investment policy. Restricted cash and investments consist of bond proceeds used for capital projects and are classified as noncurrent assets due to the nature of the projects. Restricted funds increased in 2011 due to receipt of \$23.2 million of bond proceeds, which sold at a \$1.6 million discount. There were unspent bond proceeds of \$15.8 million and \$39.4 million at June 30, 2010 and June 30, 2009, respectively. The decrease in 2010 reflects the spending of bond proceeds for construction of the Living, Learning, and Dining project.

Current receivables include grants, state appropriations, pledges, student notes, and various operating receivables that are expected to be collected within a year. Accounts receivable, excluding state appropriation receivable, remained consistent from 2009 to 2011. Current pledges receivable mainly reflect payments expected from the "Shaping Our Future" campaign. State appropriation receivable increased from 2009 to 2011 by \$10.5 million mainly due to the addition of six new public service academies in the greater Detroit area and one virtual academy.

Grand Valley State University

Management's Discussion and Analysis - Unaudited (Continued)

Endowment investments outperformed 2010, generating a 21.8 percent gain compared to a 12.5 percent gain in 2010 and a loss of 17.4 percent in 2009. However, since difficult economic conditions and market volatility persists, the University (along with the investment advisory committee and outside consultants) continues to closely review endowment investment strategy and asset allocations. Other long-term investments should be looked at in conjunction with cash and short-term investments. This combination of funds comprises the overall pool of unrestricted cash and investments. It increased \$38.9 million from 2010 to 2011 and \$13.8 million from 2009 to 2010. The 2011 increase is due to higher cash reserves held to cover significant construction projects and future debt service.

Long-term receivables, which include pledges and student notes, remained at consistent levels between 2010 and 2011. Pledges increase and decrease as a result of payment schedules set by donors. Long-term pledges are discounted to net present value for financial statement purposes. Pledges receivable increased from 2009 to 2010 due to expanding the "Shaping Our Future" campaign goal from \$50 million to \$75 million for the additional effort to construct the L. William Seidman Center. Named in honor of the University's founding trustee, it will house the Seidman College of Business. In spring 2011, a new capital campaign opened for renovation of the Lubbers football stadium.

Capital assets increased by \$30.1 million in 2011, of which \$12.8 million was mainly due to the start of construction on the Mary Idema Pew Library Learning and Information Commons and the L. William Seidman Center with the remainder expended to complete the 2010 Living, Learning and Dining facilities. These increases were offset by depreciation expense of \$23.0 million and net disposals of \$.9 million, accounting for a \$6.2 million increase in net capital assets. In 2010, capital asset additions of \$49.3 million were offset by depreciation of \$22.0 million. Construction in progress for the 2010 Living, Learning and Dining project accounts primarily for the increase. Capital assets increased in 2009 with additions of \$25.8 million that were offset by depreciation of \$21.6 million. Projects completed during 2009 include Niemeyer Learning and Living Center, the Laker Turf Building, and additions to Kirkhof Center and Mackinac Hall. In 2009, construction began for the 2010 Living, Learning and Dining project. This included the demolition of some existing apartment buildings. Capital asset changes are summarized in Note 3 to the financial statements.

Accounts payable and other current liabilities increased by \$9.2 million from 2010 to 2011 of which \$5.5 million was due to the increase in payables to public school academies, and the remainder mainly due to higher payables from the new construction activity. Accounts payable and other current liabilities increased \$6.4 million from 2009 to 2010 mainly due to the increase in payables to public school academies.

Deferred tuition revenue remained relatively consistent between 2011 and 2010. There was a \$1.9 million increase from 2009 to 2010 mainly due to timing of summer classes, as both the 12-week session and six-week summer session began one week later in 2010. Total summer credit hours increased by 6.1 percent between 2009 and 2010.

Grand Valley State University

Management's Discussion and Analysis - Unaudited (Continued)

Current maturities in long-term debt remained stable between 2011 and 2010, after a decrease of \$3.5 million from 2009 to 2010 as a result of advance payments on the 2008A bonds and the final payoff of the 1994, 1998, and 1999 series bonds. Early reduction of debt resulted in cost savings for the University.

A new accounting pronouncement, Governmental Accounting Standards Board Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB Statement No. 53) became effective in 2010. This statement requires that derivative financial instruments, such as interest rate swaps be recorded at fair value. To implement this new rule, the University evaluated whether its interest rate swaps qualified as effective hedges or ineffective hedges and calculated fair value at the end of each reporting period. Three agreements to swap variable rate for a fixed-rate payment were adjusted to reflect an increase in liability of \$3 million between 2009 and 2010 and a decrease of \$1.5 million between 2010 and 2011, as the market conditions for these types of swaps have started to rebound. More detailed information regarding GASB Statement No. 53 is presented in Note 5 to the financial statements.

The University reclassified \$10.2 million in federal loan revolving funds from restricted expendable net assets to a noncurrent liability as of June 30, 2010 and this balance has remained consistent at June 30, 2011. For comparative financial statement purposes, federal loan funds previously recorded as restricted expendable net assets as of and for the year ended June 30, 2009 were reclassified accordingly.

Long-term liabilities increased by \$13.9 million between 2010 and 2011 mainly due to the issuance of long-term debt for a portion of the Mary Idema Pew Library Learning and Information Commons project. Between 2009 and 2010, long-term liabilities decreased by \$10.8 million, as no new long-term debt was issued in 2010 and the liability decreased as portions of the principal became current. In February 2009, the University issued \$50.1 million in long-term debt to fund the 2010 Living, Learning and Dining project. The University's bond rating continues to be A+, as rated by Standard & Poor's. More detailed information about the University's long-term debt is presented in Note 4 to the financial statements.

Long-term liabilities also include the recognized portion of the liability for retiree medical benefits, as required by Governmental Accounting Standards Board, Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. As of July 1, 2010, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$9.5 million. Further information regarding the plan and funding status is detailed in Note 6, Retirement Plans.

The increase in the University's net assets reflects the investment in physical assets (capital additions, less depreciation, plus retirement of related debt), unexpended capital gifts, reserves for future projects, and increased endowment value due to gifts and investment income. Unrestricted net assets are designated for certain purposes by the University as summarized in Note 1 to the financial statements.

Grand Valley State University

Management's Discussion and Analysis - Unaudited (Continued)

The Statement of Revenue, Expenses, and Changes in Net Assets

The statement of revenue, expenses, and changes in net assets presents the operating results of the University, as well as the nonoperating revenue and expenses. Annual state appropriations, while budgeted for operations, are considered nonoperating revenue according to accounting principles generally accepted in the United States of America. For comparability purposes, 2009 nonoperating revenue and net assets have been adjusted to reflect the impact of GASB Statement No. 53 implementation in 2010.

	Year Ended June 30		
	2011	2010	2009
	(in 000s)		
Operating Revenue			
Student tuition and fees	\$ 234,059	\$ 220,997	\$ 204,572
Less scholarship allowance	(38,181)	(33,751)	(25,954)
Auxiliary	55,419	54,900	54,886
Less scholarship allowance	(7,602)	(6,732)	(5,993)
Grant and contracts	22,713	22,782	23,198
Other	14,106	12,611	11,733
Total operating revenue	280,514	270,807	262,442
Operating Expenses	354,988	342,698	323,025
Net Operating Loss	(74,474)	(71,891)	(60,583)
Nonoperating Revenue (Expense)			
State appropriations	61,976	62,019	64,021
Government grants	31,241	27,807	15,066
Gifts (including endowment and capital)	20,880	23,009	8,034
Capital appropriations and grants	1,221	582	604
Investment income (loss) - Net	21,634	13,788	(7,611)
Change in fair value of derivatives	106	(212)	(971)
Other loss and expense	(12,266)	(10,344)	(13,806)
Net nonoperating revenue	124,792	116,649	65,337
Net Increase in Net Assets	50,318	44,758	4,754
Net Assets - Beginning of year	538,758	494,000	489,246
Net Assets - End of year	\$589,076	\$ 538,758	\$494,000

Grand Valley State University

Management's Discussion and Analysis - Unaudited (Continued)

Revenue generated by tuition and fees increased by 6 percent in 2011, 8 percent in 2010, and 15 percent in 2009. The 2011 increase was mostly due to a tuition rate increase of 5.3 percent, as enrollment only increased by .6 percent FYES. The 2010 increase was due to a combination of a tuition rate increase of 5.3 percent and an enrollment increase of 3.07 percent FYES. The 2009 increase reflects tuition rate increases of 13.2 percent for undergraduate and 13.3 percent for graduate and an enrollment increase of 3.16 percent FYES.

Scholarship allowances as a percent of tuition and fees climbed from 12.7 percent in 2009, to 15.3 percent in 2010, to 16.3 percent in 2011. In 2011, total scholarship allowances increased by 13.1 percent or \$5.3 million due to additional Pell grants received of \$3.4 million, and the remainder due to increase in internally funded scholarships. In 2010, total scholarship allowances increased by 26.7 percent or \$8.5 million mainly due to additional Pell grants received.

Auxiliary revenue consists of housing, parking, bookstores, vending, golf course, health center, and conference fees for external customers. Opening of the Living, Learning and Dining facilities added about \$3 million; however, this increase was partially offset by lower occupancy in the traditional housing units. Housing rates were held steady in 2011. Housing revenue for 2010 reflects a 3.8 percent increase in rates which was offset by reduced capacity of 4.4 percent (and 7 percent decrease in occupancy) due to the demolition of several outdated apartment buildings. Housing revenue for 2009 reflects a 4.7 percent increase in rates and an 8.4 percent increase in occupancy.

Grant and contracts operating revenue remained consistent between 2009 and 2011, with increases in federal scholarship revenue offsetting decreases from expiring grants.

Operating expenses increased by \$12.3 million in 2011 (and \$19.7 million in 2010). Further analysis of this increase is provided beginning on page 12. Salaries, wages, and benefits comprise the largest operating expense, while instruction is the largest functional category.

State appropriation remained flat between 2010 and 2011 after decreasing by \$2.0 million from 2009 to 2010. Over the past three years, state appropriation per FYES declined from \$2,962 in 2009 to \$2,784 in 2010, to \$2,765 in 2011 or a 6.6 percent decrease over three years.

Gifts, including capital and endowment gifts, decreased by \$2.1 million in 2011 due to the wrap-up of the "Shaping Our Future" campaign, whereas in 2010 there was a \$15.0 million increase mainly due to expanding the "Shaping Our Future" campaign to include the L. William Seidman Center to house the University's Seidman College of Business. Over the past three years, the most significant gifts to the endowment were for Cook Leadership Fellows of the Hauenstein Center for Presidential Studies, the Frederik Meijer Honors Chair and Lecture Series, and the Dorothy A. Johnson Center for Philanthropy.

Grand Valley State University

Management's Discussion and Analysis - Unaudited (Continued)

Nonoperating government grants increased by \$3.4 million between 2010 and 2011, which reflects an increase in Pell awards of \$5.1 million offset by the loss of one-time American Recovery and Reinvestment Act (ARRA) funding of \$1.74 million. In 2010, the University used the ARRA funding from the State's Education Stabilization Fund to provide additional need-based scholarships to students of Michigan residence. Between 2009 and 2010, there was an 84.6 percent increase that resulted in \$12.7 million additional grants to students.

Capital appropriations represent the State of Michigan's support for the construction of the Kennedy Hall of Engineering, which was completed in 2010. Capital grants increased by \$.7 million in 2011 due to federal awards received for a wind energy project directed by the Muskegon Alternative Renewable Energy Center (MAREC) and construction of a simulation center in the College of Health Professions.

Net investment income consists of realized income (interest, dividends, and realized gains on the sale of investments), unrealized gains/losses and investment expenses (primarily bank fees). Returns on endowment investments peaked in 2011 with a 21.8 percent gain, after rebounding in 2010 with a gain of 12.5 percent, compared to a loss of 17.4 percent in 2009.

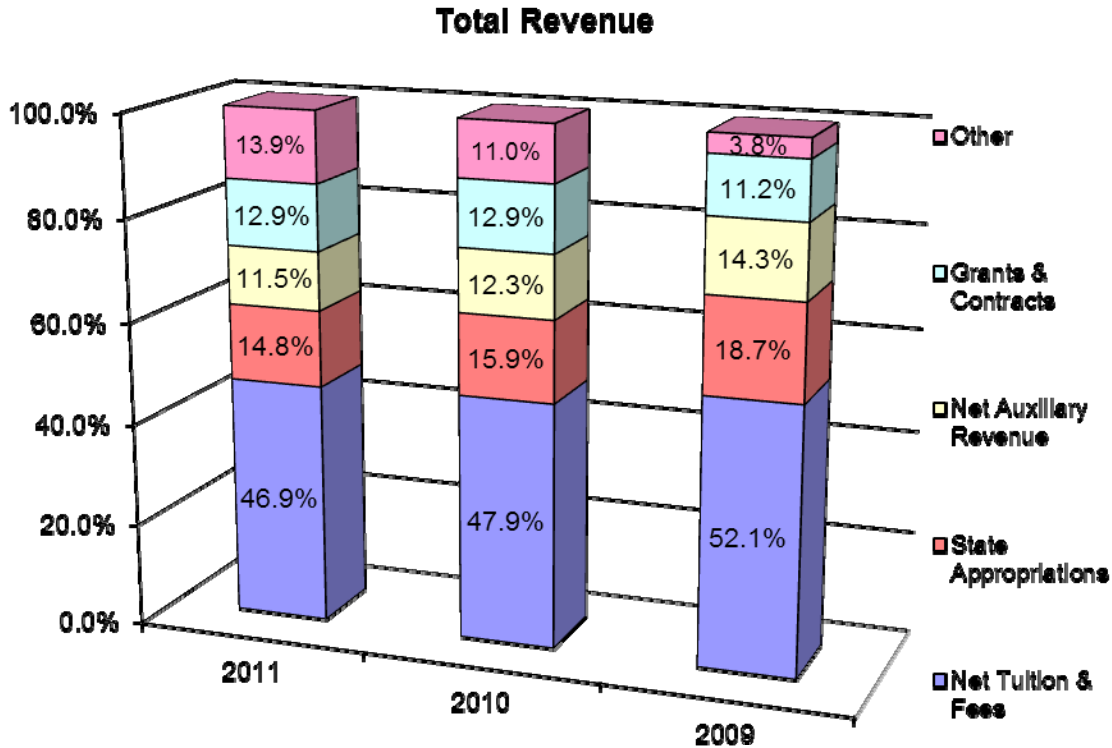
Under GASB Statement No. 53, the University is required to report changes in the fair value of derivative instruments, such as interest rate swaps that do not qualify as effective hedges as investment income (loss). 2009 activity was revised accordingly. Market conditions for this instrument - an interest rate swap of variable for a fixed payment - has continued to improve between 2010 and 2011, generating a gain of \$106,000 as compared to a (\$212,000) loss in 2010 and a (\$971,000) loss in 2009.

Other nonoperating expenses increased by \$1.9 million between 2010 and 2011, mainly due to recognizing the interest expense on the 2009 bonds, which had been previously capitalized as a component of the financed construction project. 2009 included a one-time write-off of \$3.5 million for the demolition of some existing housing units.

Grand Valley State University

Management's Discussion and Analysis - Unaudited (Continued)

Revenue for the University consists of four main categories: tuition, state appropriation, auxiliary activities, and grants. The following table shows the breakdown of total revenue for the University:



Tuition and fees, net of scholarship allowances, makes the largest contribution to the total revenue of the University. State appropriation is the next largest. These two sources, along with grants and contracts, provide for the majority of the operating expenses. Auxiliary activities are considered self-supporting enterprises. Other revenue includes investment income, gifts, capital appropriations, and capital grants. This component has risen mainly due to higher investment income returns.

Grand Valley State University

Management's Discussion and Analysis - Unaudited (Continued)

Operating Expenses by Functional Classification

Functional classifications are the traditional categories that universities have used. They represent the types of programs and services that the University provides. For comparability purposes, 2010 and 2009 instruction and academic support have been reclassified for organizational changes that occurred in 2011.

	2011	2010	2009
	(in 000s)		
Instruction	\$ 128,237	\$ 128,651	\$ 117,769
Research	7,136	6,288	5,902
Public service	21,999	19,928	21,168
Academic support	33,147	28,813	27,613
Student services	25,174	23,966	22,393
Institutional support	30,897	30,419	27,189
Operation and maintenance of facilities	30,493	28,956	31,076
Depreciation	22,959	21,970	21,615
Scholarships and related expenses	18,910	17,123	11,474
Auxiliary activities	35,790	36,386	36,414
Other expenditures	246	198	412
Total	<u>\$ 354,988</u>	<u>\$ 342,698</u>	<u>\$ 323,025</u>

Instructional expense continued to grow with increases in faculty and student credit hours. The University was able to offer additional courses, and developed a week-end program for health science coursework. A graduate-level degree program was added in biomedical engineering in 2011, a first of its kind in Michigan. Other new degrees and programs added over the past three years include Comprehensive Science and Arts for Teaching, Supply Chain Management, M.Ed. in Instruction & Curriculum, M.Ed. in Literacy Studies, M.Ed. in Education Leadership, M.Ed. in Higher Education with Emphasis Areas, Diagnostic Medical Sonography Major, Radiation Therapy Major, and BA and BS in Women and Gender Studies.

Research expenditures have gradually increased. Research expenditures include the continuing activities at the Annis Water Resources Institute as well as the Johnson Center for Philanthropy. In 2009, the Center for Scholarly and Creative Excellence was created to support faculty and student research, and coordinate the Office of Sponsored Programs, the University's central office for administration of externally sponsored grants.

Grand Valley State University

Management's Discussion and Analysis - Unaudited (Continued)

Public service expenditures include WGVU public broadcasting, the Michigan Small Business and Technology Development Center (SBTDC), Project Safe Neighborhood, and the Charter School Office administration. Decreased expenditures in 2010 and 2009 reflect the winding down of the West Michigan WIRED grant for which the University was the fiscal agent. However, that decrease was offset by additional grant activity for SBTDC. In 2011, expenditures increased mainly due to new initiatives on behalf of public school academies in the charter school administration.

Academic support expenditures include continuing education, information technology, student advising, the library, academic resources, and administration expenses for the academic deans. The increase from 2009 to 2011 reflects continued growth of these services as the University continues to focus on student retention and graduation rates.

Student services expenditures represent student life programming, admissions, records, registration, financial aid, and intercollegiate athletics.

Institutional support expenditures include administration for the business operations, human resources, executive offices, marketing and communications, public safety, development, and alumni relations. Expenses remained virtually flat between 2010 and 2011. Increases from 2009 to 2010 reflect initiatives in development, marketing, and network upgrades.

The operation and maintenance of facilities increased from 2010 to 2011 mainly due to small furniture and equipment purchases to complete the 2010 construction projects. Depreciation increased as the University completed construction projects and placed those buildings into use. Depreciation includes both academic and auxiliary buildings.

Scholarships and related expenses include work-study programs as well as the portion of financial aid that is not considered a scholarship allowance. To mitigate the impact of tuition increases on enrollment, the University continues to increase need-based scholarships. To look at the overall picture for scholarships and financial aid, it is important to also consider the scholarship allowance that is recorded net of tuition revenue and auxiliary revenue.

Auxiliary activities include housing, parking, bookstores, vending, golf course, health center, and conference services. Debt service, depreciation, and repairs related to housing are included in the other categories of expense. Housing capacity expanded in 2009 with the opening of the Glenn A. Niemeyer Learning and Living Center Housing, then decreased temporarily in 2010 with the demolition of several older apartment buildings. In 2011, the new Living, Learning and Dining facilities opened. Expenses decreased slightly between 2010 and 2011 as the University health services operation was fully privatized.

Grand Valley State University

Management's Discussion and Analysis - Unaudited (Continued)

Operating Expenses by Natural Classification

Operating expenses are summarized here by natural classification. Natural classifications show the type of expense regardless of program.

	2011	2010	2009
		(in 000s)	
Salaries and benefits	\$ 210,858	\$ 204,202	\$ 188,048
Scholarships and awards	18,910	16,762	11,382
Utilities	7,212	7,209	7,801
Supplies and other	95,049	92,555	94,179
Depreciation	22,959	21,970	21,615
Total	<u>\$ 354,988</u>	<u>\$ 342,698</u>	<u>\$ 323,025</u>

Salaries and benefit expenses, the largest component of total operating expense, increased by 3.3 percent between 2010 and 2011, compared to 8.5 percent between 2009 and 2010. To keep pace with enrollment and course work demands, approximately 20 new faculty positions were added in 2011. New administrative positions were added for curriculum development and the entrepreneurial center as well as additional staff to raise the level of student advising support.

Scholarships and awards represent financial aid expense less scholarship allowances and work-study wages. Utilities remained flat between 2010 and 2011, even with opening of new facilities, after decreasing 7.5 percent between 2009 and 2010. This was accomplished by a combination of favorable weather conditions and University emphasis on energy efficiency and conservation. Depreciation increased with the completion and opening of new buildings. Supplies and other expenses increased along with the overall growth of the University.

Grand Valley State University

Management's Discussion and Analysis - Unaudited (Continued)

The Statement of Cash Flows

The statement of cash flows provides information about cash receipts and cash payments during the year. This statement also helps users assess the University's ability to generate net cash flows, its ability to meet its obligations as they come due, and its need for external financing.

	2011	2010	2009
		(in 000s)	
Net Cash (Used in) Provided by			
Operating activities	\$ (46,729)	\$ (45,403)	\$ (44,145)
Noncapital financing activities	100,620	97,771	85,998
Capital and related financing activities	(16,005)	(70,087)	13,880
Investing activities	17,520	46,981	(69,339)
Net Increase (Decrease) in Cash and Cash Equivalents	55,406	29,262	(13,606)
Cash and Cash Equivalents - Beginning of year	50,085	20,823	34,429
Cash and Cash Equivalents - End of year	<u>\$ 105,491</u>	<u>\$ 50,085</u>	<u>\$ 20,823</u>
Balance Sheet Classification of Cash and Cash Equivalents			
Cash and cash equivalents	\$ 82,267	\$ 48,224	\$ 17,885
Restricted cash and cash equivalents	23,224	1,861	2,938
Total cash and cash equivalents	<u>\$ 105,491</u>	<u>\$ 50,085</u>	<u>\$ 20,823</u>

The primary cash receipts from operating activities consist of tuition and housing revenue. Cash outlays include payment of wages, benefits, supplies, utilities, and scholarships.

State appropriation is the primary source of noncapital financing. This source of revenue is categorized as nonoperating even though the University's budget depends upon it in order to continue the current level of operations. Other noncapital financing activity includes Pell grants, and gifts and grants for other than capital purposes.

Capital and related financing activities include the bond proceeds from the issuance of bonds in May 2011, and the issuance of additional debt in February 2009. These sources of financing are offset by capital expenditures and debt service payments.

Investing activities reflect purchases, sales, and interest income earned on investments. Investments identified in the cash flows statement include both short- and long-term investments.

Grand Valley State University

Management's Discussion and Analysis - Unaudited (Continued)

Economic Factors that Will Affect the Future

The financial position of Grand Valley State University continues to be more dependent on tuition revenue, as state appropriation will be reduced by 15 percent in fiscal year 2011-2012 to \$48.4 million. For the first time, state appropriation will no longer be used for general operations, as it has been earmarked by the University to be applied to student financial aid and debt service on University facilities. However, the University will be eligible for a one-time \$4.2 million appropriation as a result of keeping the tuition increase below 7 percent.

Grand Valley receives the lowest funding per student of public universities in Michigan and based on the upcoming appropriation, will likely place the University in the lowest 1 percent in the nation.

Enrollment growth at the University is expected to continue at a slower pace. The University has once again been named one of the best universities in the Midwest, according to the Princeton Review. Focus continues on educating students to shape their lives, their professions, and their societies.

Grand Valley State University

Statement of Net Assets

	June 30	
	2011	2010
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	\$ 82,266,471	\$ 48,223,915
Accounts receivable	7,715,681	8,577,699
State appropriation receivable	38,657,921	32,836,838
Pledges receivable	8,260,471	4,200,767
Inventories	2,419,650	2,328,449
Prepaid expenses and other	2,702,369	4,984,709
Student notes receivable - Current portion	<u>3,200,000</u>	<u>2,800,000</u>
Total current assets	145,222,563	103,952,377
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)	23,224,200	1,860,456
Restricted short-term investments (Note 2)	-	13,900,772
Endowment investments (Note 2)	75,463,625	61,205,524
Other long-term investments (Note 2)	117,147,398	112,941,504
Pledges receivable	14,580,558	12,109,862
Student notes receivable - Net of allowance of \$651,171 and \$566,957 in 2011 and 2010, respectively	8,244,185	8,184,909
Capital assets - Net (Note 3)	546,831,410	540,577,940
Derivative instrument (Note 5)	725,000	726,000
Deferred outflow of resources - Derivatives (Note 5)	7,221,000	8,577,000
Other assets	<u>1,167,132</u>	<u>3,052,569</u>
Total noncurrent assets	<u>794,604,508</u>	<u>763,136,536</u>
Total assets	<u>\$ 939,827,071</u>	<u>\$ 867,088,913</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 59,154,220	\$ 49,975,814
Deferred revenue	13,240,673	12,276,196
Long-term liabilities - Current portion (Note 4)	<u>6,006,142</u>	<u>6,060,027</u>
Total current liabilities	78,401,035	68,312,037
Noncurrent Liabilities		
Deferred capital revenue	657,800	684,200
Deferred inflow of resources - Derivatives (Note 5)	725,000	726,000
Derivative instruments (Note 5)	8,298,000	9,760,000
Federal student loan payable	10,135,130	10,240,450
Long-term liabilities - Net of current portion (Note 4)	<u>252,533,888</u>	<u>238,608,684</u>
Total noncurrent liabilities	<u>272,349,818</u>	<u>260,019,334</u>
Total liabilities	350,750,853	328,331,371
Net Assets		
Invested in capital assets - Net of related debt	314,064,176	310,011,084
Restricted:		
Nonexpendable - Scholarships and academic support	37,923,007	35,535,531
Expendable:		
Scholarships and academic support	34,740,987	25,163,773
Capital projects	34,542,095	30,505,967
Loans	1,636,672	1,650,460
Unrestricted	<u>166,169,281</u>	<u>135,890,727</u>
Total net assets	<u>589,076,218</u>	<u>538,757,542</u>
Total liabilities and net assets	<u>\$ 939,827,071</u>	<u>\$ 867,088,913</u>

Grand Valley State University

Statement of Revenue, Expenses, and Changes in Net Assets

	Year Ended June 30	
	2011	2010
Operating Revenue		
Student tuition and fees	\$ 234,059,209	\$ 220,997,231
Scholarship allowances	(38,181,168)	(33,751,171)
Net student tuition and fees	195,878,041	187,246,060
Government grants and contracts	21,820,985	20,564,822
Nongovernmental grants	891,943	2,216,888
Sales and services of educational activities	9,598,083	8,322,142
Auxiliary activities	55,419,026	54,900,045
Scholarship allowances	(7,602,227)	(6,732,116)
Net auxiliary activities	47,816,799	48,167,929
Other operating revenue	4,507,510	4,288,640
Total operating revenue	280,513,361	270,806,481
Operating Expenses - Education and general		
Instruction	128,236,423	125,691,299
Research	7,136,029	6,288,177
Public service	21,999,327	19,927,450
Academic support	33,146,764	31,773,194
Student services	25,174,444	23,965,450
Institutional support	30,896,568	30,418,903
Operation and maintenance - Plant	30,493,273	28,956,329
Depreciation expense	22,959,248	21,970,233
Scholarships and related expenses	18,909,932	17,122,937
Auxiliary activities	35,789,442	36,385,964
Loan administrative fees and collection costs	246,105	198,355
Total operating expenses	354,987,555	342,698,291
Operating Loss	(74,474,194)	(71,891,810)
Nonoperating Revenue (Expense)		
State appropriations	61,976,400	62,018,500
Government grants	31,241,103	27,807,227
Gifts	5,565,503	5,188,044
Investment income:		
Interest, dividends, and gains (loss) on investments - Net of investment expense of approximately \$805,800 and \$789,200 in 2011 and 2010, respectively	21,633,921	13,787,862
Change in fair value of derivatives	106,000	(212,000)
Interest on capital asset - Related debt	(11,099,431)	(10,072,133)
Loss on extinguishment of debt	-	(305,911)
Net nonoperating revenue	109,423,496	98,211,589
Income - Before other revenue, expenses, gains, and losses	34,949,302	26,319,779
Other Revenue, Expenses, Gains, and Losses		
Capital appropriations	-	146,887
Capital grants and gifts	13,758,124	15,408,486
Other capital income	89,100	30,624
Additions to permanent endowments	2,688,419	2,817,479
Transfer endowed funds to Foundation	(402,898)	-
(Loss) gain on disposal of assets	(763,371)	34,633
Total other revenue, expenses, gains, and losses	15,369,374	18,438,109
Increase in Net Assets	50,318,676	44,757,888
Net Assets - Beginning of year	538,757,542	493,999,654
Net Assets - End of year	\$ 589,076,218	\$ 538,757,542

Grand Valley State University

Statement of Cash Flows

	Year Ended June 30	
	2011	2010
Cash Flows from Operating Activities		
Tuition and fees	\$ 195,641,643	\$ 189,247,140
Grants and contracts	23,678,263	21,897,714
Payments to suppliers	(93,502,131)	(93,710,068)
Payments for utilities	(7,297,677)	(7,157,460)
Payments to employees	(155,994,456)	(149,650,092)
Payments for benefits	(52,715,911)	(51,370,204)
Payments for scholarships and fellowships	(18,909,932)	(16,762,025)
Loans issued to students	(27,459,871)	(28,113,757)
Collection of loans from students	27,000,595	28,651,856
Auxiliary enterprise charges:		
Residence halls	33,248,159	34,099,793
Bookstore	8,964,949	9,202,487
Other	5,981,024	5,824,996
Sales and service of educational activities	9,321,876	8,272,304
Other receipts	5,314,461	4,164,381
Net cash used in operating activities	(46,729,008)	(45,402,935)
Cash Flows from Noncapital Financing Activities		
State appropriations	61,984,038	62,382,578
Government grants	31,241,103	27,807,227
Gifts and grants for other than capital purposes	5,322,029	4,892,703
Private gifts for endowment purposes	2,285,521	2,817,479
Charitable annuities payments - Net	(259,465)	(237,993)
Federal direct loan receipts	160,506,932	151,165,225
Federal direct loan lending disbursements	(160,459,660)	(151,056,526)
Net cash provided by noncapital financing activities	100,620,498	97,770,693
Cash Flows from Capital and Related Financing Activities		
Proceeds from capital debt	23,223,581	-
Capital appropriations	-	215,389
Capital grants and gifts received	7,451,094	7,319,999
Other capital income	(59,826)	15,798
Proceeds from sale of capital assets	104,006	38,705
Purchases of capital assets and construction	(26,647,813)	(48,771,519)
Principal paid on capital debt	(8,979,415)	(15,544,636)
Interest paid on capital debt	(10,783,120)	(12,811,547)
Termination fees paid for early extinguishment of debt	-	(305,911)
Debt issue costs paid	(313,952)	(243,491)
Net cash used in capital and related financing activities	(16,005,445)	(70,087,213)
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	48,706,057	195,620,920
Interest on investments	5,362,018	6,282,987
Purchase of investments	(36,547,820)	(154,923,042)
Net cash provided by investing activities	17,520,255	46,980,865
Net Increase in Cash and Cash Equivalents	55,406,300	29,261,410
Cash and Cash Equivalents - Beginning of year	50,084,371	20,822,961
Cash and Cash Equivalents - End of year	\$ 105,490,671	\$ 50,084,371

Grand Valley State University

Statement of Cash Flows (Continued)

	Year Ended June 30	
	2011	2010
Balance Sheet Classification of Cash and Cash Equivalents		
Cash and cash equivalents (Note 2)	\$ 82,266,471	\$ 48,223,915
Restricted cash and cash equivalents (Note 2)	23,224,200	1,860,456
Total cash and cash equivalents	<u>\$ 105,490,671</u>	<u>\$ 50,084,371</u>
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	\$ (74,474,194)	\$ (71,891,810)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation expense	22,959,247	21,970,232
Changes in assets and liabilities:		
Receivables - Net	329,863	32,289
Inventories	(91,201)	59,159
Other assets	(118,373)	(267,662)
Accounts payable and accrued liabilities	3,927,740	3,081,606
Deferred revenue	209,154	1,685,142
Deposits held for others	528,756	(71,891)
Net cash used in operating activities	<u>\$ (46,729,008)</u>	<u>\$ (45,402,935)</u>

Grand Valley State University

Statement of Fiduciary Net Assets Employee Benefit Plans

	June 30	
	2011	2010
Assets		
Money market funds	\$ 385,961	\$ 314,906
Domestic equities	21,084,762	18,125,679
International equities	9,801,436	5,909,557
Domestic bonds	3,320,567	3,253,128
Alternative assets	<u>4,122,418</u>	<u>1,948,280</u>
Total cash and cash equivalents and investments	38,715,144	29,551,550
Accrued income	37	32
Employer contribution receivable	<u>1,017,140</u>	<u>576,458</u>
Net Assets - Held in trust for pension benefits	<u>\$ 39,732,321</u>	<u>\$ 30,128,040</u>

Grand Valley State University

Statement of Changes in Fiduciary Net Assets Employee Benefit Plans

	Year Ended June 30	
	2011	2010
Additions		
Investment income:		
Interest and dividend income	\$ 626,627	\$ 356,732
Net appreciation in fair value of investments	<u>7,660,202</u>	<u>3,738,950</u>
Total investment income	8,286,829	4,095,682
Employer contributions paid	2,222,762	2,343,987
Employer contributions deferred	440,682	576,458
Other income	<u>118,355</u>	<u>140,543</u>
Total additions	11,068,628	7,156,670
Deductions		
Benefit payments	1,378,410	1,300,358
Administrative expense	<u>85,937</u>	<u>88,886</u>
Total deductions	<u>1,464,347</u>	<u>1,389,244</u>
Net Increase	9,604,281	5,767,426
Net Assets Held in Trust for Pension Benefits		
Beginning of year	<u>30,128,040</u>	<u>24,360,614</u>
End of year	<u>\$ 39,732,321</u>	<u>\$ 30,128,040</u>

Grand Valley State University

Notes to Financial Statements June 30, 2011 and 2010

Note 1 - Summary of Significant Accounting Policies

Reporting Entity - Grand Valley State University (the "University") is an institution of higher education created by the Michigan Constitution of 1963 and is considered to be a component unit of the State of Michigan (the "State"). Its board of trustees is appointed by the governor of the State. Accordingly, the University is included in the State's financial statements as a discrete component unit. Transactions with the State relate primarily to appropriations for operations and capital improvements and grants from various state agencies.

No component units are required to be reported in the University's financial statements. The financial statements of all organizations that are affiliated with the University, such as the Grand Valley Research Corporation, Grand Valley University Foundation, Inc., and University Properties, Inc., are not included in the University's financial statements. The net assets of these organizations are insignificant to the financial statements and, accordingly, have not been separately disclosed.

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). The University follows all applicable GASB pronouncements. 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. The University follows the business-type activities reporting requirements of GASB Statement No. 35, which provides a comprehensive one-line look at the University's financial activities.

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

Cash and Cash Equivalents - The University considers all investments with an original maturity of three months or less when purchased to be cash equivalents.

The unspent bond proceeds and related interest are set aside for construction. These amounts have been classified as restricted cash and cash equivalents.

Note 1 - Summary of Significant Accounting Policies (Continued)

Investments - In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments are reported at fair value. Alternative investments are recorded at their most recent available valuation and updated for capital contributions and distributions. The net realized and unrealized appreciation (depreciation) in market value of investments is included in the accompanying statement of revenue, expenses, and changes in net assets. Gains, losses, and investment income are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or law.

Accounts Receivable - Accounts receivable are stated at net invoice amounts. An allowance for bad debts is established on a specific assessment of all invoices that remain unpaid following normal customer payment periods. All amounts deemed uncollectible are charged against bad debt expense in the period that determination is made. At June 30, 2011 and 2010, there was no allowance.

Inventories - Inventories, consisting principally of bookstore merchandise and golf equipment and apparel, are determined on the first-in, first-out (FIFO) method and stated at the lower of cost or market. The cost is recorded as an expense as the inventory is consumed.

Pledges Receivable - The carrying amount of pledges receivable represents recorded promises to contribute, measured at fair value, net of estimated uncollectible promises. Pledges receivable are recorded at their net present value using a discount rate of 5 percent and 6 percent for the years ended June 30, 2011 and 2010, respectively. Included in pledges receivable are an unamortized discount of \$1,835,282 and \$4,399,563 at June 30, 2011 and 2010, respectively, and an allowance of \$24,680 and \$13,427 at June 30, 2011 and 2010, respectively.

Physical Properties - Capital assets with a unit cost of over \$5,000 and all library books are recorded at cost at the date of acquisition or, if donated, at fair market value at the date of donation. Infrastructure assets are included in the financial statements and are depreciated. Depreciation is computed using the straight-line method over the estimated useful life of the asset and is not allocated to the functional expenditure categories. Expenditures for construction in progress are capitalized as incurred. Interest expense relating to construction is capitalized net of interest income earned on resources set aside for this purpose. Net capitalized interest included in construction in progress totaled approximately \$486,240 and \$2,710,000 at June 30, 2011 and 2010, respectively. Certain maintenance and replacement reserves have been established to fund costs relating to residences and other auxiliary activity facilities.

Note 1 - Summary of Significant Accounting Policies (Continued)

Derivative Instruments - Derivative instruments consist primarily of interest rate swap agreements associated with the University's outstanding long-term debt obligations. Derivative instruments are stated at fair value as established by major securities markets.

Deferred Tuition and Fee Revenue - Tuition and fee revenue received and related to the period after June 30 has been deferred.

Provision for Unemployment Compensation - The University has elected to establish a provision for unemployment compensation under the terms of the Michigan Employment Security Act. Under this provision, the State of Michigan is reimbursed by the University for claims paid to former employees.

Compensated Absences - Compensated absence costs are accrued when earned by employees.

Operating Revenue - All revenue from programmatic sources is considered to be operating revenue. Included in nonoperating revenue are state appropriations, state stabilization funds, investment income, Pell grant revenue, and gifts. Gifts (pledges) that are received on an installment basis are recorded at net present value.

Scholarship Allowances and Student Aid - Financial aid to students is reported in the financial statements under the alternative method as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid, such as loans, funds provided to students as awarded by third parties, and federal direct lending, is accounted for as a third-party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances, which reduce revenue. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a university basis by allocating the cash payments to students, excluding payments for services, on the ratio of total aid to the aid not considered to be third-party aid.

Federal Financial Assistance Programs - The University participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, Federal Direct Lending, and Perkins Loans programs. Federal programs are audited in accordance with the Single Audit Act amendments of 1996, the U.S. Office of Management and Budget Revised Circular A-133, *Audit of States, Local Governments and Non-Profit Organizations*, and the compliance supplement.

Note 1 - Summary of Significant Accounting Policies (Continued)

During 2011 and 2010, the University distributed approximately \$160,459,660 and \$151,056,500, respectively, for direct lending through the U.S. Department of Education, which is not included as revenue and expenditures on the accompanying financial statements.

Encumbrances - The University maintains an encumbrance system for tracking outstanding purchase orders and other commitments for materials or services not received during the year. Encumbrances totaled approximately \$56,016,000, which represents the estimated amount of expenses ultimately to result if unperformed contracts in progress at June 30, 2011 are completed. Approximately \$49,725,400 of the total is committed for capital projects.

Encumbrances outstanding do not constitute expenses or liabilities and are not reflected in the financial statements.

Fiduciary Fund - The fiduciary fund consists of funds held in a trust and accounts for the activities of the employees' retirement system, which accumulates resources for pension benefit payments to qualified employees.

Net Assets - Net assets are classified according to external donor restrictions or availability of assets for satisfaction of University obligations. Nonexpendable restricted net assets are gifts that have been received for endowment purposes, the corpus of which cannot be expended. Expendable restricted net assets represent funds that have been gifted for specific purposes and funds held in federal loan programs.

The unrestricted net asset balance at June 30, 2011 includes \$8,083,718 of funds functioning as endowment, \$36,521,028 of capital projects in progress, \$15,018,815 of housing and auxiliary repair and maintenance funds, \$6,673,737 of debt service funds, \$22,514,256 for academic initiatives and technology, \$57,635,855 for future capital projects and debt service, \$19,309,526 for reserves for operations and cash flow, and \$412,346 of uncommitted funds.

The unrestricted net asset balance at June 30, 2010 includes \$6,873,875 of funds functioning as endowment, \$11,965,274 of capital projects in progress, \$14,317,133 of housing and auxiliary repair and maintenance funds, \$1,892,300 of debt service funds, \$19,128,218 for academic initiatives and technology, \$62,311,993 for future capital projects and debt service, \$18,730,862 for reserves for operations and cash flows, and \$671,072 of uncommitted funds.

It is the University's policy to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Note 1 - Summary of Significant Accounting Policies (Continued)

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Certain estimates are more susceptible to change based on the potential changes in estimates and assumptions, including estimates such as the allowance for doubtful accounts and self-insurance healthcare claims.

Reclassification - Certain 2010 amounts have been reclassified to conform to the 2011 presentation.

Note 2 - Cash and Investments

The operating portfolio is invested in accordance with University policy.

Cash and Short-term Investments - Investment policies for cash and short-term investments as set forth by the board of trustees authorize the University to invest in interest-bearing time deposits, short-term cash funds, money market funds, intermediate cash funds, U.S. government-backed obligations, and commercial paper. All investments must be held by financial institutions organized under federal or state law.

Investments - Investment policies as set forth by the board of trustees also authorize the University to invest in equity securities, bonds, or similar securities and real estate investments for production of rental income. The board of trustees has authorized the treasurer or assistant treasurer of the board of trustees to make the University's investment decisions, subject to review, with the members of the appropriate board committee. In accordance with policies set forth by the board of trustees, complete discretion in selecting individual investments of endowment assets is assigned to two or more money managers who are chosen at the discretion of the University's treasurer. The University's treasurer and the appropriate board committee monitor the money managers' performance.

The board of trustees has established an investment policy with the objectives of protecting the principal of these funds and maximizing total investment return without assuming extraordinary risks. Additionally, for endowment investments, the foremost objective is to maintain a spending rate, currently established at 5 percent, which provides a proper balance between preservation of corpus and enhancement of the purchasing power of investment earnings.

Grand Valley State University

Notes to Financial Statements June 30, 2011 and 2010

Note 2 - Cash and Investments (Continued)

The University has remaining commitments of \$2,943,500 in alternative asset investments. As of June 30, 2011 and 2010, the University had approximately \$21.6 million and \$18.1 million, respectively, invested in alternative asset investments.

The University's cash and investments are included in the statement of net assets under the following classifications:

	2011	2010
Cash and cash equivalents	\$ 82,266,471	\$ 48,223,915
Restricted cash and cash equivalents	23,224,200	1,860,456
Restricted short-term investments	-	13,900,772
Endowment investments	75,463,625	61,205,524
Other long-term investments	<u>117,147,398</u>	<u>112,941,504</u>
Total cash and investments	<u>\$ 298,101,694</u>	<u>\$ 238,132,171</u>

The University's cash and investments consist of the following:

	2011	2010
Money markets	\$ 105,490,671	\$ 50,084,371
Fixed-income securities	-	7,896,609
Equity security investments	43,483,508	32,331,151
Mutual bond funds	126,329,289	129,167,697
Other	<u>22,798,226</u>	<u>18,652,343</u>
Total cash and investments	<u>\$ 298,101,694</u>	<u>\$ 238,132,171</u>

Grand Valley State University

Notes to Financial Statements June 30, 2011 and 2010

Note 2 - Cash and Investments (Continued)

As of June 30, 2011, the University had the following investments and maturities:

	Fair Market Value	Less Than One Year	1-5 Years	6-10 Years	More Than 10 Years
Money markets	\$ 105,490,671	\$ 105,490,671	\$ -	\$ -	\$ -
Mutual bond funds	126,329,289	-	85,295,456	41,033,833	-
Mutual equity funds	22,869,739	-	2,675,022	-	20,194,717
Mutual international equity funds	20,613,769	-	1,198,509	-	19,415,260
Real estate	1,012,199	-	-	-	1,012,199
Venture capital	5,178,438	-	-	-	5,178,438
Other investments	16,607,589	-	502,069	-	16,105,520
Total investments and maturities	<u>\$ 298,101,694</u>	<u>\$ 105,490,671</u>	<u>\$ 89,671,056</u>	<u>\$ 41,033,833</u>	<u>\$ 61,906,134</u>

As of June 30, 2010, the University had the following investments and maturities:

	Fair Market Value	Less Than One Year	1-5 Years	6-10 Years	More Than 10 Years
Money markets	\$ 50,084,371	\$ 50,084,371	\$ -	\$ -	\$ -
Mutual bond funds	129,167,697	6,004,163	57,062,657	59,999,780	6,101,097
Mutual equity funds	17,318,382	-	-	-	17,318,382
Government-backed securities	8,038,016	7,896,609	-	-	141,407
Mutual international equity funds	15,012,769	-	-	15,012,769	-
Real estate	538,897	-	-	-	538,897
Venture capital	5,509,589	-	-	-	5,509,589
Other investments	12,462,450	-	-	-	12,462,450
Total investments and maturities	<u>\$ 238,132,171</u>	<u>\$ 63,985,143</u>	<u>\$ 57,062,657</u>	<u>\$ 75,012,549</u>	<u>\$ 42,071,822</u>

Note 2 - Cash and Investments (Continued)

Concentration of Credit Risk

The University's investment strategy, like that of most other institutions, incorporates certain financial instruments that involve, to varying degrees, elements of market risk and credit risk. Market risk is the potential for changes in the value of financial instruments due to market changes. Market risk is directly impacted by the volatility and liquidity of the markets in which the underlying assets are traded. Credit risk is the possibility that a loss may occur due to the failure of a counterparty to perform according to the terms of the contract. Risk of loss in the event of a counterparty default is typically limited to the amounts recognized in the statement of revenue, expenses, and changes in net assets.

Investments are presented above based on the segmented time distribution maturity. Mutual equity funds are considered to be long-term funds and, therefore, are presented as investments with maturities over 10 years, whereas the mutual bond funds as of June 30, 2011 have average maturities between 2.0 years and 9.9 years and are presented as an investment with maturities less than 10 years. Mutual bond funds as of June 30, 2010 have average maturities between 2.0 and 11.7 years. Market risks (including interest rate risk and liquidity risk) and credit risks are managed by board policies.

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the University's operating investment policy limits the amount of the University's operating portfolio that can be invested in securities with maturities of more than one year. Operating investment maturities are limited as follows:

Less than one year	0%-100%
One to five years	0%-70%
More than five years	0%-30%

Investments held by the endowment funds are invested based on the policy that they are held to maturity; therefore, the interest rate risk is not considered in the University's decisions.

Custodial Credit Risk - 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 June 30, 2011 and 2010, the carrying amount of the University's deposits was \$105,490,671 and \$50,084,371, respectively. Of the cash balances in the bank, \$1,005,091 and \$1,006,793, respectively, was insured.

Grand Valley State University

Notes to Financial Statements June 30, 2011 and 2010

Note 2 - Cash and Investments (Continued)

The remaining cash balances in the bank of \$107,087,626 and \$18,366,955 at June 30, 2011 and 2010, respectively, were uninsured and uncollateralized. The University does not require deposits to be insured or collateralized. It is precluded by state law from collateralizing its deposits.

Credit Risk - The University's operating investment policy limits its short-term operating investments to .5 percent of total bank assets or to investment vehicles that possess the highest ratings available by two national services.

The University's operating investment policy limits its longer-term investments to investment grade or better securities.

The endowment funds are invested based on the policy that they are held permanently. Therefore, it is possible to invest in alternative investments that have a higher credit risk, but over the long term have the opportunity to yield higher rates of return.

The University held the following types of fixed-income investments and credit ratings at June 30, 2011 and 2010:

	Market Value		Market Value	
	2011	Rating*	2010	Rating*
Fifth Third Short Term Bond Fund	\$ 133,973	2 star	\$ 89,000	2 star
Dreyfus Bond Fund	116,094	3 star	93,000	4 star
PIMCO Total Return	156,309	5 star	126,000	5 star
PIMCO Low Duration	44,415,609	5 star	43,861,080	5 star
Western Asset	34,739,076	4 star	34,429,772	4 star
Loomis Sayles Multisector	3,377,344	4 star	3,089,063	4 star
Loomis Sayles High Yield	-	5 star	6,146,939	5 star
Vanguard TIPS	6,306,818	4 star	6,101,097	4 star
Franklin Templeton	4,506,643	3 star	4,124,004	3 star
JPMorgan Core Bond Fund	12,924,885	N/A	25,103,581	N/A
Municipal bonds	-		6,004,163	AA-
U.S. government agencies	-		7,896,609	AAA
Ridgeworth Seix Floating Rate High Income	6,006,798	4 star	-	
Total	<u>\$ 112,683,549</u>		<u>\$ 137,064,308</u>	

* Star ratings obtained from Morningstar, AA- and AAA ratings obtained from Moody's

Note 2 - Cash and Investments (Continued)

Custodial Credit Risk - Custodial risk is the risk that, in the event of failure of the counterparty, the University will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The University does not have a policy for custodial credit risk. The University's investments are held by a custody agent.

Foreign Credit Risk - The University holds investments in some international mutual funds that invest in international equity funds and debt. These funds are invested in various countries throughout the world and, therefore, expose the University to foreign credit risk. The international equity and debt investments represent approximately 14 percent and 12 percent of total cash and investments at June 30, 2011 and 2010, respectively. Investments in these funds were approximately \$41.9 million and \$28.5 million for the years ended June 30, 2011 and 2010, respectively.

Alternative Assets - The other investments and venture capital are comprised of investments in alternative assets. As referenced above, alternative assets consist of investments that seek absolute-based return in hedge markets, investments in the private equity class investing in various ventures, or investments in a pool of assets invested in the following subclasses: global natural resources, commodities, global real estate, and global inflation-linked bonds.

Grand Valley State University

Notes to Financial Statements June 30, 2011 and 2010

Note 3 - Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Land	\$ 31,073,726	\$ 5,350,068	\$ -	\$ 36,423,794
Nondepreciable artwork and historical treasures	4,408,450	174,827	-	4,583,277
Nondepreciable land improvements	1,722,820	-	-	1,722,820
Construction in progress - Net	<u>39,118,325</u>	<u>(26,314,376)</u>	-	<u>12,803,949</u>
Total cost of nondepreciable capital assets	76,323,321	(20,789,481)	-	55,533,840
Land improvements and infrastructure	74,230,024	5,625,517	-	79,855,541
Buildings	501,564,717	37,207,233	-	538,771,950
Equipment	58,137,842	3,907,090	8,316,089	53,728,843
Library books	<u>36,333,433</u>	<u>4,189,166</u>	<u>1,413,300</u>	<u>39,109,299</u>
Total cost of depreciable capital assets	<u>670,266,016</u>	<u>50,929,006</u>	<u>9,729,389</u>	<u>711,465,633</u>
Total cost of capital assets	746,589,337	<u>\$ 30,139,525</u>	<u>\$ 9,729,389</u>	766,999,473
Less accumulated depreciation for:				
Land improvements and infrastructure	28,137,566	\$ 3,862,013	\$ -	31,999,579
Buildings	117,580,511	12,128,015	-	129,708,526
Equipment	39,859,784	3,642,877	7,389,282	36,113,379
Library books	<u>20,433,536</u>	<u>3,326,343</u>	<u>1,413,300</u>	<u>22,346,579</u>
Total accumulated depreciation	<u>206,011,397</u>	<u>\$ 22,959,248</u>	<u>\$ 8,802,582</u>	<u>220,168,063</u>
Capital assets - Net	<u>\$ 540,577,940</u>			<u>\$ 546,831,410</u>

Grand Valley State University

Notes to Financial Statements June 30, 2011 and 2010

Note 3 - Capital Assets (Continued)

Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Land	\$ 29,467,391	\$ 1,606,335	\$ -	\$ 31,073,726
Nondepreciable artwork and historical treasures	4,368,450	40,000	-	4,408,450
Nondepreciable land improvements	1,722,820	-	-	1,722,820
Construction in progress - Net	<u>5,865,543</u>	<u>33,252,782</u>	-	<u>39,118,325</u>
Total cost of nondepreciable capital assets	41,424,204	34,899,117	-	76,323,321
Land improvements and infrastructure	73,446,797	783,227	-	74,230,024
Buildings	494,350,306	7,214,411	-	501,564,717
Equipment	56,941,427	2,324,674	1,128,259	58,137,842
Library books	<u>35,687,821</u>	<u>4,051,512</u>	<u>3,405,900</u>	<u>36,333,433</u>
Total cost of depreciable capital assets	<u>660,426,351</u>	<u>14,373,824</u>	<u>4,534,159</u>	<u>670,266,016</u>
Total cost of capital assets	701,850,555	<u>\$ 49,272,941</u>	<u>\$ 4,534,159</u>	746,589,337
Less accumulated depreciation for:				
Land improvements and infrastructure	24,583,639	\$ 3,553,927	\$ -	28,137,566
Buildings	106,540,824	11,039,687	-	117,580,511
Equipment	36,776,250	4,195,220	1,111,686	39,859,784
Library books	<u>20,658,037</u>	<u>3,181,399</u>	<u>3,405,900</u>	<u>20,433,536</u>
Total accumulated depreciation	<u>188,558,750</u>	<u>\$ 21,970,233</u>	<u>\$ 4,517,586</u>	<u>206,011,397</u>
Capital assets - Net	<u>\$ 513,291,805</u>			<u>\$ 540,577,940</u>

The following estimated useful lives are used to compute depreciation:

Land improvements and infrastructure	20 years
Buildings	40-50 years
Equipment	3-25 years
Library books	10 years

Grand Valley State University

Notes to Financial Statements June 30, 2011 and 2010

Note 4 - Long-term Liabilities

Long-term liabilities of the University consist of bonds payable, net other postemployment benefits, charitable gift annuities payable, and notes payable.

The changes in long-term liabilities for the year ended June 30, 2011 are as shown below:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Revenue Bonds, Series 1998	\$ 10,105,000	\$ -	\$ 1,050,000	\$ 9,055,000	\$ 1,100,000
General Revenue Bonds, Series 2000	5,115,000	-	5,115,000	-	-
General Revenue Variable Rate Demand Bonds, Series 2005	29,410,000	-	-	29,410,000	-
General Revenue Bonds, Series 2007A	10,865,000	-	645,000	10,220,000	665,000
General Revenue Refunding Bonds, Series 2008A	94,630,000	-	2,085,000	92,545,000	2,250,000
General Revenue Refunding Variable Rate Demand Bonds, Series 2008B	39,975,000	-	-	39,975,000	-
General Revenue Bonds, Series 2009	50,070,000	-	-	50,070,000	1,180,000
General Revenue Bonds, Series 2011	-	21,555,000	-	21,555,000	-
Total bonds payable	240,170,000	21,555,000	8,895,000	252,830,000	5,195,000
Net other postemployment benefits (see Note 6)	2,469,769	1,436,114	541,312	3,364,571	542,000
Defined benefit retirement payable	576,458	440,682	-	1,017,140	-
Charitable gift annuities payable	1,368,069	229,716	269,466	1,328,319	269,142
Note payable	84,415	-	84,415	-	-
Total	244,668,711	\$ 23,661,512	\$ 9,790,193	258,540,030	\$ 6,006,142
Due within one year	6,060,027			6,006,142	
Total long-term liabilities	\$ 238,608,684			\$ 252,533,888	

Grand Valley State University

Notes to Financial Statements June 30, 2011 and 2010

Note 4 - Long-term Liabilities (Continued)

The changes in long-term liabilities for the year ended June 30, 2010 are as shown below:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Revenue and Refunding Bonds, Series 1994	\$ 110,000	\$ -	\$ 110,000	\$ -	\$ -
General Revenue and Refunding Bonds, Series 1997	3,070,000	-	3,070,000	-	-
General Revenue Bonds, Series 1998	11,105,000	-	1,000,000	10,105,000	1,050,000
General Revenue Bonds, Series 1999	1,090,000	-	1,090,000	-	-
General Revenue Bonds, Series 2000	6,395,000	-	1,280,000	5,115,000	1,345,000
General Revenue Variable Rate Demand Bonds, Series 2005	30,045,000	-	635,000	29,410,000	-
General Revenue Bonds, Series 2007A	10,865,000	-	-	10,865,000	645,000
General Revenue Refunding Bonds, Series 2008A	98,620,000	-	3,990,000	94,630,000	2,085,000
General Revenue Refunding Variable Rate Demand Bonds, Series 2008B	44,265,000	-	4,290,000	39,975,000	-
General Revenue Bonds, Series 2009	50,070,000	-	-	50,070,000	-
Total bonds payable	255,635,000	-	15,465,000	240,170,000	5,125,000
Net other postemployment benefits (see Note 6)	1,671,670	1,379,582	581,483	2,469,769	582,000
Defined benefit retirement payable	-	576,458	-	576,458	-
Charitable gift annuities payable	1,463,700	172,330	267,961	1,368,069	268,612
Note payable	164,051	-	79,636	84,415	84,415
Total	258,934,421	\$ 2,128,370	\$ 16,394,080	244,668,711	\$ 6,060,027
Due within one year	9,564,594			6,060,027	
Total long-term liabilities	\$ 249,369,827			\$ 238,608,684	

The General Revenue Refunding Bonds, Series 1994, were issued in January 1994 by the board of trustees for the advance refunding of \$6,680,000 of Series 1988 bonds and \$1,130,000 of Series 1989 bonds. The advance refunding of the callable portions of the Series 1988 and Series 1989 bonds resulted in an in-substance defeasance. The interest rate on these bonds was 5.15 percent. The bonds matured in 2010.

The General Revenue and Refunding Bonds, Series 1997, were issued in June 1997 by the board of trustees to provide funds for construction of residential facilities, an addition to an existing classroom and office building, and refunding a 5.85 percent bank note payable. The interest rate on these bonds was 5.00 percent. In addition to the scheduled payment of \$555,000, the University made an early retirement of \$2,515,000 of the bonds in 2010, and the bonds matured in 2010.

Note 4 - Long-term Liabilities (Continued)

The General Revenue Bonds, Series 1998, were issued in January 1998 by the board of trustees to provide funds for construction of additional residential facilities. The interest rates on these bonds range from 4.70 percent to 5.50 percent. The bonds mature in 2018.

The General Revenue Bonds, Series 1999, were issued in July 1999 by the board of trustees for an advance bond refunding of \$1,775,000 of Series 1988 bonds and \$7,325,000 to fund a portion of the cost of constructing student housing in downtown Grand Rapids. The interest rates on these bonds ranged from 4.80 percent to 5.05 percent. In addition to the scheduled payment of \$255,000, the University made an early retirement of \$835,000 of the bonds in 2010, and the bonds matured in 2010.

The General Revenue Bonds, Series 2000, were issued in October 2000 by the board of trustees to fund new construction and remodeling on the Allendale campus. The interest rates on these bonds range from 4.80 percent to 5.75 percent. In addition to the scheduled payment of \$1,345,000, the University made an early retirement of \$3,770,000 in 2011, and the bonds matured in 2011.

The General Revenue Refunding Variable Rate Demand Bonds, Series 2005, were issued in April 2005 and reoffered in April 2008 by the board of trustees for the advance refunding of \$7,970,000 of Series 1997 bonds, \$4,390,000 of Series 1999 bonds, and \$15,915,000 of Series 2000 bonds. The refunded bonds with an outstanding balance at June 30, 2005 of \$30,282,925 were defeased upon delivery of the new issue. In addition to the scheduled payment of \$200,000, the University made an early redemption of \$435,000 in 2010. The bonds mature in 2026.

At June 30, 2011, the Series 2005 bonds bear interest based on a weekly rate determined by the remarketing agent (0.08 percent and 0.26 percent at June 30, 2011 and 2010, respectively). The bonds may be converted and subject to a different interest rate mode, provided certain conditions are met. The interest rate modes that the bonds could potentially be converted to include a daily rate mode, a commercial paper rate mode, a term rate mode, an ARS rate mode, and a fixed rate mode. The bonds are subject to purchase on demand of the holder at a price equal to the principal amount plus accrued and unpaid interest, without premium, upon seven days' notice and delivery to the remarketing agent. Liquidity for the payment of the purchase price of the bonds on any mandatory or optional tender will be provided by an irrevocable direct pay letter of credit.

Note 4 - Long-term Liabilities (Continued)

The General Revenue Bonds, Series 2007A, were issued in September 2007 by the board of trustees to provide funds for construction of a residential living and learning center, construction of a movement science and indoor recreational facility, and additions to an academic building and student activity center, as well as a portion of the construction period interest expense. The interest rates on the Series 2007A bonds range from 4.00 percent to 5.00 percent. The Series 2007A bonds mature in 2021.

The General Revenue Refunding Bonds, Series 2008A, and the General Revenue Refunding Variable Rate Demand Bonds, Series 2008B, were issued in April 2008 by the board of trustees for the refunding and extinguishment of \$20,730,000 of Series 2001B bonds, \$14,775,000 of Series 2002A bonds, \$25,445,000 of Series 2003 bonds, \$22,660,000 of Series 2004 bonds, and \$61,535,000 of Series 2007B bonds and to provide funds for the termination of a prior swap agreement. The interest rate on the Series 2008A bonds is 5.00 percent. In addition to the scheduled payment of \$1,320,000, the University made an early redemption of \$2,970,000 on the Series 2008B bonds in 2010. The Series 2008A bonds mature in 2034 and the Series 2008B bonds mature in 2032.

At June 30, 2011 and 2010, the Series 2008B bonds bear interest based on a weekly rate determined by the remarketing agent (0.05 percent and 0.26 percent at June 30, 2011 and 2010, respectively). The bonds may be converted and subject to a different interest rate mode, provided certain conditions are met. The interest rate modes that the bonds could potentially be converted to include a daily rate mode, a commercial paper rate mode, a term rate mode, and a fixed rate mode. The bonds are subject to purchase on demand of the holder at a price equal to the principal amount plus accrued and unpaid interest, without premium, upon seven days' notice and delivery to the remarketing agent. Liquidity for the payment of the purchase price of the bonds on any mandatory or optional tender will be provided by an irrevocable direct pay letter of credit.

The General Revenue Bonds, Series 2009, were issued in February 2009 by the board of trustees to provide funds for construction of a residential living center and a dining facility with academic space. The interest rates on these bonds range from 3.0 percent to 5.75 percent. The bonds mature in 2035.

The General Revenue Bonds, Series 2011, were issued in May 2011 by the board of trustees to provide a portion of the funds needed to construct, furnish, and equip the Mary Idema Pew Library Learning and Information Commons. The interest rates on these bonds range from 3.0 percent to 5.0 percent. The bonds mature in 2021.

Grand Valley State University

Notes to Financial Statements June 30, 2011 and 2010

Note 4 - Long-term Liabilities (Continued)

Scheduled maturities of long-term liabilities are as follows:

Fiscal Year	Revenue Bonds	Annuities Payable	Total	Interest
2012	\$ 5,195,000	\$ 269,142	\$ 5,464,142	\$ 9,164,321
2013	9,300,000	269,142	9,569,142	9,274,651
2014	10,045,000	269,142	10,314,142	8,968,092
2015	12,650,000	269,142	12,919,142	8,580,723
2016	13,255,000	251,751	13,506,751	8,122,596
2017-2021	68,450,000	-	68,450,000	33,197,413
2022-2026	48,370,000	-	48,370,000	23,197,787
2027-2031	58,050,000	-	58,050,000	12,528,082
2032-2035	27,515,000	-	27,515,000	2,141,837
Total	<u>\$ 252,830,000</u>	<u>\$ 1,328,319</u>	<u>\$ 254,158,319</u>	<u>\$ 115,175,502</u>

Defeased Debt

The University's General Revenue Bonds are secured by the unrestricted operating revenue of the University. When possible, the University defeases prior debt issuances to reduce its borrowing cost. Outstanding defeased bonds were retired fully as of June 30, 2011, while at June 30, 2010 totaled \$28,275,000.

Note 5 - Derivative Instruments

The University is party to derivative financial instruments (interest rate swaps) that are reported at fair value on the statement of net assets at June 30, 2011 and 2010. The fair value is calculated by the counterparty to the transactions and approximate the termination value of the interest rate swaps.

Note 5 - Derivative Instruments (Continued)

The fair value balances and notional amounts of the derivative instruments outstanding at June 30, 2011, classified by type and the change in fair value of such derivative instruments for the year ended as reported in the 2011 financial statements, are as follows:

Type	Changes in Fair Value		Fair Value at June 30, 2011		Notional
	Classification	Amount	Classification	Amount	
Fair Value Hedges:					
Receive fixed interest rate swap	Deferred inflow of resources	\$ (1,000)	Asset	\$ 725,000	\$ 50,070,000
Investment Derivative Instruments:					
Pay fixed interest rate swap	Deferred outflow of resources	426,000	Liability	(3,243,000)	29,410,000
Pay fixed interest rate swap	Deferred outflow of resources	<u>930,000</u>	Liability	<u>(3,978,000)</u>	27,940,000
	Total	1,356,000	Total	(7,221,000)	
Pay fixed interest rate swap	Change in fair value of derivative instruments	106,000	Liability	<u>(1,077,000)</u>	12,035,000
	Total		Total	<u>\$ (8,298,000)</u>	

The fair value balances and notional amounts of the derivative instruments outstanding at June 30, 2010, classified by type and the change in fair value of such derivative instruments for the year ended as reported in the 2010 financial statements, are as follows:

Type	Changes in Fair Value		Fair Value at June 30, 2010		Notional
	Classification	Amount	Classification	Amount	
Fair Value Hedges:					
Receive fixed interest rate swap	Deferred inflow of resources	\$ 726,000	Asset	\$ 726,000	\$ 50,070,000
Investment Derivative Instruments:					
Pay fixed interest rate swap	Deferred outflow of resources	(1,222,000)	Liability	(3,669,000)	29,410,000
Pay fixed interest rate swap	Deferred outflow of resources	<u>(1,530,000)</u>	Liability	<u>(4,908,000)</u>	27,940,000
	Total	(2,752,000)	Total	(8,577,000)	
Pay fixed interest rate swap	Change in fair value of derivative instruments	(212,000)	Liability	<u>(1,183,000)</u>	12,035,000
	Total		Total	<u>\$ (9,760,000)</u>	

Note 5 - Derivative Instruments (Continued)

As of the balance sheet date, the swap agreements can be summarized as follows:

Effective Date	Type	Objective	Notional Amount	Pay Terms	Receive Terms	Maturity Date	Counterparty Credit Rating
9/24/2003	Pay-fixed, Receive-variable	Cash flow hedge for Series 2008B bonds	\$12,035,000	3.299% fixed	70% of one-month LIBOR	6/1/2019	A2/A
3/3/2005	Pay-fixed, Receive-variable	Cash flow hedge for Series 2005 bonds	29,410,000	3.501% fixed	70% of one-month LIBOR	12/1/2025	A2/A
9/6/2007	Pay-fixed, Receive-variable	Cash flow hedge for Series 2008B bonds	27,940,000	3.691% fixed	70% of one-month LIBOR	12/1/2031	A2/A
10/1/2009	Pay-variable, Receive-fixed	Fair value hedge for Series 2009 bonds	50,070,000	70% of one-month LIBOR	1.28% fixed	12/1/2012	A2/A

The University currently holds three investment derivative instruments that are pay-fixed, receive-variable interest rate swaps. The notional amounts of the swaps match the principal amount of the associated debt and the swap agreements contain scheduled reductions to outstanding notional amounts that follow scheduled reductions in the associated “bonds payable” category; the intent of entering into these swap agreements was to create a synthetic fixed-rate debt, at an interest rate that is lower than if fixed-rate debt were to have been issued directly. Two of the swap agreements are effective hedges and one is not.

The University holds one fair value hedge that is a pay-variable, receive-fixed interest rate swap. The notional amount of the swap matches the principal amounts of the associated debt and the swap agreement contains scheduled reductions to outstanding notional amounts that follow scheduled reductions in the associated “bonds payable” category; the intent of entering into this swap agreement was to create a synthetic variable-rate debt and provide the University with variable-rate debt exposure. This swap agreement is considered effective.

The fair values of the interest rate swaps were calculated by the counterparty as of June 30, 2011. The fair values represent the future net settlement payments or receipts required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates.

Note 5 - Derivative Instruments (Continued)

The interest rate swaps are subject to the following risks:

Credit Risk - The University is exposed to credit risk on hedging derivative instruments that are in asset positions. The terms of the swap agreement require collateralization of the fair value of hedging derivative instruments in asset positions based on a scale that evaluates both the market value of the swap and the counterparty's credit rating. The University has never needed to access collateral from the counterparty.

It is the University's policy to enter into netting arrangements whenever it has entered into more than one derivative instrument transaction with a counterparty. Under the terms of these arrangements, should one party become insolvent or otherwise default on its obligations, close-out netting provisions permit the nondefaulting party to accelerate and terminate all outstanding transactions and net the transactions' fair values so that a single sum will be owed by, or owed to, the nondefaulting party.

The aggregate fair value of hedging derivative instruments in asset positions at June 30, 2011 was \$725,000. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted. This maximum exposure is reduced by \$0 of collateral held and \$8,298,000 of liabilities included in netting arrangements with those counterparties, resulting in a net exposure to credit risk of \$0.

All of the contracts are held with one counterparty. That counterparty is rated A2/A.

Interest Rate Risk - The University is exposed to interest rate risk on its interest rate swaps. On its pay-fixed, receive-variable interest rate swap, as LIBOR or the Securities Industry and Financial Markets Association (SIFMA) swap decreases, the University's net payment on the swap increases.

Basis Risk - The University is exposed to basis risk on its LIBOR-based interest rate swaps due to variable-rate payments received by the University on these instruments based on a rate or index other than interest rates the University pays on its variable-rate debt, which is remarketed every seven days. As of June 30, 2011, the weighted average interest rate on the University's hedged variable-rate debt is .06 percent, while the 70 percent of LIBOR is .130 percent.

Termination Risk - The University or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract.

Grand Valley State University

Notes to Financial Statements June 30, 2011 and 2010

Note 5 - Derivative Instruments (Continued)

Hedging Derivative Instrument Payments and Hedged Debt

As of June 30, 2011, aggregate debt service requirements of the University's debt (fixed-rate and variable-rate) and net receipts/payments on associated hedging derivative instruments are as follows. These amounts assume that current interest rates on variable-rate bonds and the current reference rates of hedging derivative instruments will remain the same for their term. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instruments will vary.

Fiscal Year	<u>Associated with Swap Agreements</u>		Interest Rate
	Principal	Interest	Swaps - Net
2012	\$ 1,180,000	\$ 2,626,332	\$ 1,799,850
2013	1,805,000	2,600,291	1,796,933
2014	2,180,000	42,221	2,295,165
2015	4,355,000	39,975	2,183,143
2016	4,470,000	36,951	2,037,886
2017-2021	20,985,000	136,745	7,906,223
2022-2026	18,795,000	67,431	4,468,037
2027-2031	13,700,000	24,871	1,771,414
2032	3,095,000	649	104,571
Total	<u>\$ 70,565,000</u>	<u>\$ 5,575,466</u>	<u>\$ 24,363,222</u>

Note 6 - Retirement Plans

Defined Contribution Plans

The executive, administrative, and professional staff and faculty are covered under a defined contribution retirement plan through TIAA-CREF (Teachers Insurance and Annuity Association of America - College Retirement Equities Fund) or Fidelity Investments. Employees may contribute an amount not to exceed the Internal Revenue Service designated maximum. Participants become fully vested upon completion of two years of employment. Discretionary University contributions equal to 12 percent of participants' base salaries were made in each year.

The total expense under this discretionary plan was approximately \$12,272,000 and \$11,926,500 for the years ended June 30, 2011 and 2010, respectively. Total payroll covered under this plan was approximately \$102,521,200 in 2011 and \$99,321,300 in 2010.

Grand Valley State University

Notes to Financial Statements June 30, 2011 and 2010

Note 6 - Retirement Plans (Continued)

Maintenance, grounds, and service staff hired after October 8, 2004 and clerical, office, and technical staff hired on or after February 2, 2006 participate in a defined contribution plan with University contributions equal to 8 percent of wages. Participants become fully vested upon completion of two years of employment. Total expenses under this plan were approximately \$424,500 in 2011 and \$358,000 in 2010. Total payroll covered under this plan was approximately \$5,305,800 in 2011 and \$4,474,500 in 2010.

Defined Benefit Plans

Clerical, office, technical, maintenance, grounds, and service staff and public safety officers hired before the above dates are covered under two noncontributory defined benefit plans sponsored by the University that are designed to provide monthly sources of retirement income at future dates. Participants become fully vested upon completion of 10 years of employment.

Membership of each plan consisted of the following at July 1, 2010, the date of the latest actuarial valuation:

	Maintenance, Grounds, and Service Employees' Retirement Plan	Clerical, Office, and Technical Employees' Retirement Plan
Active and transferred plan members	110	362
Terminated plan members entitled to but not yet receiving benefits	10	42
Retired and beneficiaries receiving benefits	43	101
Total participants	163	505

The annual required contribution was determined as part of an actuarial valuation at July 1, 2010, using the aggregate actuarial cost method. This method does not identify or separately amortize unfunded actuarial liabilities. Significant assumptions include (a) a 7.5 percent investment rate of return, (b) projected salary increases of 3.5 percent per year, including step increases, and (c) no cost-of-living adjustment.

Grand Valley State University

Notes to Financial Statements June 30, 2011 and 2010

Note 6 - Retirement Plans (Continued)

Activity for the Maintenance, Grounds, and Service Employees' Retirement Plan and the Clerical, Office, and Technical Employees' Retirement Plan for the years ended June 30, 2011 and 2010 is as follows:

	Maintenance, Grounds, and Service Employees' Retirement Plan		Clerical, Office, and Technical Employees' Retirement Plan	
	Year Ended June 30		Year Ended June 30	
	2011	2010	2011	2010
Additions				
Investment income:				
Interest and dividends	\$ 169,541	\$ 96,479	\$ 457,086	\$ 260,253
Net appreciation in fair value of investments	1,682,673	1,302,865	4,578,383	3,542,151
Income (loss) on sale of investments	382,299	(298,228)	1,016,847	(807,838)
Total investment income	2,234,513	1,101,116	6,052,316	2,994,566
Employer contributions paid	569,458	693,000	1,653,304	1,650,987
Employer contributions deferred	118,984	153,897	321,698	422,561
Other income	103,120	130,551	15,235	9,992
Transfers between funds	-	(1,508)	-	1,508
Total additions - Net	3,026,075	2,077,056	8,042,553	5,079,614
Deductions				
Benefit payments	532,017	422,169	846,393	878,189
Administrative expense	31,414	32,623	54,523	56,263
Total deductions	563,431	454,792	900,916	934,452
Net Increase	2,462,644	1,622,264	7,141,637	4,145,162
Net Assets Held in Trust for Pension Benefits				
Beginning of year	8,155,561	6,533,297	21,972,479	17,827,317
End of year	\$ 10,618,205	\$ 8,155,561	\$ 29,114,116	\$ 21,972,479

Three-year trend information is as follows:

	Fiscal Year Ended June 30		
	2011	2010	2009
Annual pension cost	\$ 2,663,444	\$ 2,920,445	\$ 2,314,000
Percentage of annual pension cost contributed	83.5%	80.3%	100%
Net pension obligation	\$ 440,682	\$ 576,458	\$ -
Accumulated net pension obligation	\$ 1,017,140	\$ 576,458	\$ -

Note 6 - Retirement Plans (Continued)

As noted above, the aggregate method is used to determine the annual required contribution of the employer (ARC) for the defined benefit plans. Because this method does not identify or separately amortize unfunded actuarial liabilities, information about the funded status is prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status. The schedule of funding progress is as follows:

Funded Status of Plan							UAAL as a
Actuarial	Actuarial	Actuarial	Unfunded	Funded	Covered		Percentage
Valuation	Value of	Accrued	AAL (UAAL)	Ratio	Payroll		of Covered
Date	Assets	Liability (AAL)				Payroll	Payroll
Maintenance, Grounds, and Service Employees' Retirement Plan							
7/1/2010	\$ 9,089,820	\$ 13,083,848	\$ (3,994,028)	69.5%	\$ 4,365,122		91.5%
7/1/2009	7,785,878	12,565,501	(4,779,623)	62.0%	4,303,196		111.1%
7/1/2008	8,680,649	12,032,848	(3,352,199)	72.1%	4,379,525		76.5%
Clerical, Office, and Technical Employees' Retirement Plan							
7/1/2010	\$ 24,910,403	\$ 33,574,376	\$ (8,663,973)	74.2%	\$ 12,665,438		68.4%
7/1/2009	21,489,753	31,397,107	(9,907,354)	68.4%	12,162,951		81.5%
7/1/2008	23,648,718	29,282,091	(5,633,373)	80.8%	12,332,912		45.7%

Other Postemployment Benefits

The University has a single-employer defined benefit plan that provides certain healthcare benefits for retired faculty and staff. The plan covers 2,537 members as of June 30, 2011 and currently does not require active members to contribute to the plan.

Plan Description - Substantially all of the University's employees may become eligible for certain healthcare benefits if they reach retirement age while working for the University, are vested in a University-sponsored retirement plan, and their years of University service and age total a minimum of 75.

Funding Policy - The plan requirements are established and may be amended by the University's board of trustees.

Grand Valley State University

Notes to Financial Statements June 30, 2011 and 2010

Note 6 - Retirement Plans (Continued)

Annual OPEB Cost and Net OPEB Obligation - The University's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 15 years. The following table shows the components of the University's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the University's OPEB obligation:

	2011	2010
Annual required obligation	\$ 1,562,583	\$ 1,451,125
Interest on net OPEB obligation	197,344	125,375
Adjustment to annual required contribution	<u>(323,813)</u>	<u>(196,918)</u>
Annual OPEB cost	1,436,114	1,379,582
Contributions made	<u>541,312</u>	<u>581,482</u>
Increase in net OPEB obligations	894,802	798,100
Net OPEB obligation - Beginning of year	<u>2,469,769</u>	<u>1,671,669</u>
Net OPEB obligation - End of year	<u>\$ 3,364,571</u>	<u>\$ 2,469,769</u>

Funded Status and Funding Progress - As of July 1, 2009, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$9,475,238, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$9,475,238. An investment fund was established for the purpose of prefunding retiree benefits, with a market value of \$4,665,251 and \$2,919,636 at June 30, 2011 and 2010, respectively. However, because the funds are not irrevocable, these contributions do not constitute contributions for GASB Statement No. 45 purposes. The covered payroll (annual payroll of active employees covered by the plan) was \$124,441,600 and \$120,262,300 for 2011 and 2010, respectively, and the ratio of all UAAL to covered payroll was 7.61 percent and 7.88 percent for 2011 and 2010, respectively.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and mortality. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Note 6 - Retirement Plans (Continued)

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2009 actuarial valuation, the projected unit cost actuarial method was used. The actuarial assumptions included a 7.5 percent investment rate of return (net of administrative expenses) based on the expected long-term investment returns on plan assets. The UAAL is being amortized as a projected unit credit level dollar, closed on a 15-year basis. The remaining amortization period at June 30, 2011 was 11 years. Benefits valued are fixed dollar amounts.

Note 7 - Commitments

The University has an arrangement with the State of Michigan and State Building Authority (the "SBA") to finance a large portion of the Padnos College of Engineering and Computing and the Graduate School of Business and Graduate Library Building located on the Pew Campus in downtown Grand Rapids. The arrangement is based upon a lease agreement that is signed by the University. It stipulates that the SBA will hold title to the buildings and the State will make all lease payments to the SBA on behalf of the University, and the University will pay all operating and maintenance costs. At the expiration of the lease, the SBA has agreed to sell each building to the University for \$1.

Beginning January 1, 2011, the University leased lab space to a private company for a five-year term. The tenant has the option of extending the lease for five additional periods of five years each. The base rent is \$125,400 per year.

The University has agreed to lease the Michigan Alternative and Renewable Energy Facility from the City of Muskegon at no cost through June 30, 2025. Ownership of the building will revert to the University at lease termination for \$1.

The University has agreed to lease office space from Bicycle Factory, LLC, beginning in the fiscal year ended June 30, 2009 for 90 months. The University has paid \$678,857 as a security deposit and \$113,143 as a put deposit. In the event the lessor elects to sell individual units (floors) therein, the University has the ability to purchase it for \$3.47 million.

Note 8 - Contingencies

The University is self-funded for coverage under portions of its hospital/medical benefits and for all unemployment compensation and workers' compensation. The University also offers one HMO plan to employees. Stop-loss coverage has been purchased by the University for the self-funded hospital/medical benefits and workers' compensation claims. The stop-loss insurance limits the claims for hospital/medical benefits to \$200,000 per individual, with no lifetime limit. Individual claims in excess of the \$2 million limit are funded by the University with an aggregate annual stop-loss of \$23.8 million and \$23.3 million in 2011 and 2010, respectively. The workers' compensation stop-loss insurance limits its liability for claims paid per individual to \$500,000 in 2011 and 2010. Liabilities for estimated claims retained by the University under self-insurance programs have been established.

To secure payment for a utility agreement, the University requested a \$450,000 letter of credit during August 2007, which was renewed on March 11, 2011.

The University is a participant in the Michigan Universities Self-Insurance Corporation (MUSIC). This organization provides insurance coverage for errors and omissions liability, comprehensive general liability, and all risk property insurance. In fiscal year 2011, there are 11 universities that participate in MUSIC. Each participating university is responsible for a first tier of losses up to a level that has been actuarially determined. MUSIC is financially responsible for a second tier of losses. For comprehensive general liability errors and omissions and all risk property insurance, MUSIC has purchased excess insurance coverage with commercial insurance carriers to cover a third tier of losses. However, 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 by agreements with MUSIC.

In the normal course of its activities, the University has been a party in various legal actions. Historically, the University has not experienced significant losses from such actions. After taking into consideration legal counsel's evaluation of pending actions, the University is of the opinion that the outcome thereof will not have a material effect on its financial statements.

Note 8 - Contingencies (Continued)

Pursuant to State of Michigan Public Act 362 of 1993, as amended, the University has previously authorized 34 public school academies. All 34 of these public school academies can operate schools funded by the State School Aid Act. The University, as fiscal agent, provides guidance in and review of compliance with state requirements and forwards the state payment to the public school academies. Public funding is provided by the State of Michigan on a per pupil basis. Funding of \$133,584,128 and \$132,703,968 was appropriated by the State in 2011 and 2010, respectively, to be allocated to the public school academies, net of approximately a 3 percent administrative fee retained by the University. At June 30, 2011, \$27,389,383 was outstanding as a receivable from the State, of which \$24,083,820 will be subsequently forwarded to the public school academies. At June 30, 2010, \$21,560,762 was outstanding as a receivable from the State, of which \$19,249,026 will be subsequently forwarded to the public school academies. This activity is treated as an agency transaction.

Note 9 - Subsequent Events

The State of Michigan has approved the 2012 fiscal year appropriation in the amount of \$52,677,400, which includes \$4,245,900 as a tuition restraint incentive.

Subsequent to year end, the University closed on a significant construction and development project for the L. William Seidman Center. The University will lease the space for the center from 38 Front Avenue and the debt associated with the development is collateralized by a security agreement, including a mortgage on the building and other assets. 38 Front Avenue was financed in part by proceeds from loans received from investors participating in the New Market Tax Credit program administered by the Community Development Financial Institutions Fund of the U.S. Department of Treasury.

Under the program as part of the loan agreement, 38 Front Avenue has committed to maintaining its status as a qualified active low-income community business (QALICB) as defined in IRC Section 45D. The QALICB is a Michigan non-profit corporation with Grand Valley State University as the only member. The purpose of the QALICB is to acquire, own, and construct a new, multi-story 124,000 square foot LEED Silver building for the expansion of the Seidman College of Business and various community and business outreach services.

Note 10 - New Accounting Pronouncements

The University will be required to implement the provisions of GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements (SCAs)*, effective with the fiscal year ending June 30, 2013. The University will be required to address financial reporting related to service concession arrangements which are a type of public-private or public-public partnership. The University has not yet determined the full impact of this standard on its financial statements.

The University will be required to implement the provisions of GASB Statement No. 61, *The Financial Reporting Entity Omnibus*, effective with the fiscal year ending June 30, 2013. The University will be required to address modifications to certain requirements for inclusion of component units in the financial reporting entity. The University has not yet determined the full impact of this standard on its financial statements.

The University will be required to implement the provisions of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, effective with the fiscal year ending June 30, 2013. The University will be required to address certain FASB Statements and Interpretations, APB Opinions, and Accounting Research Bulletins of the AICPA Committee on Accounting Procedure that this standard incorporates into GASB literature. The University has not yet determined the full impact of this standard on its financial statements.

The University will be required to implement the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective with the fiscal year ending June 30, 2013. This statement defines deferred outflows and inflows of resources as elements of consuming or acquiring net assets by the University that is applicable to a future reporting period. The standard also incorporates deferred outflows or inflows of resources into the definition of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The University has not yet determined the full impact of this standard on its financial statements.

The University will be required to implement the provisions of GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions - An Amendment of GASB Statement No. 53*, effective with the fiscal year ending June 30, 2012. The requirements of this statement enhance comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced. The University has not yet determined the full impact of this standard on its financial statements.

Additional Information

Independent Auditor's Report on Additional Information

To the Board of Trustees
Grand Valley State University

We have audited the basic financial statements of Grand Valley State University for the years ended June 30, 2011 and 2010. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements of Grand Valley State University. This information has been subjected to the 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 basic financial statements taken as a whole.

Plante & Moran, PLLC

October 10, 2011

Grand Valley State University

Schedule of University and Foundation Endowments and Similar Funds June 30, 2011

	Balance	Investment Income and Deductions	Distribution Beneficiary Funds	Intrafund Distribution	Balance	Retained Investment Income	Principal Balance	
	July 1, 2010				Gifts and Additions		June 30, 2011	June 30, 2011
Endowment Funds								
School of Accounting Faculty Endowed Scholarship	\$ -	\$ 3,208	\$ 144	\$ -	\$ 500	\$ 3,852	\$ 144	\$ 3,708
Kathy A. Agard Endowed Fellowship in Community Philanthropy	-	105,957	9,102	-	1,076	116,135	9,102	107,033
Alumni Heritage Scholarship Fund	520,793	44,725	114,388	26,022	432	654,316	122,120	532,196
WGVU - AM Radio Endowment	-	1,003	1	-	-	1,004	1	1,003
Eric A. Andres Live, Laugh, Love, Learn Scholarship	-	12,713	998	-	100	13,811	998	12,813
David G. and Mary L. Annis Scholarship	84,509	310	18,053	4,105	355	99,122	18,202	80,920
R.B. Annis Educational Foundation and Outreach Program Endowment	127,431	-	27,173	6,178	100	148,526	22,606	125,920
Joseph E. Appelt P.E. Engineering Scholarship Fund	39,049	-	8,326	1,893	-	45,482	9,540	35,942
APICS Scholarship Fund	34,239	-	7,301	1,660	-	39,880	34,780	5,100
Carl and Delores Arendsen Golf Scholarship	31,925	563	6,883	1,566	671	38,476	5,707	32,769
Bachmeier Disability Support Services Endowment	8,741	4,088	2,444	-	4,631	19,904	2,726	17,178
Baker-Hall Physics Fund	54,136	2,110	11,756	2,671	500	65,831	22,304	43,527
John T. Batchelder Political Science Scholarship	25,703	5,900	5,674	-	-	37,277	5,227	32,050
William C. Baum Endowment	71,527	1,628	15,422	3,503	-	85,074	16,823	68,251
Nancy H. Baum Endowment in Dance	36,010	30	7,679	1,746	10	41,983	17,733	24,250
Beckering Family Carillon Endowment	25,757	-	5,491	1,248	-	30,000	6,700	23,300
Fred A. Bell Business Scholarship Endowment	36,157	-	7,709	1,753	-	42,113	10,872	31,241
David Alan Bergsma Scholarship Fund	50,321	-	10,729	2,439	-	58,611	47,976	10,635
Hyman H. & Greta M. Berkowitz Scholarship Fund	378,581	278	80,732	18,354	145	441,382	175,554	265,828
Biology Field and Laboratory Enhancement Fund	100,107	13,491	22,796	5,160	453	131,687	26,071	105,616
The Biomedical/Health Science Fund	25,283	1,820	5,555	1,263	700	32,095	8,793	23,302
DarId and Joyce Black Physical Therapy Scholarship in Memory of Robert Klein	27,911	825	6,045	1,374	225	33,632	6,831	26,801
Edith I. Blodgett Endowed Music Scholarship Fund	53,825	392	11,530	2,622	414	63,539	29,007	34,532
Joan Boand Athletic Scholarship Fund	55,645	1,705	12,014	2,730	-	66,634	15,170	51,464
Ira Brad Memorial Scholarship	105,547	7,895	23,277	5,280	118	131,557	19,158	112,399
William J. & Margaret G. Branstrom Fund	103,371	-	22,039	5,010	-	120,400	71,813	48,587
George and Georgia Breur Scholarship	10,089	-	2,186	-	-	12,275	2,275	10,000
The Donna K. Brooks Presidential Scholarship	286,697	-	61,126	13,897	-	333,926	74,282	259,644
The Brooks Family Minority Scholarship	279,583	-	59,609	13,552	-	325,640	73,630	252,010
Johnny C. Burton Memorial Scholarship	68,798	-	14,668	3,335	-	80,131	25,463	54,668
Greg Cadaret Baseball Fund	64,514	145	13,769	3,131	100	75,397	33,076	42,321
Carlton Radiologic and Imaging Sciences Undergraduate Scholarship	847	1,900	442	-	2,100	5,289	389	4,900
Ara Cary Lectureship Fund	45,475	75	9,701	2,206	100	53,145	12,740	40,405
Barry Castro Business Ethics Scholarship	81,751	692	17,305	3,970	400	96,178	13,335	82,843
Bernard & Camille Cebelak Scholarship Fund	304,572	-	64,936	14,763	-	354,745	54,485	300,260

Grand Valley State University

Schedule of University and Foundation Endowments and Similar Funds (Continued) June 30, 2011

	Balance July 1, 2010	Gifts and Additions	Investment Income and Deductions	Distribution Beneficiary Funds	Intrafund Distribution	Balance June 30, 2011	Retained Investment Income	Principal Balance June 30, 2011
Endowment Funds (Continued)								
Collegiate Entrepreneurs' Organization (CEO) Endowment	\$ 79,911	\$ 25	\$ 17,037	\$ 3,873	\$ -	\$ 93,100	\$ 18,989	\$ 74,111
Robert L. Chamberlain Scholarship Fund	54,000	154	11,534	2,622	163	63,229	28,786	34,443
Ruth Chamberlain Global Issues Scholarship Endowment	-	100,000	95	-	-	100,095	95	100,000
Hong Chen Memorial Endowment	22,985	-	4,900	1,114	-	26,771	5,600	21,171
Children's Enrichment Center Student Parent Scholarship	2,856	1,030	770	-	1,076	5,732	556	5,176
Douglas K. and Ellen Chung Asian Social Work Graduate Scholarship	31,494	-	6,715	1,527	-	36,682	5,990	30,692
Helen Claytor Minority Scholarisp	1,123,878	-	239,616	54,475	-	1,309,019	324,616	984,403
School of Communications Scholarship Fund	40,927	630	8,792	1,999	342	48,692	10,402	38,290
Community Foundation for Muskegon County Interfaith Dialogue Fund*	300,274	-	65,086	-	-	365,360	44,011	321,349
Community Leadership Endowment*	91,745	6,214	20,096	4,573	92	113,574	15,523	98,051
College of Education Family and Friends Scholarship Endowment	11,861	5,706	3,133	-	5,364	26,064	3,896	22,168
Computer Science and Information Systems Endowment	105,603	3,872	22,923	5,211	1,669	128,856	35,302	93,554
Cook Leadership Fellows of Hauenstein Center for Presidential Studies	212,580	404,394	116,319	-	7,069	740,362	125,494	614,868
The Coopersville Scholarship	901,165	2,366	191,949	-	120	1,095,600	83,544	1,012,056
The COT Association Scholarship Endowment Fund	101,090	3,049	21,872	4,979	2,776	123,808	24,730	99,078
David Daniels Memorial Scholarship	63,475	1,500	13,671	3,109	485	76,022	29,211	46,811
Gilbert R. and Patricia K. Davis Endowed Merit Scholarship	90,376	275	19,301	4,389	276	105,839	31,459	74,380
Greta & Arthur DeLong Perpetual Scholarship Fund	70,151	100	14,957	3,400	-	81,808	28,098	53,710
Aaron M. DesRocher Memorial Chemistry Scholarship	29,870	75	6,262	1,445	50	34,812	4,817	29,995
Dick and Betsy DeVos Leadership Fellow Endowment for the Hauenstein Center for Presidential Studies	-	100,000	25,898	-	19,478	145,376	45,376	100,000
Pamella and Daniel G. DeVos Musical Theater Scholarship	35,503	1,200	7,567	1,749	1,200	43,721	4,521	39,200
DeWitt Barrels Inc. Environmental Science and Natural Resources Scholarship	36,428	1,710	7,893	1,795	627	44,863	5,420	39,443
John R. DeYoung Leadership Fellow Endowment	-	6,000	329	-	-	6,329	329	6,000
Mary Jane Dockeray Scholarship Fund	78,612	400	16,803	3,819	-	91,996	30,088	61,908
DV Alpha Scholarship Endowment	-	10,000	9	-	-	10,009	9	10,000
Scott M. Dykstra Oliver Products Company Engineering Scholarship	53,414	330	11,432	2,599	200	62,777	13,448	49,329
L.V. Eberhard Scholarship Fund	524,892	-	111,910	25,442	-	611,360	342,137	269,223
Economics Department Endowed Scholarship	-	2,597	50	-	250	2,897	50	2,847
Valerie P. Eggert Distinguished Scholarship in Philanthropy	31,552	-	6,823	787	-	37,588	6,053	31,535
Eitzen Voice Scholarship	116,272	2,530	25,069	5,704	2,105	140,272	48,691	91,581
School of Engineering Fund	158,162	3,574	34,100	7,753	1,305	189,388	64,177	125,211
Enrichment Fund	542,453	3,300	115,729	26,311	-	635,171	331,847	303,324
Empowering Haiti Through Education Fund	-	2,212	55	-	-	2,267	55	2,212
Jean Enright Women and Gender Studies Scholarship	14,364	3,224	3,480	-	541	21,609	3,609	18,000
Faculty Teaching and Learning Center Endowment	2,076,496	-	442,720	100,650	-	2,418,566	503,185	1,915,381
Finance Department Endowment	83,724	700	17,975	4,090	1,726	100,035	22,062	77,973

Grand Valley State University

Schedule of University and Foundation Endowments and Similar Funds (Continued) June 30, 2011

	Balance July 1, 2010	Gifts and Additions	Investment Income and Deductions	Distribution Beneficiary Funds	Intrafund Distribution	Balance June 30, 2011	Retained Investment Income	Principal Balance June 30, 2011
Endowment Funds (Continued)								
Finance Department Endowed Scholarship	\$ -	\$ 3,325	\$ 393	\$ -	\$ 1,525	\$ 5,243	\$ 393	\$ 4,850
First Generation Urban Schools Scholarship	22,527	7,017	5,677	-	7,134	42,355	6,588	35,767
Richard E. Flanders Scholarship Fund	126,465	729	27,028	6,144	4	148,082	59,092	88,990
Robert W. Fletcher Memorial Endowment	72,068	5,575	15,950	3,644	4,893	94,842	12,306	82,536
Football Alumni Endowment Fund	51,148	10,498	12,044	-	1,863	75,553	11,754	63,799
Frey Foundation Chair for Family Foundations and Philanthropy	1,401,624	-	298,834	67,938	-	1,632,520	132,520	1,500,000
The General Dynamics Land Systems Engineering Scholarship	36,955	-	7,879	1,791	-	43,043	11,043	32,000
Geology Development Fund	109,343	1,140	23,414	5,321	-	128,576	59,874	68,702
Geology Student Field Endowment	36,582	5,557	8,525	1,940	898	49,622	11,484	38,138
Norman Gibson Geology Field Study Scholarship	27,923	13,080	7,356	953	975	48,381	4,734	43,647
Charlotte A. Gierst & Salome C. Egeler Trust Fund	67,194	70	14,329	3,258	10	78,345	32,185	46,160
Richard Giles Memorial Scholarship Fund	333,030	445	71,053	16,153	73	388,448	223,557	164,891
Eric Jon Gillette Memorial Scholarship	-	30,100	4,395	-	-	34,495	4,395	30,100
John and Barbara Gracki Football Degree Completion Scholarship Fund	37,427	-	7,908	1,825	1,500	45,010	3,010	42,000
The Graduate Teacher Certification Scholarship	72,125	296	15,437	3,511	618	84,965	16,758	68,207
Grand Valley Grand Forum Endowment	199,908	3,121	42,906	9,750	160	236,345	78,784	157,561
The Grand Valley Lanthorn Merit Scholarship	30,931	-	6,594	1,499	-	36,026	9,099	26,927
Grand Valley State University Athletic Fund	198,870	18,714	42,935	9,781	1,243	251,981	62,209	189,772
Grand Valley State University Fund	4,211,226	242,183	908,406	217,786	(266,392)	4,877,637	2,961,998	1,915,639
GVSU LGBT Scholarship Endowment	86,085	5,575	18,820	4,285	3,998	110,193	18,279	91,914
Women's Center Non-Traditional Student Scholarship	70,407	1,147	15,129	3,442	987	84,228	16,425	67,803
Thomas J. and Marcia Haas Laker Marching Band Scholarship	8,638	2,863	2,132	-	3,938	17,571	1,770	15,801
Hauenstein Center for Presidential Studies Endowment	716,057	(285,359)	80,976	-	(26,957)	484,717	123,363	361,354
Earl Harper Scholarship Fund	58,388	-	12,449	2,830	-	68,007	29,912	38,095
Center for Health Sciences Simulation Endowment	23,819	(216)	5,418	-	2,357	31,378	6,945	24,433
Joyce Hecht Distinguished Scholarship in Philanthropy	130,041	150	27,725	6,303	-	151,613	30,588	121,025
William Hegarty Endowment Fund	28,919	-	6,166	1,402	-	33,683	7,749	25,934
Arthur C. Hills Music Scholarship Fund	72,802	426	15,579	3,542	73	85,338	38,633	46,705
Hispanic Scholarship Fund	61,778	-	13,171	2,994	-	71,955	22,769	49,186
Dr. James D. Hoffman Scholarship	83,903	-	17,889	4,067	-	97,725	24,674	73,051
The Hilda C. Holder Endowed Scholarship for Women in Business Fund	37,106	-	7,912	1,799	-	43,219	8,119	35,100
Honors Program Enrichment	11,340	1,520	2,651	-	1,508	17,019	4,610	12,409
Hospitality and Tourism Management Department Endowment	7,015	7,677	1,820	-	1,766	18,278	2,069	16,209
J. C. Huizenga Business Scholarship	49,564	5,000	10,928	2,509	-	62,983	7,983	55,000
The Professor Paul A. Huizenga Biology Education Scholarship	97,897	4,450	21,356	4,848	300	119,155	20,471	98,684

Grand Valley State University

Schedule of University and Foundation Endowments and Similar Funds (Continued) June 30, 2011

	Balance	Gifts and Additions	Investment Income	Distribution	Intrafund	Balance	Retained Investment	Principal
	July 1, 2010		and Deductions	Beneficiary Funds	Distribution	June 30, 2011	Income	Balance June 30, 2011
Endowment Funds (Continued)								
W.G. Jackson Fund	\$ 203,348	\$ 273	\$ 43,376	\$ 9,862	\$ 144	\$ 237,279	\$ 81,436	\$ 155,843
Todd Jager Memorial Athletic Training Student Award	35,680	6,525	8,318	1,892	4,525	53,156	8,119	45,037
Michael and Susan Jandernoa Scholarship Endowment	89,805	41,058	20,751	4,797	-	146,817	24,092	122,725
The Dorothy A. Johnson Center for Philanthropy Library Endowment	593,319	106	128,610	-	31	722,066	215,729	506,337
The Dorothy A. Johnson Center for Philanthropy Operations Endowment	3,459,293	9,706	738,049	167,804	7,993	4,047,237	746,980	3,300,257
Johnson Leadership Scholarship Endowment	-	30,000	3,255	-	-	33,255	3,255	30,000
Jurries Family Scholarship	32,784	-	6,990	1,589	-	38,185	8,185	30,000
Sylvia and Richard Kaufman Interfaith Institute Endowment	317,938	77,551	77,467	-	10,187	483,143	46,334	436,809
Fred M. and Bernadine Keller Engineering Diversity Scholarship	50,000	-	10,581	2,420	-	58,161	8,161	50,000
Kurt F. Kimball Scholarship Endowment	38,343	670	8,229	1,871	-	45,371	13,378	31,993
Dr. Wayne Kinzie Counseling Staff Professional Development Endowment	-	51,004	48	-	-	51,052	48	51,004
Kirkhof College of Nursing Endowment	145,412	7,829	31,793	7,232	3,256	181,058	39,559	141,499
Don Klein Endowment	112,003	5,070	24,422	5,545	-	135,950	21,089	114,861
Joseph Spruit Engineering Scholarship	52,060	20	10,951	2,517	-	60,514	8,434	52,080
Professor Charles Knop Chemistry Scholarship	-	19,228	2,006	-	100	21,334	2,006	19,328
Walton Boston Koch Memorial Scholarship	32,993	364	7,070	1,607	64	38,884	17,184	21,700
The Albert S. and Ella D. Koeze Art Scholarship	18,036	9,893	4,194	-	-	32,123	8,958	23,165
A. Scott and Ruth P. Koeze Graduate Business Scholarship	31,322	1,745	6,680	1,518	-	38,229	5,684	32,545
MaryBeth Koeze Art Scholarship	-	38,000	36	-	-	38,036	36	38,000
Dr. Thomas Henry Koeze Student Scholars Endowment	-	38,000	36	-	-	38,036	36	38,000
Dirk Koning Film and Video Scholarship	35,757	2,155	7,858	1,789	1,115	45,096	8,522	36,574
The Jack J. Korff Seidman College of Business Finance Scholarship	50,110	5,000	11,177	2,541	-	63,746	8,636	55,110
Lynne Kraemer Memorial Scholarship	36,746	-	7,834	1,781	-	42,799	24,805	17,994
Kutsche Office of Local History Endowment	-	6,400	202	-	417	7,019	202	6,817
The LGBT Resource Center	1,472	2,630	371	-	340	4,813	413	4,400
Richard H. Lefebvre Field Education Fund	-	15,565	563	-	-	16,128	563	15,565
The Mike Lints Track and Field Equipment Endowment	41,671	3,260	9,133	2,074	340	52,330	9,775	42,555
Logie Fellowship Endowment	136,604	3,700	29,318	6,670	-	162,952	32,117	130,835
Loutit Foundation Fund	250,559	46	30,363	-	(23,593)	257,375	42,733	214,642
Arend D. and Nancy Lubbers Honors College Scholarship	687,017	476	146,526	33,311	73	800,781	185,756	615,025
McFadden Picciuca International Child Welfare Scholarship	11,959	368	2,633	-	194	15,154	2,982	12,172
Dr. Faite R-P. Mack and Dr. Thomas E. Jackson Scholarship Fund	67,937	48	14,489	3,294	48	79,228	28,461	50,767
Eric I. Maino Community Technology Award Endowment	5,893	4,000	1,573	-	-	11,466	1,466	10,000
Jean E. Martin Doctor of Nursing Practice Scholarship	108,726	25,339	26,961	2,617	25,256	183,665	33,284	150,381
Mathematics Endowment Fund	181,228	2,030	38,856	8,833	810	214,091	90,392	123,699

Grand Valley State University

Schedule of University and Foundation Endowments and Similar Funds (Continued) June 30, 2011

	Balance July 1, 2010	Gifts and Additions	Investment Income and Deductions	Distribution Beneficiary Funds	Intrafund Distribution	Balance June 30, 2011	Retained Investment Income	Principal Balance June 30, 2011
Endowment Funds (Continued)								
Russell G. Mawby Fellowship in Philanthropic Studies	\$ 99,891	\$ 35,707	\$ 25,313	\$ -	\$ -	\$ 160,911	\$ 25,204	\$ 135,707
Fred Meijer Diversity Scholarship	29,804	-	6,460	-	-	36,264	11,264	25,000
Frederik Meijer First Generation Honors College Student Scholarship Endowment	1,080,683	25	233,706	26,971	-	1,287,443	287,418	1,000,025
Frederik Meijer Endowed Honors Chair in Entrepreneurship and Innovation	465,082	500,000	101,283	-	-	1,066,365	66,365	1,000,000
Frederik Meijer Lecture Series Endowment	369,360	-	79,391	13,612	-	435,139	135,139	300,000
Corky Meinecke Scholarship Endowment Fund	57,809	300	12,368	2,812	-	67,665	14,979	52,686
Memorial Garden Endowment	4,181	-	906	-	-	5,087	1,667	3,420
Paul C. and Florence Miller Mineral Collection Endowment	47,064	25	10,038	2,282	-	54,845	14,095	40,750
Paul C. Miller Scholarship Fund	153,931	-	32,819	7,461	-	179,289	78,966	100,323
Mithilesh & Jitendra Mishra Foreign Student/Faculty Scholarship Fund	27,842	-	5,937	1,350	-	32,429	9,510	22,919
Jacob B. Mol Family Scholarship Fund	75,766	-	16,153	3,672	-	88,247	39,284	48,963
Dr. Rodney J. Mulder Social Work Scholarship	63,541	5,516	14,171	3,222	971	80,977	15,613	65,364
Mullendore Legal Studies Criminal Justice Scholarship	191,250	19,300	43,571	10,111	19,090	263,100	33,386	229,714
Mark A. and Elizabeth C. Murray International Travel Fund	50,818	9,089	11,677	2,691	2,386	71,279	8,986	62,293
Nichols Sustainability Scholarship	30,852	344	6,497	1,500	50	36,243	4,021	32,222
Glenn A. and Betty J. Niemeyer History Scholarship Endowment	103,082	2,013	22,185	5,043	603	122,840	36,352	86,488
Dr. Roy and Patricia Olsson Jr. Health Professions Scholarship	2,144	1,930	670	-	1,646	6,390	602	5,788
Joel J. Orosz Endowed Fellowship in Philanthropy	-	48,952	3,829	-	1,784	54,565	3,829	50,736
Herta Oswalt GVSU Culinary Television Program Endowment	-	42,000	4,556	-	-	46,556	4,556	42,000
The Nedra J. Otis Art Scholarship	84,144	1,862	18,155	4,132	1,864	101,893	20,461	81,432
Arnold C. Ott Lectureship in Chemistry	718,653	100	155,783	-	-	874,536	356,391	518,145
Candace Otte Scholarship for Nursing	23,685	288	5,144	-	-	29,117	3,639	25,478
Barbara Padnos Scholarship Fund	1,083,064	785	231,000	52,516	270	1,262,603	256,595	1,006,008
Stuart and Barbara Padnos Chair in Art and Design	944	-	205	-	-	1,149	149	1,000
Esther R. Padnos Nursing Scholarship	108,668	-	22,730	5,250	-	126,148	5,670	120,478
Seymour and Esther Padnos Engineering Scholarship	550,130	200	117,313	26,671	200	641,172	129,297	511,875
Shelley E. Padnos and Carol Sarosik Art Endowment	-	50,011	47	-	-	50,058	47	50,011
Joan A. Panopoulos Scholarship	33,673	120	7,058	1,630	114	39,335	1,448	37,887
James W. Parmelee Memorial Scholarship	29,194	921	6,265	1,424	21	34,977	3,735	31,242
Pathways to Recovery Scholarship	9,506	-	2,061	-	15	11,582	1,804	9,778
Don and Diane Paton Family Entrepreneur Scholarship	-	17,500	1,621	-	-	19,121	1,621	17,500
Eugene and Lillian Pawl Scholarship	646	300	184	-	300	1,430	230	1,200
Peace and Justice Award	49,083	465	10,504	2,389	273	57,936	24,041	33,895
Ross W. Perry Bachelor of Science Scholarships	234,440	-	49,983	11,363	-	273,060	67,945	205,115
Physical Therapy Department Fund	54,095	2,153	11,773	2,677	1,302	66,646	17,290	49,356

Grand Valley State University

Schedule of University and Foundation Endowments and Similar Funds (Continued) June 30, 2011

	Balance	Gifts and Additions	Investment Income	Distribution	Intrafund	Balance	Retained Investment	Principal
	July 1, 2010		and Deductions	Beneficiary Funds	Distribution	June 30, 2011	Income	Balance June 30, 2011
Endowment Funds (Continued)								
William F. Pickard Fund	\$ 74,873	\$ -	\$ 15,963	\$ 3,629	\$ -	\$ 87,207	\$ 56,442	\$ 30,765
Plant Service Personnel Descendants Scholarship Fund	458,281	9,594	98,774	22,476	8,750	552,923	135,723	417,200
PNC Early Childhood Education Scholarship	-	70,000	66	-	-	70,066	66	70,000
Positive Black Women Endowment Fund	49,042	1,883	10,663	2,425	1,030	60,193	11,876	48,317
Paul W. Potter and Margaret E. Potter Scholarship	33,649	5,000	7,053	1,626	-	44,076	3,976	40,100
The Judith S. Pratt Non-Traditional Nursing Scholarship	63,961	1,620	13,764	3,129	195	76,411	14,899	61,512
Berthold Price Scholarship Fund	141,384	-	30,144	6,853	-	164,675	68,040	96,635
Price Heneveld Engineering Scholarship	130,026	19,006	30,758	7,038	10,503	183,255	33,297	149,958
Margaret Proctor Communications Scholarship	29,847	1,303	6,620	-	1,090	38,860	12,072	26,788
Dr. George I. and Helen Z. Quimby Scholarship	29,397	160	6,389	-	-	35,946	9,297	26,649
Dr. George I. Quimby Memorial Anthropology Endowment	16,419	7,571	4,581	-	5,436	34,007	5,460	28,547
Regional Math and Science Center Endowment	155,695	651	33,282	7,568	715	182,775	56,797	125,978
Anonymous GVSU Undergrad Endowed Scholarship	-	25,000	3,689	-	25,000	53,689	3,689	50,000
Reister Family Scholarship Endowment	84,450	985	18,055	4,104	-	99,386	19,763	79,623
Reverend Dennis and E. Jean (Lackey) McMurray Academic Achievement Scholarship	133	-	29	-	-	162	38	124
Peter P. and Patricia R. Renucci Medical Lab Sciences Scholarship Endowment	15,819	14,808	5,047	-	375	36,049	5,050	30,999
Peter P. Renucci Family Medical Lab Sciences Scholarship Endowment	15,843	14,383	4,994	-	-	35,220	5,003	30,217
Warren Reynolds Endowed Scholarship	19,802	154	4,235	963	154	23,382	7,411	15,971
John Salski Memorial Fund	35,199	-	7,505	1,706	-	40,998	10,473	30,525
Laura Sakoski Memorial Scholarship	9,554	2,941	2,478	-	65	15,038	2,114	12,924
School of Public and Nonprofit Administration Endowment	38,867	3,796	8,674	1,968	686	50,055	11,910	38,145
William Schroeder Undergraduate Endowed Fellowship in Chemistry	-	10,000	742	-	5,000	15,742	742	15,000
The J. Patrick Sandro Education Scholarship	52,050	5,119	11,645	2,638	48	66,224	13,956	52,268
Science Equipment Fund	1,846,123	200	393,617	89,486	-	2,150,454	1,175,913	974,541
The Ilene I. Schooley Biomedical Sciences Scholarship	32,555	-	6,941	1,578	10	37,928	7,639	30,289
Science Math Development Fund	66,494	400	14,228	3,235	250	78,137	45,812	32,325
Mary & Wilhelm Seeger Scholarship Fund	157,693	8,839	34,485	7,828	339	193,528	59,021	134,507
Seidman College of Business Commercial Real Estate Scholarship	7,463	-	1,618	-	-	9,081	1,081	8,000
Seidman College of Business Study Abroad Scholarship	33,666	1,740	7,427	1,692	2,078	43,219	10,917	32,302
Seidman College of Business Management Department Scholarship	4,575	1,695	1,085	-	105	7,460	1,570	5,890
Seidman Endowment Fund	1,189,598	1,162	253,750	57,688	388	1,387,210	715,228	671,982
Esther L. Seidman Chair in Management Fund	310,386	-	66,176	15,045	-	361,517	186,118	175,399
The Margaret Sellers Walker Distinguished Practitioner Lecture Series in Public and Nonprofit Administration	1,868	800	444	-	156	3,268	368	2,900
John J. and Marjorie E. Shepard Communications Scholarship	201,603	-	42,983	9,772	-	234,814	65,575	169,239
Marilyn & BP Sherwood Seidman College of Business Scholarship for Non-Traditional Students	41,589	5,000	8,872	2,016	-	53,445	11,524	41,921

Grand Valley State University

Schedule of University and Foundation Endowments and Similar Funds (Continued) June 30, 2011

	Balance		Investment Income and Deductions	Distribution Beneficiary Funds	Intrafund Distribution	Balance		Retained Investment Income	Principal Balance June 30, 2011
	July 1, 2010	Gifts and Additions				June 30, 2011			
Endowment Funds (Continued)									
Ryan Short Memorial Scholarship Fund	\$ 73,402	\$ 943	\$ 15,758	\$ 3,585	\$ 1,087	\$ 87,605	\$ 18,990	\$ 68,615	
Ram and Usha Singh Social Work Scholarship	31,531	-	6,722	1,528	-	36,725	8,230	28,495	
Drs. Esther and Enrico Sobong Scholarship	33,395	-	7,120	1,619	-	38,896	7,816	31,080	
Social Work Faculty Development Fund	33,931	-	7,355	-	-	41,286	19,126	22,160	
The Social Work Minority Scholarship	36,924	-	7,873	1,790	-	43,007	9,574	33,433	
Social Work Scholarship Fund	33,015	991	7,166	1,630	447	39,989	10,208	29,781	
Spectrum Health Diversity Scholarship	79,382	-	16,925	3,848	-	92,459	17,168	75,291	
Paul Springer Crew Scholarship	59	5,500	823	-	313	6,695	819	5,876	
Statistics Endowment Fund	37,771	1,557	8,202	1,868	1,070	46,732	8,767	37,965	
Steelcase Inc. Seidman College of Business Diversity Scholarship	108,260	-	23,081	5,247	-	126,094	25,559	100,535	
The Howard and Rose Stein Endowed Biology Scholarship	48,287	1,469	10,388	2,361	118	57,901	12,672	45,229	
Joseph Stevens Freedom Fund	107,421	206	22,915	5,210	116	125,448	46,267	79,181	
Esther Rehm Stotz Scholarship Fund	128,556	25	27,413	6,232	25	149,787	78,549	71,238	
Tim Strickler Pre-Medical Scholarship	6,798	-	1,474	-	-	8,272	2,172	6,100	
The Subar Family - Model Coverall Service Scholarship	35,993	-	7,674	1,745	-	41,922	9,562	32,360	
Sustainable Community Advancement Endowment	-	3,075	408	-	2,275	5,758	408	5,350	
Duke Tanaka Jr. Anatomy Scholarship	31,910	525	6,861	1,559	-	37,737	5,979	31,758	
Tax Program Fund	124,399	200	26,544	6,034	-	145,109	78,806	66,303	
AT&T Pioneers Michigan Chapter Scholarship	61,631	-	13,140	2,987	-	71,784	29,059	42,725	
Edward Tremba Geology Scholarship Fund	71,540	2,599	15,534	3,527	150	86,296	37,482	48,814	
University Library Fund	276,755	784	59,157	13,453	1,808	325,051	146,532	178,519	
David and Carol Van Andel Leadership Fellow Endowment for the Hauenstein Center for Presidential Studies	-	50,000	7,649	-	5,780	63,429	13,429	50,000	
The Donald and Barbara Vanderjagt Mathematics and Athletic Scholarship	47,273	7,396	10,867	2,458	-	63,078	11,711	51,367	
VanSteeland Campus Beautification Fund	114,857	1,133	24,557	5,584	589	135,552	67,445	68,107	
Richard E. Veazey Graduate Academic Scholarship in Accounting	287,171	870	60,223	13,896	150	334,518	29,686	304,832	
Kenneth Venderbush Endowment Fund	22,182	1,300	4,916	-	-	28,398	10,673	17,725	
Volkhardt Family Scholarship	128,818	350	27,502	6,252	-	150,418	30,961	119,457	
The Waddell/Treanor Native Plant Endowment	668,062	50	139,925	32,282	-	775,755	69,748	706,007	
Florence Cowan Ward Scholarship for Nursing	137,071	450	29,240	6,647	-	160,114	32,200	127,914	
Margaret F. Ward Art and Design Scholarship	30,576	-	6,519	1,482	-	35,613	5,537	30,076	
Margaret Ward Music Scholarship	28,703	120	6,134	1,395	120	33,682	6,810	26,872	
Margaret Ward WGVU Symphony and Art Programming Endowment Fund	49,668	-	10,589	2,407	-	57,850	14,459	43,391	
The John D. Wardrop Leadership Fellow Endowment	11,624	3,312	2,874	-	3,185	20,995	3,213	17,782	
WGVU Engineering Student Co-op Endowment	-	1,000	1,035	-	-	2,035	1,035	1,000	
WRI Equipment Fund	2,012,480	234	429,097	97,553	203	2,344,461	1,185,105	1,159,356	

Grand Valley State University

Schedule of University and Foundation Endowments and Similar Funds (Continued) June 30, 2011

	Balance	Investment Income and Deductions	Distribution Beneficiary Funds	Intrafund Distribution	Balance	Retained Investment Income	Principal Balance
	July 1, 2010				June 30, 2011		June 30, 2011
Endowment Funds (Continued)							
WGVU - FM Radio Program Endowment Fund	\$ 44,553	\$ 189	\$ 9,668	\$ -	\$ 190	\$ 9,372	\$ 45,228
WGVU-TV Program Fund	69,096	7,815	15,660	3,575	1,118	13,723	76,391
WGVU-TV Scholarship Fund	344,199	124	73,398	16,686	24	195,691	205,368
Weldon Memorial Chemistry Fund	167,062	2,756	35,905	8,164	1,671	76,747	122,483
Bonnie Wesorick Center for Healthcare Transformation Endowment	172,622	152,905	53,504	-	11,037	59,830	330,238
West Side Service Projects Endowment	28,123	-	5,883	1,359	-	3,514	29,133
West Shore AWARE Scholarship	-	40,000	4,771	-	-	4,771	40,000
Westerman Nursing Scholarship Fund	137,805	-	29,383	6,680	50	58,784	101,774
Shawn D. Wiersma Criminal Justice Memorial Scholarship	34,120	299	7,303	1,661	240	7,334	32,967
Holliday Wiley Psychology Scholarship for the Study of Pervasive Development Disorders	38,860	1,000	8,397	1,910	625	9,009	37,963
William James Fund	31,678	320	6,784	1,542	10	19,247	18,003
Don Williams Sr. Dean Emeritus Multi-Cultural Business Education (MBEC) Scholarship	-	31,800	3,417	-	-	3,417	31,800
H. James and Carole Campbell Williams Business Scholarship	24,774	2,256	5,760	-	3,701	6,040	30,451
Shelia Williams Student Leadership Development Fund	120,848	921	25,876	5,883	546	70,338	71,970
Bill & Diana Wipperfurth Annis Water Resources Institute Student Research Scholarship	34,001	147	7,268	1,653	171	5,953	33,981
Thomas and Joyce Wisner Engineering Scholarship Endowment	450,000	150,000	96,023	(15,472)	-	111,495	600,000
The Wisner Doctor of Physical Therapy Scholarship	112,537	375	24,032	5,463	-	22,451	109,030
Women's Center Endowment	43,720	2,988	9,478	2,169	1,320	7,309	48,028
Robert H. and Barbara Wood Entrepreneur Scholarship	1,048	-	228	-	-	276	1,000
Doug and Linda Woods Athletic Training Scholarship Endowment	121,778	1,496	26,082	5,931	910	26,997	117,338
Wrestling Endowment	36,005	2,455	8,055	-	112	11,313	35,314
Writing Majors Scholarship	25,533	911	5,565	1,268	1,313	5,859	26,195
Whitney Young Village Outreach Engineering Scholarship	135,407	-	7,123	3,000	-	39,530	100,000
William Zimmerman Memorial Scholarship	54,217	3,850	12,098	2,751	3,500	12,397	58,517
Felix V. & Gladys A. Zukaitis Athletic Trust	192,424	-	41,026	9,327	-	98,938	125,185
Felix V. & Gladys A. Zukaitis Scholarship Trust	184,447	-	39,325	8,940	10	88,821	126,021
Total Grand Valley State University endowment funds	43,925,339	2,805,960	9,500,398	1,831,063	(29,028)	16,448,599	37,923,007
Total Grand Valley University Foundation endowment funds	392,019	6,214	85,182	4,573	92	59,534	419,400
Total endowment funds	44,317,358	2,812,174	9,585,580	1,835,636	(28,936)	16,508,133	38,342,407

Grand Valley State University

Schedule of University and Foundation Endowments and Similar Funds (Continued) June 30, 2011

	Balance July 1, 2010	Gifts and Additions	Investment Income and Deductions	Distribution Beneficiary Funds	Intrafund Distribution	Balance June 30, 2011	Retained Investment Income	Principal Balance June 30, 2011
Funds Functioning as Endowments								
Accounting Scholarship Fund	\$ 384,636	\$ 5,800	\$ 82,563	\$ 18,765	\$ 806	\$ 455,040	\$ 205,333	\$ 249,707
Alumni Scholarship Fund	706,816	3,945	151,126	34,352	396	827,931	338,720	489,211
Angus Fund	1,330,659	587	283,764	64,512	239	1,550,737	697,587	853,150
Owen F. Bieber Scholarship Trust	560,699	-	119,545	27,178	-	653,066	339,536	313,530
Alexander Calder Honors Scholarship	45,035	-	9,550	2,181	-	52,404	7,369	45,035
Entrepreneurial Center Endowment	1,396,667	195	297,802	67,704	190	1,627,150	403,994	1,223,156
Grand Rapids Continuing Education	1,217,992	-	264,006	-	-	1,481,998	1,108,016	373,982
Leon W. Hall Trust Fund	664,760	-	141,730	32,221	-	774,269	439,857	334,412
Charles & Florence Irwin Scholarship Endowment Fund	200,223	3,224	43,036	9,784	1,334	238,033	76,530	161,503
Russel H. Kirkhof Fund	2,088,251	-	445,227	101,219	-	2,432,259	1,424,960	1,007,299
Padnos Fund	1,409,741	-	300,564	68,331	-	1,641,974	641,949	1,000,025
Seymour & Esther Padnos School of Engineering	2,125,173	1,575	453,273	103,050	1,085	2,478,056	964,280	1,513,776
Joe E. Reid Memorial Scholarship Fund	74,576	225	15,923	3,620	100	87,204	36,287	50,917
Charles C. Saur Fund	32,780	-	12,736	-	-	45,516	(66,061)	111,577
Robert C. Trotter Scholarship Fund	451,626	-	96,290	21,891	-	526,025	378,158	147,867
R.B. Annis WRI Endowment	1,440,575	1,101	307,271	69,858	1,147	1,680,236	574,526	1,105,710
James R. Sebastian Endowed Chair in Engineering Cooperative Education and Educational Development	1,492,460	-	318,201	72,341	-	1,738,320	1,196,998	541,322
Science Religion Project	177,840	-	38,547	-	-	216,387	55,050	161,337
SPX Corporation Engineering Scholarship Fund	117,935	-	25,145	5,716	-	137,364	87,254	50,110
Undistributed Income Fund	342,497	-	82,604	-	23,639	448,740	448,740	-
VanderMey Endowment	139,710	-	29,787	6,772	-	162,725	48,298	114,427
Total funds functioning as endowments	16,400,651	16,652	3,518,690	709,495	28,936	19,255,434	9,407,381	9,848,053
Annuity Funds								
John/Shirley Batchelder CGA	33,579	-	13,204	-	-	46,783	27,960	18,823
John and Nancy Batts Charitable Gift Annuity	165,837	-	108,488	-	-	274,325	(97,987)	372,312
Darld T. and Joyce M. Black Charitable Gift Annuity	7,276	-	2,599	-	-	9,875	3,323	6,552
Robert F. and Jean A. Blossfeld Charitable Gift Annuity	2,154	-	805	-	-	2,959	806	2,153
George C. and Margaret T. Cope Charitable Gift Annuity	4,566	-	1,478	-	-	6,044	(2,039)	8,083
Dr. Gilbert R. and Patricia Davis Charitable Gift Annuities	21,116	-	11,351	-	-	32,467	12,451	20,016
Leslie Eitzen Charitable Gift Annuity	5,718	-	1,000	-	-	6,718	(376)	7,094
Ralph and Grace Hauenstein Charitable Gift Annuities	117,628	-	(17,228)	-	-	100,400	(362,579)	462,979
John and Janice Heerspink Charitable Gift Annuity	(743)	-	477	-	-	(266)	(1,901)	1,635
Harvey E. Lemmen Charitable Gift Annuities	(34,650)	60,000	7,972	-	-	33,322	(55,540)	88,862
Dr. Dorothy Merrill Charitable Gift Annuity	2,561	-	2,100	-	-	4,661	(12,308)	16,969
John F. and Mae D. Shipley Charitable Gift Annuity	3,707	-	900	-	-	4,607	(290)	4,897
Jacquelyn L. and Lester L. Stiner Charitable Gift Annuity	-	1,506	1,593	-	-	3,099	1,593	1,506
John T. Tevebaugh Charitable Gift Annuities	11,248	-	3,081	-	-	14,329	4,389	9,940
Peter Merrick Turner Charitable Gift Annuity	6,207	-	2,680	-	-	8,887	(2,679)	11,566
Total annuity funds	346,204	61,506	140,500	-	-	548,210	(485,177)	1,033,387
Total endowment and similar funds	<u>\$ 61,064,213</u>	<u>\$ 2,890,332</u>	<u>\$ 13,244,770</u>	<u>\$ 2,545,131</u>	<u>\$ -</u>	<u>\$ 74,654,184</u>	<u>\$ 25,430,337</u>	<u>\$ 49,223,847</u>

Grand Valley State University

Schedule of Net Assets by Fund June 30, 2011

	Current Funds										Consolidated Total	
	General	Designated	Auxiliary	Expendable	Total	Loan	Endowment	Plant	Agency	Retirement	2011	2010
	Fund	Fund	Activities	Restricted	Current	Fund	Fund	Fund	Fund	Fund		
Assets												
Current Assets												
Cash and cash equivalents	\$ 16,551,381	\$ 18,073,610	\$ (1,323,995)	\$ 19,048,244	\$ 52,349,240	\$ 456,283	\$ (478,934)	\$ 29,937,887	\$ 299,292	\$ (297,297)	\$ 82,266,471	\$ 48,223,915
Accounts receivable	1,459,063	723,303	842,386	4,018,376	7,043,128	-	-	40,247	632,306	-	7,715,681	8,577,699
State appropriation receivable	11,268,438	-	-	-	11,268,438	-	-	-	27,389,483	-	38,657,921	32,836,838
Pledges receivable	-	4,250	-	8,280,901	8,285,151	-	-	-	-	-	8,285,151	4,214,194
Less allowance for uncollectible accounts	-	-	-	(24,680)	(24,680)	-	-	-	-	-	(24,680)	(13,427)
Net pledges receivable	-	4,250	-	8,256,221	8,260,471	-	-	-	-	-	8,260,471	4,200,767
Inventory	-	18,576	2,393,735	-	2,412,311	-	-	-	7,339	-	2,419,650	2,328,449
Prepaid expenses and other	1,596,848	658,420	31,108	54,566	2,340,942	160,603	-	200,824	-	-	2,702,369	4,984,709
Student notes receivable - Current portion	-	-	-	-	-	3,200,000	-	-	-	-	3,200,000	2,800,000
Total current assets	30,875,730	19,478,159	1,943,234	31,377,407	83,674,530	3,816,886	(478,934)	30,178,958	28,328,420	(297,297)	145,222,563	103,952,377
Noncurrent Assets												
Restricted cash and cash equivalents	-	-	-	-	-	-	518,877	22,705,323	-	-	23,224,200	1,860,456
Restricted short-term investments	-	-	-	-	-	-	-	-	-	-	-	13,900,772
Endowment investments	-	-	-	-	-	-	75,463,625	-	-	-	75,463,625	61,205,524
Restricted long-term investments	-	-	-	-	-	-	-	-	-	-	-	-
Other long-term investments	116,727	42,265,014	-	39,402	42,421,143	-	-	70,012,158	48,846	4,665,251	117,147,398	112,941,504
Pledges receivable	-	-	-	16,415,840	16,415,840	-	-	-	-	-	16,415,840	16,509,425
Less discount to present value	-	-	-	(1,835,282)	(1,835,282)	-	-	-	-	-	(1,835,282)	(4,399,563)
Net pledges receivable	-	-	-	14,580,558	14,580,558	-	-	-	-	-	14,580,558	12,109,862
Student notes receivable - Net	-	-	-	-	-	8,244,185	-	-	-	-	8,244,185	8,184,909
Capital assets - Net	-	-	-	-	-	-	-	546,831,410	-	-	546,831,410	540,577,940
Derivative instrument	-	-	-	-	-	-	-	725,000	-	-	725,000	726,000
Deferred outflow of resources - Derivatives	-	-	-	-	-	-	-	7,221,000	-	-	7,221,000	8,577,000
Other assets	-	262,685	-	-	262,685	-	-	904,447	-	-	1,167,132	3,052,569
Total noncurrent assets	116,727	42,527,699	-	14,619,960	57,264,386	8,244,185	75,982,502	648,399,338	48,846	4,665,251	794,604,508	763,136,536
Total assets	\$ 30,992,457	\$ 62,005,858	\$ 1,943,234	\$ 45,997,367	\$ 140,938,916	\$ 12,061,071	\$ 75,503,568	\$ 678,578,296	\$ 28,377,266	\$ 4,367,954	\$ 939,827,071	\$ 867,088,913

Grand Valley State University

Schedule of Net Assets by Fund (Continued) June 30, 2011

	Current Funds					Loan Fund	Endowment Fund	Plant Fund	Agency Fund	Retirement Fund	Consolidated Total	
	General Fund	Designated Fund	Auxiliary Activities Fund	Expendable Restricted Fund	Total Current Funds						2011	2010
Liabilities and Net Assets												
Current Liabilities												
Accounts payable	\$ 3,581,118	\$ 1,627,913	\$ 675,696	\$ 1,062,067	\$ 6,946,794	\$ 2,318	\$ -	\$ 6,028,796	\$ 26,560,605	\$ -	\$ 39,538,513	\$ 32,104,901
Accrued payroll and other benefits	16,554,202	85,000	-	-	16,639,202	-	-	-	864,441	-	17,503,643	16,595,168
Accrued interest expense and other liabilities	-	-	-	-	-	-	-	1,159,844	952,220	-	2,112,064	1,275,745
Deferred revenue	8,896,841	188,550	303,390	3,820,742	13,209,523	-	-	31,150	-	-	13,240,673	12,276,196
Long-term liabilities - Current portion	-	-	-	-	-	-	269,142	5,195,000	-	542,000	6,006,142	6,060,027
Total current liabilities	29,032,161	1,901,463	979,086	4,882,809	36,795,519	2,318	269,142	12,414,790	28,377,266	542,000	78,401,035	68,312,037
Noncurrent Liabilities												
Deferred revenue - Net of current portion	-	-	-	-	-	-	-	657,800	-	-	657,800	684,200
Deferred inflow of resources - Derivatives	-	-	-	-	-	-	-	725,000	-	-	725,000	726,000
Derivative instruments	-	-	-	-	-	-	-	8,298,000	-	-	8,298,000	9,760,000
Federal student loan payable	-	-	-	-	-	10,135,130	-	-	-	-	10,135,130	10,240,450
Long-term liabilities - Net of current portion	1,017,140	-	-	-	1,017,140	-	1,059,177	247,635,000	-	2,822,571	252,533,888	238,608,684
Total liabilities	30,049,301	1,901,463	979,086	4,882,809	37,812,659	10,137,448	1,328,319	269,730,590	28,377,266	3,364,571	350,750,853	328,331,371
Net Assets												
Invested in capital assets - Net of related debt	-	-	-	-	-	-	-	314,064,176	-	-	314,064,176	310,011,084
Restricted:	-	-	-	-	-	-	-	-	-	-	-	-
Nonexpendable - Scholarships and academic support	-	-	-	-	-	-	-	-	-	-	-	-
Expendable:	-	-	-	-	-	-	37,923,007	-	-	-	37,923,007	35,535,531
Scholarships and academic support	-	-	-	6,880,110	6,880,110	-	27,860,877	-	-	-	34,740,987	25,163,773
Capital projects	-	-	-	34,234,448	34,234,448	-	307,647	-	-	-	34,542,095	30,505,967
Loans	-	-	-	-	-	1,636,672	-	-	-	-	1,636,672	1,650,460
Unrestricted	943,156	60,104,395	964,148	-	62,011,699	286,951	8,083,718	94,783,530	-	1,003,383	166,169,281	135,890,727
Total net assets	943,156	60,104,395	964,148	41,114,558	103,126,257	1,923,623	74,175,249	408,847,706	-	1,003,383	589,076,218	538,757,542
Total liabilities and net assets	\$ 30,992,457	\$ 62,005,858	\$ 1,943,234	\$ 45,997,367	\$ 140,938,916	\$ 12,061,071	\$ 75,503,568	\$ 678,578,296	\$ 28,377,266	\$ 4,367,954	\$ 939,827,071	\$ 867,088,913

Grand Valley State University

Schedule of Revenue, Expenses, and Changes in Net Assets by Fund Year Ended June 30, 2011

	Current Funds										Consolidated Total	
	General Fund	Designated Fund	Auxiliary Activities Fund	Expendable Restricted Fund	Total Current Funds	Student Loan Fund	Endowment Fund	Plant Fund	Retirement Fund	Eliminations	2011	2010
Operating Revenue												
Student tuition and fees	\$ 233,571,866	\$ 487,343	\$ -	\$ -	\$ 234,059,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 234,059,209	\$ 220,997,231
Less scholarship allowances	-	-	-	-	-	-	-	-	-	(38,181,168)	(38,181,168)	(33,751,171)
Net student tuition and fees	233,571,866	487,343	-	-	234,059,209	-	-	-	-	(38,181,168)	195,878,041	187,246,060
Government grants and contracts:												
Federal	-	-	-	17,290,110	17,290,110	-	-	-	-	-	17,290,110	16,241,328
State	-	95,382	-	4,022,707	4,118,089	-	-	-	-	-	4,118,089	3,849,635
Local	-	410,212	-	2,574	412,786	-	-	-	-	-	412,786	473,859
Nongovernmental grants	-	181,120	-	710,823	891,943	-	-	-	-	-	891,943	2,216,888
Sales and services of educational activities	806,461	8,725,972	-	65,650	9,598,083	-	-	-	-	-	9,598,083	8,322,142
Auxiliary activities	-	-	55,419,026	-	55,419,026	-	-	-	-	-	55,419,026	54,900,045
Less scholarship allowances	-	-	-	-	-	-	-	-	-	(7,602,227)	(7,602,227)	(6,732,116)
Net auxiliary activities	-	-	55,419,026	-	55,419,026	-	-	-	-	(7,602,227)	47,816,799	48,167,929
Indirect cost recoveries	1,158,377	-	-	(1,158,377)	-	-	-	-	-	-	-	-
Other sources	1,194,196	2,842,767	-	202,477	4,239,440	268,070	-	-	-	-	4,507,510	4,288,640
Endowment income	202,707	455,354	-	1,924,350	2,582,411	-	(2,582,411)	-	-	-	-	-
Total operating revenue	236,933,607	13,198,150	55,419,026	23,060,314	328,611,097	268,070	(2,582,411)	-	-	(45,783,395)	280,513,361	270,806,481
Operating Expenses												
Instruction	125,160,028	614,325	-	2,462,070	128,236,423	-	-	-	-	-	128,236,423	125,691,299
Research	3,316,317	1,578,515	-	2,241,197	7,136,029	-	-	-	-	-	7,136,029	6,288,177
Public service	2,220,876	8,924,158	-	10,854,293	21,999,327	-	-	-	-	-	21,999,327	19,927,450
Academic support	31,401,168	(668,909)	-	2,414,505	33,146,764	-	-	-	-	-	33,146,764	31,773,194
Student services	24,052,963	993,782	-	127,699	25,174,444	-	-	-	-	-	25,174,444	23,965,450
Institutional support	31,197,239	(318,998)	-	18,327	30,896,568	-	-	-	-	-	30,896,568	30,418,903
Operation and maintenance - Plant	30,343,064	158,934	-	8,474,740	38,976,738	-	-	(8,483,465)	-	-	30,493,273	28,956,329
Depreciation expense	-	-	-	-	-	-	-	22,959,248	-	-	22,959,248	21,970,233
Scholarships and related expenses	26,054,409	20,658	-	38,618,260	64,693,327	-	-	-	-	(45,783,395)	18,909,932	17,122,937
Auxiliary activities	-	-	35,789,442	-	35,789,442	-	-	-	-	-	35,789,442	36,385,964
Loan administrative fees and collection costs	-	-	-	-	-	246,105	-	-	-	-	246,105	198,355
Total operating expenses	273,746,064	11,302,465	35,789,442	65,211,091	386,049,062	246,105	-	14,475,783	-	(45,783,395)	354,987,555	342,698,291
Operating (Loss) Income	(36,812,457)	1,895,685	19,629,584	(42,150,777)	(57,437,965)	21,965	(2,582,411)	(14,475,783)	-	-	(74,474,194)	(71,891,810)

Grand Valley State University

Schedule of Revenue, Expenses, and Changes in Net Assets by Fund (Continued) Year Ended June 30, 2011

	Current Funds					Student Loan Fund	Endowment Fund	Plant Fund	Retirement Fund	Eliminations	Consolidated Total	
	General Fund	Designated Fund	Auxiliary Activities Fund	Expendable Restricted Fund	Total Current Funds						2011	2010
Nonoperating Revenue (Expense)												
State appropriations	\$ 61,976,400	\$ -	\$ -	\$ -	\$ 61,976,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,976,400	\$ 62,018,500
Government grants	-	-	-	31,241,103	31,241,103	-	-	-	-	-	31,241,103	27,807,227
Gifts	377,249	3,103,967	344	2,065,785	5,547,345	-	18,158	-	-	-	5,565,503	5,188,044
Investment income:												
Interest, dividends, gains (losses) - Net of investment expense	1,941,820	5,319,400	-	84,723	7,345,943	14,504	13,168,734	244,720	860,020	-	21,633,921	13,787,862
Change in fair value of derivatives	-	-	-	-	-	-	-	106,000	-	-	106,000	(212,000)
Interest on capital asset - Related debt	-	-	-	-	-	-	-	(11,099,431)	-	-	(11,099,431)	(10,072,133)
Loss on extinguishment of debt	-	-	-	-	-	-	-	-	-	-	-	(305,911)
Net nonoperating revenue (expense)	64,295,469	8,423,367	344	33,391,611	106,110,791	14,504	13,186,892	(10,748,711)	860,020	-	109,423,496	98,211,589
Income (Loss) - Before other revenue, expenses, gains, and losses	27,483,012	10,319,052	19,629,928	(8,759,166)	48,672,826	36,469	10,604,481	(25,224,494)	860,020	-	34,949,302	26,319,779
Other Revenue, Expenses, Gains, and Losses												
Capital appropriations	-	-	-	-	-	-	-	-	-	-	-	146,887
Capital gifts	-	-	-	9,525,313	9,525,313	-	-	547,700	-	-	10,073,013	18,513,897
Add discount adjustment	-	-	-	2,553,028	2,553,028	-	-	-	-	-	2,553,028	(3,509,770)
Net capital gifts	-	-	-	12,078,341	12,078,341	-	-	547,700	-	-	12,626,041	15,004,127
Capital grants	-	-	-	1,132,083	1,132,083	-	-	-	-	-	1,132,083	404,359
Other capital income	-	-	-	-	-	-	-	89,100	-	-	89,100	30,624
Capital additions	(5,675,216)	(167,269)	(76,412)	(1,512,232)	(7,431,129)	-	-	7,431,129	-	-	-	-
Additions to permanent endowments	-	-	-	-	-	-	2,688,419	-	-	-	2,688,419	2,817,479
Transfer endowed funds to Foundation	-	-	-	-	-	-	(402,898)	-	-	-	(402,898)	-
Gain (loss) on disposal of plant assets	65,744	4,470	-	-	70,214	-	-	(833,585)	-	-	(763,371)	34,633
Total other revenue, expenses, gains, and losses	(5,609,472)	(162,799)	(76,412)	11,698,192	5,849,509	-	2,285,521	7,234,344	-	-	15,369,374	18,438,109
Transfers Out (In)												
Mandatory transfers	6,124,413	142,694	17,775,000	(766,990)	23,275,117	-	(50,481)	(23,224,636)	-	-	-	-
Nonmandatory transfers	16,373,074	1,000,278	1,869,972	(393,609)	18,849,715	-	(170,553)	(18,679,162)	-	-	-	-
Total transfers	22,497,487	1,142,972	19,644,972	(1,160,599)	42,124,832	-	(221,034)	(41,903,798)	-	-	-	-
(Decrease) Increase in Net Assets	(623,947)	9,013,281	(91,456)	4,099,625	12,397,503	36,469	13,111,036	23,913,648	860,020	-	50,318,676	44,757,888
Net Assets - Beginning of year	1,567,103	51,091,114	1,055,604	37,014,933	90,728,754	1,887,154	61,064,213	384,934,058	143,363	-	538,757,542	493,999,654
Net Assets - End of year	\$ 943,156	\$ 60,104,395	\$ 964,148	\$ 41,114,558	\$ 103,126,257	\$ 1,923,623	\$ 74,175,249	\$ 408,847,706	\$ 1,003,383	\$ -	\$ 589,076,218	\$ 538,757,542