GRAND VALLEY STATE UNIVERSITY

Annual Financial Report 2026







Grand Valley State University

Financial Report

with Additional Information

June 30, 2026

Contents

Administrative Officers 1

Report Letter 2-4

Management's Discussion and Analysis - Unaudited 5-15

Financial Statements

Statement of Net Position 16
Statement of Revenue, Expenses, and Changes in Net Position 17
Statement of Cash Flows 18-19
Statement of Fiduciary Net Position - Pension Trust Funds 20
Statement of Changes in Fiduciary Net Position - Pension Trust Funds 20
Notes to Financial Statements 21-69

Required Supplementary Information - Unaudited

Professional Support Staff Employees' Retirement Plan:
Schedule of Changes in the Plan's Net Pension Liability and Related Ratios 71
Schedule of Investment Returns 72
Schedule of Employer Contributions 72
Notes to Required Supplementary Information 73

Maintenance, Grounds, Service Employees' Retirement Plan:
Schedule of Changes in the Plan's Net Pension Liability and Related Ratios 74
Schedule of Investment Returns 75
Schedule of Employer Contributions 75
Notes to Required Supplementary Information 76

Other Postemployment Benefits:
Schedule of Changes in the Plan's OPEB Liability and Related Ratios 77
Notes to Required Supplementary Information 78

Grand Valley State University

Administrative Officers

As of June 30, 2026

Board of Trustees

Elizabeth C. Emmitt, Chair
Mikyia S. Aaron, Vice Chair
Ronald E. Hall
Brandon J. Hofmeister
Susan M. Jandernoa
Noreen K. Myers
Shelley E. Padnos
Jason R. Trice
Philomena V. Mantella, ex officio

Board of Trustees – Honorary Life Members

Donna K. Brooks
Dorothy A. Johnson
John C. Kennedy
Kate Pew Wolters

Executive and Board Officers

Philomena V. Mantella, President
Laura Aikens, Vice President for Institutional Advancement
Stacie R. Behler, Vice President and Chief Public Affairs and Communications Officer and Secretary, Board of Trustees
Jennifer A. Drake, Provost and Executive Vice President for Academic Affairs
Jenny Hall-Jones, Vice President for Student Affairs
Gregory J. Sanial, Vice President for Finance and Administration and Treasurer, Board of Trustees
Robert Shorty, Vice President for People, Equity, and Culture
Miloš Topić, Vice President for Information Technology and Chief Digital Officer
B. Donta Truss, Vice President for Enrollment Development and College Futures
Kara Van Dam, Vice President and Chief Executive for GVSU Omni
Jessica Karbowski-Weare, Vice President and General Counsel
Craig Wieschhorster, Associate Vice President for Business and Finance and Assistant Treasurer, Board of Trustees
Cori M. Kahler, Assistant Secretary to the Board of Trustees and Director of Presidential Operations

Plante & Moran, PLLC
Suite 100
1111 Michigan Ave.
East Lansing, MI 48823
Tel: 517.332.6200
Fax: 517.332.8502
plantemoran.com

Independent Auditor's Report

To the Board of Trustees
Grand Valley State University

Report on the Audits of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of Grand Valley State University (the "University"), a component unit of the State of Michigan, as of and for the years ended June 30, 2026 and 2025 and the related notes to the financial statements, which collectively comprise Grand Valley State University's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and fiduciary activities of Grand Valley State University as of June 30, 2026 and 2025 and the changes in its financial position and, where applicable, its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the University and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Grand Valley University Foundation, a blended component unit, was not audited under *Government Auditing Standards*.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2026, the University adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Additional Information

Management is responsible for the accompanying list of administrative officials, which is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Our opinions on the financial statements do not cover such information, and we do not express an opinion or any form of assurance thereon.

To the Board of Trustees
Grand Valley State University

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2026 on our consideration of Grand Valley State University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Grand Valley State University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Grand Valley State University's internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 26, 2026

Overview of the Financial Statements

This annual report presents the financial position and results of operations of the university using three basic financial statements: the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. These statements should be read in conjunction with the notes to the financial statements.

Grand Valley State University (the "university") is a public institution that was established to serve the higher education needs of western Michigan. It operates as a component unit of the State under a governor-appointed Board of Trustees. The university receives annual State appropriations that support operations and help maintain affordability for in-state students. In addition to its academic mission, the university plays a key role in advancing the State's workforce and economic development priorities by preparing graduates in high-demand fields and supporting regional growth.

The university's financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. As a public university, Grand Valley State University is reported as a special-purpose government engaged primarily in business-type activities. Business-type activities are operations that are funded in part through fees charged to those who receive the services. For the university, these activities include providing educational instruction, housing, dining, and other student services that are primarily funded through tuition, housing charges, fees, and other user charges rather than solely through other forms of revenue. Although the university also receives State appropriations, grants, gifts, and investment income, its financial reporting follows the business-type activity model because a significant portion of its costs is recovered from students and other users of its services.

The Statement of Net Position presents the university's financial condition at year-end and includes the following key components:

Assets: Resources controlled by the university, including short-term assets such as cash and investments, receivables, and long-term assets such as land, buildings, and equipment.

Liabilities: Obligations of the university, including short-term liabilities such as accounts payable and accrued liabilities and long-term liabilities such as debt and pension obligations.

Deferred Outflows and Inflows of Resources: Certain changes in the university's financial position that are reported separately from assets, liabilities, revenues, and expenses and are recognized in the appropriate future periods.

Net position is reported in three categories, each reflecting a different aspect of the university's financial resources and the extent to which those resources are available for future use.

- Net investment in capital assets represents the university's investment in capital assets, such as land, buildings, infrastructure, and equipment, less outstanding debt and other liabilities related to those assets. This component generally increases as the university invests in capital projects and decreases as capital assets are depreciated.

- Restricted (nonexpendable) net position represents resources restricted by external parties to be maintained permanently, such as endowment principal.

- Restricted (expendable) net position represents resources that are subject to external restrictions on their use. Restrictions may be imposed by donors, grantors, or other external parties and generally support specific purposes such as scholarships, academic programs, research, or capital projects. Changes in restricted net position primarily reflect donor contributions, investment activity, expenditures for restricted purposes, and the release of restrictions as funds are used.

- Unrestricted net position represents resources that are not subject to external restrictions. A portion of these resources has been designated by the Board of Trustees or university management for specific purposes. These internal designations do not create external restrictions and may be changed by the university.

The Statement of Revenues, Expenses, and Changes in Net Position reflects the university's operating results for the fiscal year:

Operating Revenues and Expenses: Primarily generated from core activities associated with instruction, research, public service, academic support, student services, institutional support, operations and maintenance, and depreciation.

Noncapital Subsidies and Nonoperating Revenues and Expenses: Items not directly related to core operations, such as State appropriations, gifts, investment income, interest expense, capital gifts and grants, and additions to the endowment.

The Statement of Cash Flows helps assess the university's ability to generate cash, meet obligations, and fund ongoing operations and provides insight into cash activity and liquidity.

Fiduciary Funds – Pension Trust Funds

Pension trust funds account for resources the university holds in a fiduciary capacity to provide retirement benefits to eligible employees. These assets are legally restricted and held in trust for plan members and beneficiaries. The resources in those funds do not belong to the university and because they are not available to support the university's own programs or operations, they are excluded from the Statement of Net Position and reported in separate fiduciary fund financial statements.

Although pension trust fund assets are not reported in the university's Statement of Net Position, the university is required to recognize the net pension liability, along with related deferred outflows and inflows of resources, in accordance with applicable accounting standards. This ensures that the long-term obligations associated with employee pensions are appropriately reflected in the university's financial position.

Financial Summary and Analysis

The financial summary and analysis has been prepared by management and provides an overview of the financial position and activities of the university as of and for the year ended June 30, 2026, with comparative information from the prior two fiscal years. This discussion and analysis is intended to be read alongside the Financial Statements and Notes to the Financial Statements.

For the fiscal year ended June 30, 2026, the university implemented GASB Statement No. 103, *Financial Reporting Model Improvements*. The statement primarily affects the presentation of certain revenues and related items on the Statement of Revenues, Expenses, and Changes in Net Position, as well as the format and content of this Management's Discussion and Analysis.

Condensed Statement of Net Position

	Year Ended June 30		
	2026	2025	2024
	(in 000s)		
Assets			
Current and other assets	$ 836,576	$ 804,165	$ 765,829
Capital assets, net	789,389	800,075	801,767
Total assets	1,625,965	1,604,240	1,567,596
Deferred Outflows of Resources	4,078	7,477	8,897
Liabilities			
Long-term liabilities	206,331	221,213	236,954
Other liabilities	160,852	191,866	191,262
Total liabilities	367,183	413,079	428,216
Deferred Inflows of Resources	25,453	25,401	18,281
Net Position			
Net investment in capital assets	587,823	583,578	571,808
Restricted - Nonexpendable	111,493	104,189	97,664
Restricted - Expendable	198,164	161,116	148,613
Unrestricted	339,927	324,354	311,910
Total net position	**$ 1,237,407**	**$ 1,173,237**	**$ 1,129,995**

Assets

Total assets increased by 1.4 percent, or $21.7 million, from fiscal year 2025 to 2026, compared with an increase of 2.3 percent, or $36.6 million, from fiscal year 2024 to 2025.

The increase in endowment cash and investments accounted for the largest portion of the overall increase in assets. Endowment investments increased $37.8 million in 2026, primarily due to strong investment returns of 15.5 percent and record donor gifts, partially offset by distributions for scholarships and academic programs. This compares with an increase of $24.6 million and investment returns of 9.9 percent in 2025.

The increase in endowment investments from 2025 to 2026 was partially offset by a $10.7 million decrease in capital assets from fiscal year 2025 to 2026. Additional information regarding capital asset activity is provided in the Significant Capital Assets and Long-Term Financing Activity section.

Liabilities

Total liabilities decreased by 11.1 percent, or $45.8 million, from fiscal year 2025 to 2026, compared with a decrease of 3.5 percent from fiscal year 2024 to 2025. The decrease in 2026 was partially attributable to the settlement of the university's remaining Other Postemployment Benefits (OPEB) obligation. The university fully settled and terminated the OPEB plan, eliminating the OPEB liability and reducing related liabilities and deferred inflows and outflows by $19.9 million. Additional information regarding the OPEB settlement is provided in Note 6 of the Financial Statements.

Another significant decrease in liabilities resulted from payments of $14.6 million on the university's long-term debt. Additional information regarding long-term debt activity is provided in the Significant Capital Assets and Long-Term Financing Activity section.

Net Position

Total net position was $1.2 billion at June 30, 2026, an increase of $64.1 million, or 5.5 percent, compared with an increase of $43.2 million, or 3.8 percent, in 2025.

Overall, the increase in net position reflects the university's continued ability to generate resources to support its academic mission while investing in long-term institutional priorities.

From 2024 to 2026, restricted nonexpendable net position increased by $13.8 million, or 14.2 percent, primarily due to strong endowment performance and additional donor contributions. Unrestricted net position increased by $28.0 million, or 9.0 percent, primarily reflecting higher pooled operating investment income, which is discussed in more detail in a subsequent section.

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Year Ended June 30		
	2026	2025	2024
	(in 000s)		
Operating Revenue			
Student tuition and fees (net)	$ 247,913	$ 251,041	$ 270,250
Grants and contracts	83,843	82,774	67,514
Auxiliary activities (net)	81,406	70,872	67,107
Other	32,158	32,190	29,971
Total operating revenue	445,320	436,877	434,842
Operating Expenses	588,511	567,361	534,489
Net Operating Loss	(143,191)	(130,484)	(99,647)
Noncapital Subsidies			
State appropriations	101,727	99,837	97,662
Nonendowment gifts	22,886	10,077	15,902
Total noncapital subsidies	124,613	109,914	113,564
Operating Loss and Capital Subsidies	(18,578)	(20,570)	13,917
Nonoperating Revenue (Expenses) and Other			
Investment income	64,107	53,703	52,245
Capital gifts and grants	18,002	9,548	7,653
Additions to permanent endowments	6,863	6,229	6,518
Other nonoperating revenue (expense)	(6,224)	(5,669)	(7,602)
Net nonoperating revenue	82,748	63,811	58,814
Net Increase in Net Position	64,170	43,241	72,731
Net Position - Beginning of year	1,173,237	1,129,995	1,057,264
Net Position - End of year	**$ 1,237,407**	**$ 1,173,237**	**$ 1,129,995**

Operating Revenue

Overall, operating revenue increased by $8.4 million, or 1.9 percent, from 2025 to 2026, compared with an increase of $2.0 million, or 0.5 percent, from 2024 to 2025.

Revenue generated by net tuition and fee revenue decreased by 1.2 percent from 2025 to 2026. From 2024 to 2025, net tuition and fee revenue decreased by 7.1 percent.

Changes in net tuition and fee revenue reflect the combined effects of approved tuition rate increases, scholarship allowances, and enrollment.

- Tuition rates increased by 4.7 percent in 2026, compared with 3.5 percent in 2025.
- Scholarship allowances as a percentage of tuition and fees were 34.6 percent in 2026, compared with 31.3 percent in 2025 and 24.3 percent in 2024. The increase in the scholarship allowance percentage reflects changes in scholarship and financial aid activity and the methodology used to calculate the allowance. Additional information regarding scholarships and financial aid is provided in a subsequent section.
- Fiscal year equated students (FYES) increased by 0.2 percent from 2025 to 2026 and decreased by 0.6 percent from 2024 to 2025. Fall semester headcount increased by 0.1 percent from 2025 to 2026, compared with a decrease of 1.2 percent from 2024 to 2025.

For reference, fall headcount represents the number of individual students enrolled during the fall semester, while FYES represents enrollment on a full-time-equivalent basis using student credit hours over the full academic year. FYES is therefore not a count of individual students and may differ from fall headcount because students take varying course loads and may enroll for different portions of the academic year.

	Year Ended June 30		
	2026	2025	2024
	(in 000s)		
Enrollment Activity			
Fiscal year equated students (FYES)	20,346	20,307	20,431
Fall semester headcount	22,035	22,011	22,269

Net auxiliary revenue includes housing, dining, parking, bookstore, vending, golf course, and conference revenues from external customers. Net auxiliary revenue increased by $10.6 million from 2025 to 2026 and $3.8 million from 2024 to 2025. The increases were primarily attributable to changes in the application of scholarship allowances and rate increases. Housing and dining rates increased 4.6 percent in 2026, following a 5.2 percent in 2025.

Grants and contracts remained relatively stable from 2025 to 2026, as new awards generally offset awards that expired during the period. From 2024 to 2025, grants and contracts increased by 7.4 percent, or $15.3 million, primarily due to an increase in the federal Pell Grant maximum award and a higher number of Pell-eligible students attending the university.

Operating Expenses

Overall, operating expenses increased $21.1 million or 3.7 percent from 2025 to 2026, following $32.9 million or 6.2 percent increase from 2024 to 2025.

Operating expenses increased across most functional areas for both periods, driven primarily by increases in salaries and benefits, inflationary pressures, and continued investments in technology and facilities. The university remains committed to providing a high-quality experience for students and employees and continued to invest in information technology projects and facilities to support its academic mission and campus environment.

	Year Ended June 30		
	2026	2025	2024
	(in 000s)		
Operating Expenses by Functional Classification			
Instruction	$ 202,907	$ 193,090	$ 180,189
Research	9,358	8,153	7,597
Public service	40,439	43,727	41,952
Academic support	75,735	73,186	63,893
Student services	42,285	40,575	38,730
Institutional support	59,992	56,840	54,091
Operation and maintenance - Plant	60,133	52,515	44,244
Depreciation expense	41,405	43,261	37,892
Scholarships and related expenses	6,672	7,552	18,338
Auxiliary activities	49,585	48,462	47,563
Total operating expenses	$ 588,511	$ 567,361	$ 534,489

Faculty and staff salaries and benefits represent the university's largest operating expense, accounting for 65.5 percent, 62.3 percent, and 61.8 percent of total operating expenses in 2026, 2025, and 2024, respectively. Salary and benefit expenses increased 9.1 percent from 2025 to 2026, following a 7.1 percent increase from 2024 to 2025. These increases were primarily attributable to investments in staffing levels, the university's salary increase program, and rising medical costs.

	Year Ended June 30		
	2026	2025	2024
	(in 000s)		
Operating Expenses by Natural Classification			
Salaries and benefits	$ 385,737	$ 353,405	$ 330,124
Scholarships and awards	5,512	10,779	21,395
Utilities	10,506	9,069	9,543
Supplies and other	145,351	150,847	135,535
Depreciation	41,405	43,261	37,892
Total	$ 588,511	$ 567,361	$ 534,489

Scholarships and Financial Aid

The university continued to make significant investments in student scholarships and financial aid to support access and affordability. This includes need-based scholarships, work-study programs, and other forms of financial aid that are not recorded as scholarship allowances. The university has increased need-based scholarship support in recent years to help mitigate the impact of tuition increases on students, including the establishment of The Grand Valley Pledge in 2021, which provides free tuition to qualifying students.

To provide a complete view of the university's investment in student financial aid, total scholarships awarded includes both amounts recorded as scholarship allowances, which reduce tuition and auxiliary revenue, and amounts recorded as scholarship expense.

	Year Ended June 30		
	2026	2025	2024
	(in 000s)		
Scholarships			
Scholarship allowance - Tuition	$ 130,870	$ 114,524	$ 86,871
Scholarship allowance - Auxiliary	4,947	9,431	15,676
Scholarship and awards	5,512	10,779	21,395
Total	$ 141,329	$ 134,734	$ 123,942

Total scholarships awarded increased by $6.6 million or 4.9 percent from 2025 to 2026, compared with an increase of $10.8 million or 8.7 percent from 2024 to 2025. The increases were primarily attributable to growth in university-funded need-based scholarships and Pell Grant awards.

The university adopted NACUBO Advisory Report 2023-01 prospectively in fiscal year 2025, changing the methodology for reporting certain financial aid as a reduction of revenue; therefore, 2024 amounts for tuition, auxiliary revenue, and scholarship expense are not directly comparable with 2025 and 2026, although total scholarships awarded were not affected.

Noncapital Subsidies and Other Nonoperating Revenues and Expenses

State appropriations increased by $1.9 million, or 1.9 percent, from fiscal year 2025 to 2026, compared with an increase of $2.2 million, or 2.2 percent, from 2024 to 2025. The State provides operating appropriations to each of its 15 public universities as part of the annual State budget to support the universities' overall operations. These appropriations are not reimbursements for specific expenditures and are separate from State-funded financial aid programs that provide assistance directly to students. The fiscal year 2025 increase included a 1.5 percent increase in ongoing appropriations and $1.0 million in one-time funding for operational support.

Combined nonendowment gifts and capital gifts and grants increased by $21.3 million, or 108.3 percent, from 2025 to 2026, primarily due to increased donor support for the Blue Dot Lab project discussed in the Significant Capital Assets and Long-Term Financing Activity section.

Realized investment income includes interest income, dividends, and realized gains and losses on the sale of investments. Realized investment income is a component of net investment income, which also includes unrealized gains and losses and investment expenses (primarily bank fees). Net investment income increased by $10.4 million, or 19.4 percent, from 2025 to 2026, reflecting strong investment performance. Net investment Income is mainly generated from Endowment and Pooled Operating Investments as follows:

- Endowment investments generated an investment gain of $38.9 million or 15.5 percent in 2026, compared with 9.9 percent in 2025 and 13.5 percent in 2024.
- Pooled Operating investments generated an investment gain of $23.9 million or 6.1 percent in 2026, compared with 7.7 percent in 2025 and 6.0 percent in 2024.

Other nonoperating revenue (expense) includes interest expense and gains and losses from the disposal of assets.

Significant Capital Assets and Long-Term Financing Activity

The university continued to invest in facilities, infrastructure, and technology during fiscal year 2026. Capital additions totaled $46.9 million, compared with $59.3 million in 2025. These additions were offset by depreciation and amortization expense of $41.4 million, compared with $43.3 million in 2025, as well as disposals, primarily of fully depreciated equipment.

The most significant capital additions in 2026 include:

- Buildings increased by $5.7 million, as compared with $11.5 million in 2025. The 2026 additions primarily related to the renovation and expansion on the Holland Police Academy building. The 2025 additions primarily included football stadium concession and restroom renovations and the purchase of the remaining building units in the Bicycle Factory Building near the Pew Campus.
- Land Improvements and Infrastructure increased by $8.6 million, compared with $4.6 million in 2025. The 2026 additions primarily included a lab exhaust system, soccer field artificial pitch, and a parking lot expansion. The 2025 additions primarily included a baseball turf drain system and another parking lot expansion.
- Subscription-Based Information Technology Arrangements (SBITAs) increased by $7.1 million in right-to-use assets, compared with $6.3 million in 2025. The 2026 additions primarily related to Zoom licenses and a security platform for managing and governing user access to systems.
- Construction in Progress had net additions of $3.1 million in 2026, compared with $9.0 million in 2025. The 2026 activity primarily reflected renovations to the Battle Creek Kendall Center and the Eberhard Center tower as part of the Blue Dot Lab project. Significant projects placed into service during 2026 included the lab exhaust system and Holland Police Academy building renovation and expansion.

Overall debt decreased by $14.9 million from 2025 to 2026, compared with a decrease of $15.7 million from 2024 to 2025. The decrease in 2026 was primarily attributable to scheduled debt repayments, while the 2025 decrease reflected both scheduled repayments and bond refunding activity.

The university continues to manage its outstanding debt and other long-term obligations within its established financial policies. Debt financing is used strategically to support significant capital projects while maintaining financial flexibility. The university's strong A1/A+ credit ratings, both with stable outlooks, reflect its sound financial management.

Currently Known Facts, Decisions, or Conditions

Several factors are expected to influence the university's future financial position:

- **Enrollment trends:** Nationally, the number of high school graduates is expected to decline by approximately 10% according to forecast estimates over the next two decades. While enrollment declines at the university have only been marginal, this demographic condition does pose a challenge for the university to attract students to stabilize and/or grow enrollment. The university continues to proactively invest in strategies to counter this condition, with the Strategic Enrollment Management Plan providing umbrella initiatives, Omni from Grand Valley State University (GVSU), which is designed to meet learners where they are at with in-person and online degree, badge, and certificate options, as well as pipeline growth efforts, such as the 8th Grade Pathway to GVSU Program and the Next Engineer's program through the university's College of Engineering in partnership with the General Electric (GE) Aerospace Foundation.

- **State funding:** Michigan's four-year higher education institutions continue to be challenged by marginal increases in state support, exacerbated by the one-time nature of funding in recent years. This funding pattern essentially holds State support flat, which falls short of pacing with inflationary conditions, requiring the university to modify expenses to account for the adjusted revenue. Uncertainty in State support remains due to ongoing dynamics with split control of the legislature and no clear indication of an overall strategy for the State's four-year higher education sector.

- **Economic conditions:** Despite gains and the highest levels in median real household income, as reported by the United States Census Bureau, inflation conditions by most indexes have challenged many domestic families' ability to manage expenses. Inflationary conditions also impact university operations with increased costs for services, utilities, and construction/renovation projects. To retain talent in a personnel heavy business model, wages must also remain competitive, adding increased pressure to the university's budget. Additionally, the current interest rate environment with elevated rates compared to recent levels impacts borrowing costs and capital planning.

- **Federal policy changes:** The administration has several proposed rules out for public comment that may change financial aid and grant funding, but those exact impacts are not yet known. The changes that eliminated federal funding for the Corporation for Public Broadcasting, and thus funding for the university's public broadcast station, WGVU, are being adjusted for through operational business model changes. Separately, changes in immigration enforcement focus and visa rules have limited the number of international students attending four-year higher education institutions in the United States. While the university does not have many international students attending, larger state institutions that had a significant population of international students are looking to offset that revenue loss and are opening enrollment slots towards U.S. students that previously may have attended regional, four-year institutions instead. Potential impacts from these circumstances are being monitored.

Management's Discussion and Analysis – Unaudited (Continued)

Currently Known Facts, Decisions, or Conditions (Continued)

- **Strategy/Strategic initiatives:** Reach Higher Together, the university's strategy, was adopted this period and provides overall direction for Grand Valley. The mission, vision and value statements were not changed, but the three commitments were revised, and one was added through a university-wide collaborative process. The Blue Dot ecosystem, a focal point of the university's future, aims to prepare all graduates with the digital competencies employers demand, while also creating value-added partnerships with businesses and institutions to support long-term enrollment growth, experiential learning, and impactful contributions to the state's economy.

Despite external challenges, the university remains committed to affordability, student success, and long-term financial sustainability. Total cost of attendance (tuition, plus room and board costs) is the lowest in the state among Michigan's four-year public universities. Meanwhile, the university continues to receive recognition for value and quality through national rankings.

Grand Valley State University

Statement of Net Position

	June 30 2026	June 30 2025
Assets		
Current assets:		
Cash and cash equivalents (Note 2)	$ 53,684,338	$ 87,415,267
Short-term investments (Note 2)	41,004,912	59,084,322
Accounts receivable - Net of allowance of $1,389,150 and $1,597,000 in 2026 and 2025, respectively	20,304,395	27,471,481
State appropriation receivable - Net	93,909,150	94,598,272
Pledges receivable - Net	8,612,561	5,445,590
Inventories	1,500,529	1,515,905
Prepaid expenses and other	6,562,972	4,979,987
Student notes receivable - Current portion	59,750	523,597
Total current assets	225,638,607	281,034,421
Noncurrent assets:		
Restricted investments (Note 2)	1,509,358	4,087,404
Endowment investments (Note 2)	270,208,396	232,398,319
Other long-term investments (Note 2)	300,127,883	261,024,719
Accounts and Interest Receivable	10,806,472	12,547,336
Pledges receivable - Net	13,548,702	4,125,707
Student notes receivable - Net	140,868	183,048
Capital assets - Net (Note 3)	789,389,364	800,075,358
Derivative instrument (Note 5)	2,718,000	2,634,000
Other assets	11,877,346	6,129,480
Total noncurrent assets	1,400,326,389	1,323,205,371
Total assets	1,625,964,996	1,604,239,792
Deferred Outflows of Resources		
Accumulated changes in the fair value of hedging derivative instruments (Note 5)	435,500	773,000
Refunding of bonds payable (Note 4)	3,640,087	4,079,488
Retirement benefit related deferrals (Note 6)	2,076	2,624,246
Total deferred outflows	4,077,663	7,476,734
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	121,128,800	120,627,347
Compensated absences	10,632,170	10,032,742
Unearned revenue	23,382,656	27,593,212
Long-term liabilities - Current portion (Note 4)	23,657,565	21,624,433
Total current liabilities	178,801,191	179,877,734
Noncurrent liabilities:		
Unearned revenue - Net of current portion	441,562	883,120
Federal student loan payable	287,683	917,842
Long-term liabilities - Net of current portion (Note 4)	182,673,082	199,589,130
Derivative instruments (Note 5)	435,500	773,000
Other post-employment benefits (Note 6)	-	17,184,852
Net pension liability (Note 6)	4,544,157	13,853,274
Total noncurrent liabilities	188,381,984	233,201,218
Total liabilities	367,183,175	413,078,952
Deferred Inflows of Resources		
Accumulated changes in the fair value of hedging derivative instruments (Note 5)	2,718,000	2,634,000
Retirement benefit related deferrals (Note 6)	10,814,442	8,837,454
Leases	11,920,297	13,929,428
Total deferred inflows	25,452,739	25,400,882
Net Position		
Net investment in capital assets	587,822,552	583,577,760
Restricted:		
Nonexpendable - Scholarships and academic support	111,492,989	104,188,659
Expendable:		
Scholarships and academic support	181,385,647	152,182,395
Capital projects	16,483,793	8,677,167
Loans	294,589	256,914
Unrestricted	339,927,175	324,353,797
Total net position	**$ 1,237,406,745**	**$ 1,173,236,692**

See Notes to Financial Statements

Statement of Revenue, Expenses, and Changes in Net Position

	Year Ended June 30	
	2026	2025
Operating Revenue		
Student tuition and fees	$ 378,782,853	$ 365,564,940
Scholarship allowances	(130,870,000)	(114,524,000)
Net student tuition and fees	247,912,853	251,040,940
Financial aid grants (primarily Pell grants)	44,563,891	44,791,461
Government grants and contracts	36,484,690	35,973,260
Nongovernmental grants	2,794,064	2,009,837
Sales and services of educational activities	21,521,576	21,527,174
Auxiliary activities	86,352,972	80,303,094
Scholarship allowances	(4,946,500)	(9,431,400)
Net auxiliary activities	81,406,472	70,871,694
Other operating revenue	10,637,032	10,662,861
Total operating revenue	445,320,578	436,877,227
Operating Expenses - Education and general		
Instruction	202,906,660	193,090,368
Research	9,357,935	8,153,074
Public service	40,439,365	43,727,068
Academic support	75,735,213	73,186,133
Student services	42,981,140	40,574,824
Institutional support	59,296,286	56,839,216
Operation and maintenance - Plant	60,133,214	52,515,279
Depreciation expense	41,404,788	43,261,408
Scholarships and related expenses	6,671,567	7,552,183
Auxiliary activities	49,585,150	48,461,648
Total operating expenses	588,511,318	567,361,201
Operating Loss	(143,190,740)	(130,483,974)
Noncapital Subsidies		
State appppropriations	101,727,400	99,837,200
Nonendowment gifts	22,885,537	10,077,040
Total noncapital subsidies	124,612,937	109,914,240
Operating Loss and Noncapital Subsidies	(18,577,803)	(20,569,734)
Nonoperating Revenue (Expenses)		
Investment income:		
Interest, dividends, and gains on investments Net of investment expense of $1,893,663 and $1,802,921 in 2026 and 2025, respectively	64,107,347	53,702,841
Interest on capital asset - Related debt	(7,441,525)	(6,319,458)
Gain (Loss) on disposal of assets	98,119	(10,420)
Capital grants and gifts	18,002,331	9,548,347
Other capital income	1,118,198	660,451
Additions to endowment	6,863,386	6,229,277
Total nonoperating revenue	82,747,856	63,811,038
Increase in Net Position	64,170,053	43,241,304
Net Position		
Beginning of year	1,173,236,692	1,129,995,388
End of year	**$ 1,237,406,745**	**$ 1,173,236,692**

See Notes to Financial Statements

Statement of Cash Flows

	Year Ended June 30	
	2026	2025
Cash Flows from Operating Activities		
Tuition and fees	249,465,481	253,483,976
Grants and contracts	41,620,611	38,511,979
Payments to suppliers	(146,678,458)	(152,960,131)
Payments for utilities	(10,456,792)	(8,958,881)
Payments to employees	(279,108,621)	(258,732,768)
Payments for benefits	(126,603,967)	(91,180,476)
Payments for scholarships and fellowships	(5,148,727)	(7,552,183)
Loans issued to students	(886,790)	(7,923,538)
Collection of loans from students	1,392,817	8,414,142
Auxiliary enterprise charges:		
Residence halls	60,399,342	49,759,033
Bookstore	9,204,841	8,857,661
Other	11,848,467	9,439,493
Sales and service of educational activities	19,161,119	16,942,018
Other receipts	8,380,912	8,815,656
Federal direct loan receipts	106,468,999	118,505,905
Federal direct loan lending disbursements	(106,540,748)	(118,891,417)
Public school academy funding receipts	423,521,642	408,035,253
Public school academy funding disbursements	(422,488,850)	(407,908,620)
Net cash used in operating activities	(166,448,722)	(133,342,898)
Cash Flows from Noncapital Financing Activities		
State appropriations	101,383,730	99,387,714
Pell grants	45,196,930	42,156,344
Gifts and grants for other than capital purposes	19,674,755	11,083,400
Private gifts for endowment purposes	6,863,386	6,396,986
Charitable annuities payments - Net	6,620	(40,467)
Return of federal student Perkins loan principal	(630,159)	(478,428)
Net cash provided by noncapital financing activities	172,495,262	158,505,549
Cash Flows from Capital and Related Financing Activities		
Proceeds from capital debt	-	56,070,000
Capital grants and gifts received	7,829,513	7,975,403
Other receipts	2,945,807	2,042,068
Proceeds from sale of capital assets	123,038	42,631
Purchases of capital assets and construction	(35,344,320)	(43,234,096)
Principal paid on capital debt	(14,634,302)	(74,889,115)
Interest paid on capital debt	(8,459,326)	(3,844,572)
Net cash used in capital and related financing activities	(47,539,591)	(55,837,681)
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	48,869,947	66,595,629
Interest on investments	14,199,414	13,881,328
Purchase of investments	(55,307,239)	(27,267,282)
Net cash provided by investing activities	7,762,122	53,209,675
Net (Decrease) Increase in Cash and Cash Equivalents	(33,730,929)	22,534,645
Cash and Cash Equivalents - Beginning of year	87,415,267	64,880,622
Cash and Cash Equivalents - End of year	**$ 53,684,338**	**$ 87,415,267**

See Notes to Financial Statements

Statement of Cash Flows (Continued)

	Year Ended June 30	
	2026	2025
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	$ (143,190,740)	$ (130,483,974)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation and amortization expense	41,404,788	43,261,408
Pell grants	(45,196,929)	(42,156,344)
Financing lease receipts	(2,131,167)	(1,663,976)
Changes in assets and liabilities:		
Receivables - Net	10,266,691	(4,468,461)
Inventories	15,376	(349,872)
Other assets	(2,994,529)	12,470
Accounts payable, accrued liabilities, and deposits	2,102,872	8,011,378
Retirement related deferrals and noncurrent liabilties	(22,514,528)	(2,625,867)
Unearned revenue	(4,210,556)	(2,879,660)
Net cash used in operating activities	**$ (166,448,722)**	**$ (133,342,898)**

See Notes to Financial Statements

Statement of Fiduciary Net Position
Pension Trust Funds

	June 30 2026	June 30 2025
Assets		
Money market funds	$ 4,107,779	$ 1,930,645
Time deposits	868,059	3,086,978
Domestic equities	38,808,316	36,429,771
International equities	15,533,799	14,844,337
Domestic bonds	23,905,396	19,337,778
International bonds	1,012,995	906,380
Alternative strategies	9,968,135	8,887,922
Total cash and cash equivalents and investments	94,204,479	85,423,811
Accrued income	212,534	200,631
Net Position - Restricted for Pensions	**$ 94,417,013**	**$ 85,624,442**

Statement of Changes in Fiduciary Net Position
Pension Trust Funds

	Year Ended June 30 2026	Year Ended June 30 2025
Additions		
Investment income:		
Interest and dividend income	$ 2,559,574	$ 2,493,489
Net appreciation in fair value of investments	4,049,150	6,621,539
Income (Loss) on sale of investments	5,894,622	(119,169)
Total investment income	12,503,346	8,995,859
Employer contributions	2,420,140	1,905,473
Other income	300,806	280,444
Total additions - Net	15,224,292	11,181,776
Deductions		
Benefit payments	6,253,776	6,000,258
Administrative expense	177,945	168,572
Total deductions	6,431,721	6,168,830
Net Increase	8,792,571	5,012,946
Net Position - Restricted for Pensions		
Beginning of year	85,624,442	80,611,496
End of year	**$ 94,417,013**	**$ 85,624,442**

See Notes to Financial Statements

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 discretely presented component unit. Transactions with the State relate primarily to appropriations for operations and capital improvements and grants from various State agencies.

The university has six affiliated organizations that were evaluated in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 61, *The Financial Reporting Entity: Omnibus,* which the university adopted on July 1, 2011, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14*, which the university adopted on July 1, 2016. Each organization is described below, with additional information provided regarding the impact to the university's financial statements and accompanying condensed financial statements.

Grand Valley University Foundation ("GVUF") is a Michigan nonprofit corporation established to solicit, collect, receive, and administer funds to advance the mission and goals of the university. In accordance with the provisions of GASB Statement No. 61, GVUF is blended into the university's financial statements because the university has operational responsibility for GVUF and GVUF provides services entirely for the benefit of the university. GVUF obtains an annual financial audit as required by the Michigan Department of Attorney General. The June 30, 2026 audited financial statements for GVUF are located at the university's Business and Finance Office.

University Properties, Inc. ("UPI") is a Michigan nonprofit corporation established for the purpose of holding, administering, and further improving real property held by the university. In accordance with the provisions of GASB Statement No. 61, UPI is blended into the university's financial statements because the university has operational responsibility for UPI and services are provided entirely for the benefit of the university.

Grand Valley Research Corporation ("GVRC") is a Michigan nonprofit corporation established for educational and scientific purposes. In accordance with the provisions of GASB Statement No. 61, GVRC is considered a component unit of the university because a financial benefit and burden relationship exists. The blending method is appropriate for inclusion in the university's financial statements because the university has operational responsibility for GVRC and services are provided entirely for the benefit of the university.

Lafayette-Hastings, LLC and Two Zero One Front, LLC are Michigan limited liability companies formed in fiscal year 2011 and 2025, respectively for the purpose of real estate management on behalf of the university. In accordance with the provisions of GASB Statement No. 61, both companies are blended into the university's financial statements because the university has operational responsibility for both and services are provided entirely for the benefit of the university.

K12C Solutions ("K12C") was formed in 2023 as a Michigan nonprofit corporation to further the university's mission by providing training, personnel, and services to schools, community groups, and families in support of academic, social-emotional, and career achievement. In accordance with the provisions of GASB Statement No. 61, K12C is blended into the university's financial statements because the university has operational responsibility for K12C and services are provided entirely for the benefit of the university. K12C discontinued operations in August 2025.

The Board of Trustees has fiduciary responsibility for employee benefit plans, which includes two defined benefit plans that are further described in Note 6. The plans are considered fiduciary component units. As a result, the plans' fiduciary net position and changes in plans' fiduciary net position are shown as a fiduciary fund in in the university's financial statements.

Note 1 – Summary of Significant Accounting Policies (Continued)

Presented below are the financial statements for each entity blended into the university's financial reporting, including the real estate management companies of Lafayette-Hastings, LLC and Two Zero Front, LLC, which were combined in 2025 with the formation of Two Zero Front, LLC. The condensed financial information for 2026 and 2025 are as follows:

Condensed Statement of Net Position
June 30, 2026

	Grand Valley University Foundation	University Properties, Inc.	Grand Valley Research Corporation	Real Estate Management LLCs	K12C Solutions
Assets					
Current assets	$ 238,308	$ 335,259	$ 1,505,861	$ 405,261	$ -
Capital assets (net)	-	4,958	-	-	-
Other assets	5,205,839	-	1,293,708	-	-
Total assets	**$ 5,444,147**	**$ 340,217**	**$ 2,799,569**	**$ 405,261**	**$ -**
Liabilities					
Current liabilities	$ -	$ -	$ 1,151,173	$ 1,621,866	$ -
Noncurrent liabilities	-	-	-	-	-
Total liabilities	-	-	1,151,173	1,621,866	-
Net Position					
Net investment in capital assets	-	4,958	-	-	-
Restricted:					
Nonexpendable	2,583,521	-	-	-	-
Expendable	2,860,626	-	19,530	-	-
Unrestricted	-	335,259	1,628,876	(1,216,605)	-
Total net position	5,444,147	340,217	1,648,406	(1,216,605)	-
Total liabilities and net position	**$ 5,444,147**	**$ 340,217**	**$ 2,799,579**	**$ 405,261**	**$ -**

Note 1 – Summary of Significant Accounting Policies (Continued)

Condensed Statement of Net Position
June 30, 2025

	Grand Valley University Foundation	University Properties, Inc.	Grand Valley Research Corporation	Real Estate Management LLCs	K12C Solutions
Assets					
Current assets	$ 264,078	$ 294,484	$ 423,777	$ 274,533	$ 738,693
Capital assets (net)	-	4,958	-	-	-
Other assets	4,769,739	-	1,097,846	-	-
Total assets	**$ 5,033,817**	**$ 299,442**	**$ 1,521,623**	**$ 274,533**	**$ 738,693**
Liabilities					
Current liabilities	$ -	$ -	$ -	$ 1,513,599	$ 201,163
Noncurrent liabilities	-	-	-	-	-
Total liabilities	-	-	-	1,513,599	201,163
Net Position					
Net investment in capital assets	-	4,958	-	-	-
Restricted:					
Nonexpendable	2,777,260	-	-	-	-
Expendable	2,256,557	-	-	-	-
Unrestricted	-	294,484	1,521,623	(1,239,066)	537,530
Total net position	5,033,817	299,442	1,521,623	(1,239,066)	537,530
Total liabilities and net position	**$ 5,033,817**	**$ 299,442**	**$ 1,521,623**	**$ 274,533**	**$ 738,693**

Note 1 – Summary of Significant Accounting Policies (Continued)

Condensed Statement of Revenue, Expenses, and Changes in Net Position
year ended June 30, 2026

	Grand Valley University Foundation	University Properties, Inc.	Grand Valley Research Corporation	Real Estate Management LLCs	K12C Solutions
Operating Revenues					
Government grants	$ -	$ -	$ 280,827	$ -	$ -
Sales and services of educational activities	-	-	-	-	97,579
Auxiliary enterprises	-	152,678	-	-	-
Other	-	-	25,000	1,010,306	-
Total operating revenue	-	152,678	305,827	1,010,306	97,579
Operating Expenses					
Personnel costs	720	-	-	-	-
Supplies and other	1,026,070	111,903	47,458	987,845	642,727
Total operating expense	1,026,790	111,903	47,458	987,845	642,727
Noncapital subsidies					
Nonendowment gifts	531,820	-	-	-	-
Operating income (loss) and noncapital subsidies	(494,970)	40,775	258,369	22,461	(545,148)
Nonoperating Revenues (Expenses)					
Investment income (loss)	765,416	-	(131,596)	-	7,618
Additions to permanent endowments	139,884	-	-	-	-
Total nonoperating revenue (expense)	905,300	-	(131,596)	-	7,618
Increase in Net Position	410,330	40,775	126,773	22,461	(537,530)
Net Position - Beginning of year	5,033,817	299,442	1,521,623	(1,239,066)	537,530
Net Position - End of year	**$ 5,444,147**	**$ 340,217**	**$ 1,648,396**	**$ (1,216,605)**	**$ -**

Note 1 – Summary of Significant Accounting Policies (Continued)

Condensed Statement of Revenue, Expenses, and Changes in Net Position
year ended June 30, 2025

	Grand Valley University Foundation	University Properties, Inc.	Grand Valley Research Corporation	Real Estate Management LLCs	K12C Solutions
Operating Revenues					
Sales and services of educational activities	$ -	$ -	$ -	$ -	$ 997,970
Auxiliary enterprises	-	144,626	-	-	-
Other	-	(15,717)	25,000	1,007,974	-
Total operating revenue	-	128,909	25,000	1,007,974	997,970
Operating Expenses					
Personnel costs	17,215	-	-	-	1,987,989
Supplies and other	1,007,704	85,656	17,011	1,107,622	381,086
Total operating expense	1,024,919	85,656	17,011	1,107,622	2,369,075
Noncapital subsidies					
Nonendowment gifts	838,615	-	-	-	(100,000)
Operating income (loss) and noncapital subsidies	(186,304)	43,253	7,989	(99,648)	(1,471,105)
Nonoperating Revenues (Expenses)					
Investment income (loss)	476,327	-	(131,404)	-	16,039
Additions to permanent endowments	93,217	-	-	-	-
Total nonoperating revenue (expense)	569,544	-	(131,404)	-	16,039
Increase in Net Position	383,240	43,253	(123,415)	(99,648)	(1,455,066)
Net Position - Beginning of year	4,650,577	256,189	1,645,038	(1,139,418)	1,992,596
Net Position - End of year	**$ 5,033,817**	**$ 299,442**	**$ 1,521,623**	**$ (1,239,066)**	**$ 537,530**

Note 1 – Summary of Significant Accounting Policies (Continued)

Condensed Statement of Cash Flows
year ended June 30, 2026

	Grand Valley University Foundation	University Properties, Inc.	Grand Valley Research Corporation	Real Estate Management LLCs	K12C Solutions
Net cash (used in) provided by operating activities	$ (284,647)	$ 40,076	$ 1,082,084	$ (43,637)	$ (516,069)
Net cash provided by investing activities	118,993	-	-	-	-
Net cash provided by financing activities	139,884	-	-	-	-
Net (decrease) increase in cash and cash equivalents	(25,770)	40,076	1,082,084	(43,637)	(516,069)
Cash and Cash Equivalents - Beginning of year	264,078	283,663	423,777	276,851	516,069
Cash and Cash Equivalents - End of year	**$ 238,308**	**$ 323,739**	**$ 1,505,861**	**$ 233,214**	**$ -**

Condensed Statement of Cash Flows
year ended June 30, 2025

	Grand Valley University Foundation	University Properties, Inc.	Grand Valley Research Corporation	Real Estate Management LLCs	K12C Solutions
Net cash (used in) provided by operating activities	$ (80,411)	$ 35,071	$ 11,117	$ (43,637)	$ (1,492,566)
Net cash provided by investing activities	23,369	-	-	-	16,039
Net cash provided by financing activities	93,217	-	-	-	-
Net increase (decrease) in cash and cash equivalents	36,175	35,071	11,117	(43,637)	(1,476,527)
Cash and Cash Equivalents - Beginning of year	227,903	248,592	412,660	320,488	1,992,596
Cash and Cash Equivalents - End of year	**$ 264,078**	**$ 283,663**	**$ 423,777**	**$ 276,851**	**$ 516,069**

Note 1 – Summary of Significant Accounting Policies (Continued)

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) using the economic resource measurement focus. The university follows all applicable GASB pronouncements. 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 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 date of three months or less when purchased to be cash equivalents.

Investments - Investments are reported at fair value. Alternative investments are recorded at their most recent available valuation and updated for capital contributions and distributions. Alternative investments consist of investments that seek absolute-based return in hedge markets, investments in the private equity class investing in various ventures, private credit, investment agreements, or investments in a pool of assets invested in the following subclasses: global natural resources, commodities, and global real estate. 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 Position. Gains, losses, and investment income are reported as increases or decreases in unrestricted net position 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 trade amounts deemed uncollectible are charged against bad debt expense in the period that determination is made. At June 30, 2026 and 2025, there was an allowance of $1,389,150 and $1,597,000, respectively.

In addition, the university leases space on buildings to cellular companies and office space to external parties In accordance with GASB 87, the university recorded lease receivables of $12,632,516 and $14,434,074 at June 30, 2026 and 2025, respectively. Of the total balance, noncurrent accounts receivable was $10,806,472 and $12,547,336 at June 30, 2026 and 2025, respectively. The expected receipts over the term of the respective leases are discounted to present value, using the interest rate stated on the lease, if available or otherwise discounted using the university's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. During the years ended June 30, 2026 and 2025, the university recognized revenues related to these lease agreements totaling $2,093,354 and $2,247,057, respectively, which are reflected as operating revenue at net present value.

Inventories - Inventories, consisting principally of bookstore merchandise, 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.

Note 1 – Summary of Significant Accounting Policies (Continued)

Pledges Receivable - The carrying amount of pledges receivable represents recorded promises to contribute, measured at fair value when received, net of estimated uncollectible promises. Pledges receivable are recorded at their net present value using a discount rate of 4.33 and 4.23 percent for the years ended June 30, 2026 and 2025, respectively. Included in pledges receivable are an unamortized discount of $1,916,931 and $725,265 at June 30, 2026 and 2025, respectively, and an allowance of $67,888 and $66,530 at June 30, 2026 and 2025, respectively.

Student Notes Receivable - The carrying amount of student notes receivable consists of the balance due from loans to students for cost of attendance. Amounts that become uncollectible are offset to tuition and housing revenue. At June 30, 2026 and June 30, 2025, there was an allowance of $109,282 and $108,682, respectively.

Capital Assets - Capital assets with a unit cost of over $5,000 and all library books are recorded at cost at the date of acquisition or at acquisition 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.

Right-to-use assets established by financing leases and subscriptions to vendor's information technology software are recorded at present value at the date that use begins and amortized over the shorter of the contract term or the useful life of the underlying asset. In addition, the university's policy establishes a threshold of $250,000 for capitalizing vendor's information technology software, whereas activity under this threshold is expensed as incurred.

Certain maintenance and replacement reserves have been established to fund costs relating to residences and other auxiliary activity facilities.

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.

Unearned Revenue - Tuition and fee revenue and certain exchange grants and contracts received and related to the period after June 30 has been deferred.

Compensated Absences - Employees accrue compensated absences for vacation on a per pay period basis. Vacation pay is fully vested when accrued. Upon separation from service, employees are paid accumulated vacation based upon the nature of separation (death, retirement, or termination). Certain limitations have been placed on the hours of vacation that employees may accumulate and carry over for payment at death, retirement, or termination. A leave liability is recognized due to the leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. As a result, compensated absences are recorded as a current accrued liability.

Operating Revenues and Expenses - Operating revenues and expenses consist of revenue and expense other than nonoperating revenue and nonoperating expense.

Note 1 – Summary of Significant Accounting Policies (Continued)

Noncapital subsidies - Noncapital subsidies are resources received from another party (1) for which the university does not provide goods or services to the other party and (2) that directly or indirectly keep the university's current or future fees and charges lower than they would be otherwise.

Nonoperating Revenues (Expenses) - Nonoperating revenues (expenses) include (a) subsidies received and provided, (b) contributions to permanent endowments, (c) revenues and expenses related to financing (d) resources from the disposal of capital assets and inventory, and (e) investment income and expenses.

Scholarship Allowances and Student Aid - Student tuition, fee revenue, and certain other revenue from students are reported net of scholarship discounts and allowances in the statement of revenue, expenses, and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state, or nongovernmental programs are recorded as operating revenue in the University's financial statements. To the extent that revenue from such programs is used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance.

Federal Financial Assistance Programs - The university participates in Federally funded Pell Grants, SEOG Grants, Federal Work-Study, Federal Direct Lending, and Perkins Loans programs. The Federal programs are audited in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), and the compliance supplement.

During 2026 and 2025, the university distributed $106,540,748 and $118,891,417 respectively, for direct lending through the U.S. Department of Education, which is a fiduciary activity. However, it meets the business-type activities exception and therefore 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 $26,817,000, which represents the estimated amount of expenses ultimately to result if unperformed contracts in progress at June 30, 2026 are completed. Approximately $17,724,300 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 Activity - The university establishes fiduciary funds to manage amounts held in a fiduciary capacity for others. These amounts are not used to operate the university's programs.

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 position are available.

Note 1 – Summary of Significant Accounting Policies (Continued)

Net Position - Net position is classified according to external donor restrictions or availability of assets for satisfaction of university obligations. Nonexpendable restricted net position consists of gifts that have been received for endowment purposes, the corpus of which cannot be expended. Expendable restricted net position represents funds that have been gifted for specific purposes and funds held in Federal loan programs. Unrestricted net position represents assets of the university that have not been restricted by parties independent of the university. Net investment in capital assets consists of capital assets, net of accumulated depreciation, right-to-use assets, net of accumulated amortization, unspent bond proceeds, components of debt structuring, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

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.

Pensions - For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the university defined benefit plans was calculated by a certified actuary. Contribution revenue is recorded as contributions are made by the university to the plan. Benefit payments (including refunds of employee contributions) are recognized as expense when due and payable in accordance with the benefit terms. Related plan investments are reported at fair value.

Postemployment Benefits Other Than Pensions - For purposes of measuring the total Other Postemployment Benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, the OPEB expense, information about the liability of the university defined benefit plan was calculated by a certified actuary. Additional information regarding the OPEB settlement is provided in Note 6.

Deferred Outflows of Resources - In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. The deferred outflows of resources relate to the net pension liability, other post-retirement liabilities, and components of long-term obligations, including a debt refunding. See Notes 4 through 6 for more information.

Deferred Inflows of Resources - In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources relate to the calculation of the net pension liability and other post-retirement liabilities, derivative instruments, and leases. Detailed information is provided in Note 5 regarding the derivative instrument and Note 6 regarding retirement related benefit deferrals. The deferred inflow related to leases results from future inflows resulting from the university's lessor arrangements, as referenced in the Accounts Receivable accounting policy.

Note 1 – Summary of Significant Accounting Policies (Continued)

Adoption of New Standards - During the current year, the university adopted GASB Statement No. 103, *Financial Reporting Model Improvements*. The implementation of this standard established new accounting and financial reporting requirements or modified existing requirements related to management's discussion and analysis, the classification/presentation of unusual or infrequent items, the presentation of proprietary fund operating and nonoperating activities (including subsidies).

The implementation of this standard did not result in a change to the university's total net position; however the following line items have been reclassified to conform to the new presentation:

- Pell grants and Lease revenue (from Nonoperating to Operating revenue)
- State appropriation and Nonendowment gifts (from Nonoperating to Noncapital subsidies)

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.

Restricted Investments – There were short-term restricted investments received for a scholarship program of $1,259,358 and $4,087,404 at June 30, 2026 and 2025, respectively. In addition at June 30, 2026, there were noncurrent restricted investments of $250,000 subject to a State grant agreement.

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 Advisory 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 asset 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. Under Michigan law set forth in the Uniform Prudent Management of Institutional Funds Act, as adopted in Michigan in 2009 ("UPMIFA"), the Board acts in a fiduciary capacity as trustee of its endowment funds. UPMIFA requires that the Board exercise its fiduciary duties prudently and consider both the charitable purposes and needs of the university and the purposes of the specific endowment regarding current expenditures and preservation of the purchasing power of the funds. Annually, the Board of Trustees approves an endowment spending rate consistent with these objectives. For the years ended June 30, 2026 and 2025, the endowment spending rate was 4.5 percent.

As of June 30, 2026, the university has remaining commitments of $63.6 million in alternative asset investments. As of June 30, 2026 and 2025, the university had approximately $134.9 million and $126.9 million respectively, invested in alternative investments.

Note 2 – Cash and Investments (Continued)

The university's cash and investments are included in the Statement of Net Position under the following classifications:

	2026	2025
Cash and cash equivalents	$ 53,684,338	$ 87,415,267
Short-term investments	41,004,912	59,084,322
Restricted Investments	1,509,358	4,087,404
Endowment investments	270,208,396	232,398,319
Other long-term investments	300,127,883	261,024,719
Total cash and investments	$ 666,534,887	$ 644,010,031

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

	2026	2025
Money markets	$ 54,943,695	$ 83,272,881
Time deposits	1,711,318	10,112,550
Fixed-income securities	270,409,727	242,096,815
Equity security investments	183,862,300	164,353,136
Mutual bond funds	20,706,823	17,259,098
Alternative investments	134,901,024	126,915,551
Total cash and investments	$ 666,534,887	$ 644,010,031

Note 2 – Cash and Investments (Continued)

As of June 30, 2026, 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	$ 54,943,695	$ 54,943,695	$ -	$ -	$ -
Time deposits	1,711,318	-	1,711,318	-	-
Fixed income securities	270,409,727	41,004,912	223,664,305	5,225,288	515,222
Mutual bond funds	20,706,823	-	-	20,706,823	-
Mutual equity funds	167,806,260	-	886,222	165,677,967	1,242,071
Mutual international equity funds	15,085,929	-	-	15,085,929	-
U.S. equities	970,109	-	-	-	970,109
Real estate	1,197,852	-	-	-	1,197,852
Venture capital and private equity	65,884,418	-	-	-	65,884,418
Private credit	9,535,154	-	-	-	9,535,154
Hedge funds	45,780,022	-	-	-	45,780,022
Other investments	12,503,580	-	-	-	12,503,580
Total investments and maturities	$ 666,534,887	$ 95,948,607	$ 226,261,845	$ 206,696,007	$ 137,628,428

As of June 30, 2025, 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	$ 83,272,881	$ 81,390,121	$ 1,882,760	$ -	$ -
Time deposits	10,112,550	10,112,550	-	-	-
Fixed income securities	242,096,815	62,789,557	175,329,355	3,508,792	469,111
Mutual bond funds	17,259,098	-	795,766	16,463,332	-
Mutual equity funds	134,173,756	-	18,445,024	114,670,848	1,057,884
Mutual international equity funds	29,209,271	-	-	29,209,271	-
U.S. equities	398,602	-	-	-	398,602
Real estate	3,797,506	-	-	-	3,797,506
Venture capital and private equity	59,419,931	-	-	-	59,419,931
Private credit	9,950,601	-	-	-	9,950,601
Hedge funds	44,201,902	-	-	-	44,201,902
Other investments	10,117,118	-	-	-	10,117,118
Total investments and maturities	$ 644,010,031	$ 154,292,228	$ 196,452,905	$ 163,852,243	$ 129,412,655

Note 2 – Cash and Investments (Continued)

As of June 30, 2026, the university's fiduciary fund 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	$ 4,107,779	$ 4,107,779	$ -	$ -	$ -
Time deposits	868,059	445,442	422,617	-	-
Fixed-income securities	22,034,160	3,936,273	11,134,058	4,602,308	2,361,521
Fixed-income related strategy	937,997	-	-	937,997	-
Mutual bond funds	1,946,234	-	-	1,946,234	-
Equities	54,342,115	-	-	-	54,342,115
Infrastructure funds	5,023,838	-	-	-	5,023,838
Real estate investment funds	3,423,795	-	-	-	3,423,795
Other alternative funds	1,481,915	-	-	-	1,481,915
Pooled investment funds	38,587	-	-	-	38,587
Total investments and maturities	$ 94,204,479	$ 8,489,494	$ 11,556,675	$ 7,486,539	$ 66,671,771

As of June 30, 2025, the university's fiduciary fund 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	$ 1,930,644	$ 1,930,644	$ -	$ -	$ -
Time deposits	3,086,978	250,974	2,836,004	-	-
Fixed-income securities	17,828,648	3,985,867	8,348,774	4,344,419	1,149,588
Fixed-income related strategy	856,984	-	-	-	856,984
Mutual bond funds	1,558,526	-	-	1,558,526	-
Equities	51,274,108	-	-	-	51,274,108
Infrastructure funds	3,863,392	-	-	-	3,863,392
Real estate investment funds	3,430,421	-	-	-	3,430,421
Other alternative funds	1,524,810	-	-	-	1,524,810
Pooled investment funds	69,300	-	-	-	69,300
Total investments and maturities	$ 85,423,811	$ 6,167,485	$ 11,184,778	$ 5,902,945	$ 62,168,603

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 and 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 Position.

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 a maturity over one year, whereas the mutual bond funds as of June 30, 2026 have average maturities between 4 months and 13.8 years. At June 30, 2025, mutual bond funds have average maturities between 3.7 years and 15.5 years. Both are presented as an investment with a maturity over one year. 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	10%-100%
One to five years	0%-90%
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. The university's investments are held by a custody agent. At June 30, 2026 and 2025, the carrying amount of the university's deposits was $53,684,338 and $87,415,267, respectively. Cash balances in the bank were $48,992,793 and $90,713,664 at June 30, 2026 and 2025, respectively. Of the cash balances in the bank, $1,635,444 and $1,735,377, respectively, was insured.

The remaining cash balances in the bank of $47,357,349 and $88,978,287 at June 30, 2026 and 2025, 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.

Note 2 – Cash and Investments (Continued)

Credit Risk - The university's operating investment policy limits its short-term operating investments to 0.5 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 mutual fixed income funds held by the university had the following credit ratings at June 30, 2026 and 2025:

	Market Value 2026	Morningstar Rating	Market Value 2025	Morningstar Rating
Eaton Vance Income Fund of Boston I	41,031	4 star	8,509,944	4 star
PGIM High Yield Bond Fund	40,721	4 star	-	
Multi-Manager High Yield Bond Fund	20,625,071	n/a	-	
Federated Hermes Instl High Yield Bd IS	-		7,953,387	4 star
AQR Diviersified Arbitrage I	-		283,847	n/a
Cohen & Steers Preferred Sec & Inc I	-		252,722	4 star
Virtus-AllianzGI Convertible Inst	-		259,198	4 star
Total	$ 20,706,823		$ 17,259,098	

At June 30, 2026, the university held fixed-income securities of $270,409,727 of which $157,918,337 were invested in US Governmental agencies. The remaining $112,491,390 was invested in securities that were rated by S&P Global as follows:

	A	A-	A+	AA	AAA	BBB	BBB-	BBB+	Not Available	Total
Non U.S.corporate bonds	-	17,339,268	-	-	-	4,582,389	-	7,864,786	3,083	29,789,526
U.S. corporate bonds	18,114,481	19,303,605	7,245,270	1,143,680	13,630	12,487,569	2,188,706	21,437,815	767,108	82,701,864
	$ 18,114,481	$ 36,642,873	$ 7,245,270	$ 1,143,680	$ 13,630	$ 17,069,958	$ 2,188,706	$ 29,302,601	$ 770,191	$ 112,491,390

At June 30, 2025, the university held fixed-income securities of $242,096,815 of which $114,442,762 were invested in US Governmental agencies. The remaining $127,654,053 was invested in securities that were rated by S&P Global as follows:

	A	A-	A+	AA	AA-	AA+	AAA	BBB	BBB-	BBB+	Not Available	Total
Local government bond	-	-	-	-	100,915	-	178,783	-	-	-	-	279,698
Asset backed bonds	-	-	-	45,505	-	-	113,338	-	-	-	30,629	189,472
Non U.S.corporate bonds	-	9,035,486	25,406	-	-	-	-	3,460,847	1,770,448	9,446,001	2,079,689	25,817,877
U.S. corporate bonds	20,640,342	29,507,937	12,465,432	1,245,671	4,397,302	1,070,619	237,211	20,035,667	1,305,323	10,381,376	80,126	101,367,006
	$ 20,640,342	$ 38,543,423	$ 12,490,838	$ 1,291,176	$ 4,498,217	$ 1,070,619	$ 529,332	$ 23,496,514	$ 3,075,771	$ 19,827,377	$ 2,190,444	$ 127,654,053

Note 2 – Cash and Investments (Continued)

The university's fiduciary fund held the following types of mutual fixed-income funds at June 30, 2026 and 2025:

	Market Value 2026	Morningstar Rating	Market Value 2025	Morningstar Rating
Cohen & Steers Preferred Sec & Inc I	808,918	4 star	775,966	4 star
Virtus-AllianzGI Convertible Inst	1,137,316	5 star	782,560	4 star
	$ 1,946,234		$ 1,558,526	

At June 30, 2026, the university's fiduciary fund held fixed-income securities of $22,034,160 of which $11,737,086 were invested in US Governmental agencies. The remaining $10,297,074 was invested in securities that were rated by S&P Global as follows:

	A	A-	A+	AA	AA-	AA+	AAA	BBB	BBB+	Not Available	Total
Non U.S.corporate bonds	-	176,887	130,992	-	257,403	-	-	-	314,873	132,840	1,012,995
U.S. corporate bonds	1,971,896	1,307,024	1,328,768	1,116,456	598,821	242,503	197,695	962,001	1,558,915	-	9,284,079
	$ 1,971,896	$ 1,483,911	$ 1,459,760	$ 1,116,456	$ 856,224	$ 242,503	$ 197,695	$ 962,001	$ 1,873,788	$ 132,840	$ 10,297,074

At June 30, 2025, the university's fiduciary fund held fixed-income securities of $17,828,648 of which $8,860,097 were invested in US Governmental agencies. The remaining $8,968,551 was invested in securities that were rated by S&P Global as follows:

	A	A-	A+	AA	AA-	AA+	AAA	BBB	BBB+	Not Available	Total
Non U.S.corporate bonds	-	512,521	132,091	-	261,674	-	-	-	-	-	906,286
U.S. corporate bonds	1,541,027	1,727,250	956,849	345,521	825,888	160,914	200,569	1,297,270	786,430	220,547	8,062,265
	$ 1,541,027	$ 2,239,771	$ 1,088,940	$ 345,521	$ 1,087,562	$ 160,914	$ 200,569	$ 1,297,270	$ 786,430	$ 220,547	$ 8,968,551

Note 2 – Cash and Investments (Continued)

Foreign Credit Risk - The university holds investments in some international mutual funds denominated in US Dollars that invest in international equity funds and investments in non-US corporate and government bonds. 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 8 percent and 9 percent at June 30, 2026 and June 30, 2025, respectively. Investments in these funds were approximately $50.3 million and $57.5 million at June 30, 2026 and June 30, 2025, respectively.

Alternative Assets - The other investments, private equities, and venture capital are comprised of investments in alternative assets.

Fair Value Measurements - The university categorizes its fair value measurements within the fair value hierarchy established by Generally Accepted Accounting Principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy on the following page.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The university's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Note 2 – Cash and Investments (Continued)

The university has the following recurring fair value measurements as of June 30, 2026:

Assets and Liabilities Measured at Fair Value on a Recurring Basis

		Fair Value Measurements Using		
	Balance at June 30, 2026	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt securities - Mutual bond funds	$ 20,706,823	$ 20,706,823	$ -	$ -
Equity securities:				
Preferred stock	646,507	-	-	646,507
Common stock	323,602	-	-	323,602
Convertible Promissory note	150,000	-	-	150,000
Simple Agreement for Future Equity (SAFE)	200,000	-	-	200,000
Money market funds	1,259,358	1,259,358	-	-
Mutual equity funds	167,806,260	167,806,260	-	-
Mutual international security funds	15,085,930	15,085,930	-	-
Mutual alternative strategies	10,065,459	10,065,459	-	-
Total equity securities	195,537,116	194,217,007	-	1,320,109
U.S. governmental agencies	157,918,337	88,375,271	69,543,066	-
Non-U.S. corporate bonds	29,789,526	-	29,789,526	-
Corporate bonds	82,701,864	-	82,701,864	-
Land	543,480	-	-	543,480
Beneficial interest	2,088,120	-	-	2,088,120
Total investments by fair value level		$ 303,299,101	$ 182,034,456	$ 3,951,709
Investments Measured at Net Asset Value (NAV)				
Hedge funds	45,780,022			
Private equity/venture capital	65,884,418			
Private credit	9,535,154			
Real estate funds	654,372			
Total investments measured at NAV	121,853,966			
Total investments measured at fair value	$ 611,139,232			
Bank deposits, including Time deposits	55,395,655			
Total Cash and Investments	$ 666,534,887			
Investment Derivative Instruments - Interest rate swaps	$ 2,282,500		$ 2,282,500	

Note 2 – Cash and Investments (Continued)

The university has the following recurring fair value measurements as of June 30, 2025:

Assets and Liabilities Measured at Fair Value on a Recurring Basis

		Fair Value Measurements Using		
	Balance at June 30, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt securities - Mutual bond funds	$ 17,259,098	$ 17,259,098	$ -	$ -
Equity securities:				
Preferred stock	646,507	-	-	646,507
Common stock	323,602	-	-	323,602
U.S. equities	-	-	-	-
Money market funds	29,471,376	29,471,376	-	-
Mutual equity funds	134,173,756	134,173,756	-	-
Mutual international security funds	29,209,271	29,209,271	-	-
Mutual alternative strategies	8,205,613	8,205,613	-	-
Real asset funds	2,550,840	2,550,840	-	-
Total equity securities	204,580,965	203,610,856	-	970,109
U.S. governmental agencies	114,442,762	57,369,913	57,072,849	-
Local government bonds	279,698	-	279,698	-
Non-U.S. corporate bonds	26,250,705	-	26,250,705	-
Corporate bonds	100,934,178	-	100,934,178	-
Asset backed security bonds	189,472	-	189,472	-
Land	543,480	-	-	543,480
Beneficial interest	1,911,505	-	-	1,911,505
Total investments by fair value level		$ 278,239,867	$ 184,726,902	$ 3,425,094
Investments Measured at Net Asset Value (NAV)				
Hedge funds	44,201,901			
Private equity/venture capital	58,848,424			
Private credit	9,950,601			
Real estate funds	703,187			
Total investments measured at NAV	113,704,113			
Total investments measured at fair value	$ 580,095,976			
Bank deposits *	63,914,055			
Total Cash and Investments	$ 644,010,031			
Investment Derivative Instruments - Interest rate swaps	$ 1,861,000		$ 1,861,000	

* Bank deposits include brokerage funds of $9,984,965, which are included in cash and cash equivalents on the statement of Net Position.

Note 2 – Cash and Investments (Continued)

The university's fiduciary funds have the following recurring fair value measurements as of June 30, 2026:

Assets and Liabilities Measured at Fair Value on a Recurring Basis

		Fair Value Measurements Using		
	Balance at June 30, 2026	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Equity securities:				
Money market mutual funds	$ 4,107,779	$ 4,107,779	$ -	$ -
Developed international equity funds	10,298,297	10,298,297	-	-
Emerging markets equity funds	5,235,502	5,235,502	-	-
Large-cap domestic equity funds	31,394,095	31,394,095	-	-
Real estate investment funds	3,423,795	3,423,795	-	-
Small- and mid-cap domestic equity funds	6,057,716	6,057,716	-	-
Equity-related strategy funds	1,356,505	1,356,505	-	-
Infrastructure funds	5,023,838	5,023,838	-	-
Alternative strategies funds	1,481,915	1,481,915	-	-
Total equity securities	68,379,442	68,379,442	-	-
Fixed-income securities:				
Domestic fixed-income	22,604,685	1,946,234	20,658,451	-
International developed market fixed-income	1,012,995	-	1,012,995	-
Inflation indexed fixed-income	272,336	-	272,336	-
High-Yield fixed-income	90,378	-	90,378	-
Fixed income-related strategy	937,997	937,997	-	-
Total fixed-income securities	24,918,391	2,884,231	22,034,160	-
Total investments by fair value level		$ 71,263,673	$ 22,034,160	$ -
Investments Measured at Net Asset Value (NAV)				
Pooled investment funds	38,587			
Total investments measured at fair value	$ 93,336,420			

Note 2 – Cash and Investments (Continued)

The university's fiduciary funds have the following recurring fair value measurements as of June 30, 2025:

Assets and Liabilities Measured at Fair Value on a Recurring Basis

		Fair Value Measurements Using		
	Balance at June 30, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Equity securities:				
Money market mutual funds	$ 1,930,644	$ 1,930,644	$ -	$ -
Developed international equity funds	9,874,776	9,874,776	-	-
Emerging markets equity funds	4,969,561	4,969,561	-	-
Large-cap domestic equity funds	29,816,810	29,816,810	-	-
Real estate investment funds	3,430,421	3,430,421	-	-
Small- and mid-cap domestic equity funds	5,500,615	5,500,615	-	-
Equity-related strategy funds	1,112,346	1,112,346	-	-
Infrastructure funds	3,863,392	3,863,392	-	-
Alternative strategies funds	1,524,810	1,524,810	-	-
Total equity securities	62,023,375	62,023,375	-	-
Fixed-income securities:				
Domestic fixed-income	17,999,067	6,274,535	11,724,532	-
International developed market fixed-income	906,286	-	906,286	-
Inflation indexed fixed-income	414,875	172,148	242,727	-
High-Yield fixed-income	66,946	-	66,946	-
Fixed income-related strategy	856,984	856,984	-	-
Total fixed-income securities	20,244,158	7,303,667	12,940,491	-
Total investments by fair value level		$ 69,327,042	$ 12,940,491	$ -
Investments Measured at Net Asset Value (NAV)				
Pooled investment funds	69,300			
Total investments measured at fair value	$ 82,336,833			

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. U.S. Governmental agency securities purchased at first issue (on-the-run) are also classified in Level 1.

Note 2 – Cash and Investments (Continued)

The fair value of fixed-income securities, corporate bonds, and foreign and U.S. Governmental agency securities that were purchased after first issue (off-the-run) were determined primarily based on Level 2 inputs. The university estimates the fair value of these investments using other inputs such as interest rates and yield curves that are observable at commonly quoted intervals. Derivative instruments classified in Level 2 reflect the fair values of the interest rate swaps estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future settlement on the swap.

The fair value of land, preferred and common stock holdings, investment agreements, and the beneficial interest account held at Grand Rapids Community Foundation at June 30, 2026 and 2025 was determined primarily based on Level 3 inputs. The university estimates the fair value of these investments using the university's own estimates using pricing models, discounted cash flow methodologies, or similar techniques, after considering the characteristics of the asset.

Investments in Entities that Calculate Net Asset Value per Share

The university holds shares or interests in investment companies whereby the fair value of the investments are measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At year-end, the fair value, unfunded commitments, and redemption rules of those investments is as follows:

	June 30, 2026 Fair Value	June 30, 2025 Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Hedge funds (A)	$ 45,780,022	$ 44,201,901	$ -	See (A) below	See (A) below
Private equity/venture capital (B)	65,884,418	58,848,424	54,973,100	Not redeemable	N/A
Private credit (C)	9,535,154	9,950,601	8,627,800	Not redeemable	N/A
Real estate funds (D)	654,372	703,187	-	Not redeemable	N/A
Total	$ 121,853,966	$ 113,704,113	$ 63,600,900		

(A) This category includes investments in hedge funds that invest primarily in limited partnerships and investment companies. Management of these funds employs a variety of strategies and has the ability to shift investments based on market, economic, political, and government-driven events. The fair values of the investments in this category have been estimated using the net asset value per share of the investments. These investments can be redeemed as follows, with the following restrictions:

1. Adage Capital Partners - Quarterly redemptions with a 60-day advance notice.
2. Varde Investment Partners - Redeemable on anniversary date of admission to the fund with a 90-day advance written notice.
3. Himalaya Capital Investors LP - Redeemable annually, last calendar day of the year with a 60-day notice.

Note 2 – Cash and Investments (Continued)

(B) This category includes several private equity funds that invest in early stage, high-growth private companies, growth equity financing, leverage buyouts, securities, and other obligations of distressed businesses and financially troubled companies. The nature of the investments in this category is that distributions are received through the liquidation for the underlying assets of the funds. These investments are planned to be held for a various number of years depending on the individual fund contract. In addition, this category includes venture capital funds that will invest in three to five companies, primarily from within the Michigan Accelerator Fund portfolio. The fair value of the investment in this class has been estimated using the net asset value of the university's ownership interest in partners' capital.

(C) This category consists of two funds that provide financing to companies and primarily generates income through investments in cash paying, floating rate senior secured debt, complemented by capital appreciation-focused credit strategies. The nature of these investments in this category is that distributions are received through the periodic repayment of debt obligations. The fair value of the investment in this class has been estimated using the next asset value of the university's ownership interest in the partners' capital.

(D) This category includes several real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this class have been estimated using the net asset value of the university's ownership interest in partners' capital.

Note 3 – Capital Assets

Capital asset activity for the university for the year ended June 30, 2026 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Land	$ 74,250,508	$ 690,000	$ -	$ 74,940,508
Nondepreciable artwork and historical treasures	8,040,165	23,966	-	8,064,131
Nondepreciable land improvements	1,722,820	-		1,722,820
Construction in progress	22,799,405	19,203,382	16,146,221	25,856,566
Total cost of nondepreciable capital assets	106,812,898	19,917,348	16,146,221	110,584,025
Land improvements & infrastructure	170,287,634	8,631,422	-	178,919,056
Buildings	960,644,934	5,678,456	-	966,323,390
Equipment, including financed equipment	85,235,821	5,041,334	1,746,034	88,531,121
Library books	17,445,842	181,672	90,037	17,537,477
Total cost of depreciable capital assets	1,233,614,231	19,532,884	1,836,071	1,251,311,044
Right-to-Use Buildings	3,297,918	276,652	1,677,139	1,897,431
Right-to-Use Equipment	1,003,777	-	28,640	975,137
Right-to-Use Vehicles	603,970	110,903	131,159	583,714
Right-to-Use Subscription IT Arrangements	38,453,577	7,107,627	3,777,051	41,784,153
Total cost of Right-to-Use capital assets	43,359,242	7,495,182	5,613,989	45,240,435
Total cost of capital assets	1,383,786,371	$ 46,945,414	$ 23,596,281	1,407,135,504
Less accumulated depreciation for:				
Land improvements & infrastructure	105,579,381	5,638,806	-	111,218,187
Buildings	380,543,758	22,642,156	-	403,185,914
Equipment, including financed equipment	67,483,535	4,976,528	1,689,373	70,770,690
Library books	16,425,949	297,410	90,037	16,633,322
Total accumulated depreciation	570,032,623	33,554,900	1,779,410	601,808,113
Less accumulated amortization for:				
Right-to-Use Buildings	2,464,844	445,509	1,666,463	1,243,890
Right-to-Use Equipment	516,634	148,472	17,112	647,994
Right-to-Use Vehicles	283,505	176,225	129,625	330,105
Right-to-Use Subscription IT Arrangements	10,413,407	7,079,682	3,777,051	13,716,038
Total accumulated amortization	13,678,390	7,849,888	5,590,251	15,938,027
Total accumulated depreciation and amortization	583,711,013	$ 41,404,788	$ 7,369,661	617,746,140
University capital assets - Net	$ 800,075,358			$ 789,389,364

Note 3 – Capital Assets (Continued)

Capital asset activity for the university for the year ended June 30, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Land	$ 73,456,357	$ 794,151	$ -	$ 74,250,508
Nondepreciable artwork and historical treasures	8,006,436	33,729	-	8,040,165
Nondepreciable land improvements	1,722,820		-	1,722,820
Construction in progress	13,775,884	26,633,490	17,609,969	22,799,405
Total cost of nondepreciable capital assets	96,961,497	27,461,370	17,609,969	106,812,898
Land improvements & infrastructure	165,702,102	4,585,532	-	170,287,634
Buildings	949,135,012	11,509,922	-	960,644,934
Equipment, including financed equipment	80,966,235	6,807,983	2,538,397	85,235,821
Library books	17,704,667	178,077	436,902	17,445,842
Total cost of depreciable capital assets	1,213,508,016	23,081,514	2,975,299	1,233,614,231
Right-to-Use Buildings	1,215,523	2,237,981	155,586	3,297,918
Right-to-Use Equipment	1,002,325	1,452	-	1,003,777
Right-to-Use Vehicles	628,931	168,402	193,363	603,970
Right-to-Use Subscription IT Arrangements	34,575,214	6,383,405	2,505,042	38,453,577
Total cost of Right-to-Use capital assets	37,421,993	8,791,240	2,853,991	43,359,242
Total cost of capital assets	1,347,891,506	$ 59,334,124	$ 23,439,259	1,383,786,371
Less accumulated depreciation for:				
Land improvements & infrastructure	98,932,658	6,646,723	-	105,579,381
Buildings	358,083,496	22,460,262	-	380,543,758
Equipment, including financed equipment	65,257,492	4,657,078	2,431,035	67,483,535
Library books	16,491,807	371,044	436,902	16,425,949
Total accumulated depreciation	538,765,453	34,135,107	2,867,937	570,032,623
Less accumulated amortization for:				
Right-to-Use Buildings	817,792	1,802,638	155,586	2,464,844
Right-to-Use Equipment	362,144	154,490	-	516,634
Right-to-Use Vehicles	272,169	187,333	175,997	283,505
Right-to-Use Subscription IT Arrangements	5,936,609	6,981,840	2,505,042	10,413,407
Total accumulated amortization	7,388,714	9,126,301	2,836,625	13,678,390
Total accumulated depreciation and amortization	546,154,167	$ 43,261,408	$ 5,704,562	583,711,013
University capital assets - Net	$ 801,737,339			$ 800,075,358

Note 3 – Capital Assets (Continued)

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

Included in capital assets are a building and land that are capital assets held for sale. The building has a historical cost of $4.84 million and an accumulated depreciation of $1.62 million. The land has a historical cost of $2.11 million. The assets are not pledged as collateral for any outstanding debt of the university.

Note 4 – Long-term Liabilities

Long-term liabilities of the university consist of bonds payable, charitable gift annuities payable, and other noncurrent liabilities, including liabilities resulting from right-to-use assets.

The changes in long-term liabilities for the year ended June 30, 2026 are as shown below:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Revenue Refunding Variable Rate Bonds, Series 2008B	$ 19,210,000	-	2,415,000	$ 16,795,000	2,520,000
General Revenue Refunding Bonds, Series 2016A	45,180,000	-	4,050,000	41,130,000	4,385,000
General Revenue Bonds, Series 2017	3,250,000	-	-	3,250,000	-
General Revenue Bonds, Series 2018	35,660,000	-	1,545,000	34,115,000	1,625,000
General Revenue Refunding Bonds, Series 2024A	37,920,000	-	3,760,000	34,160,000	4,745,000
General Revenue Refunding Bonds, Series 2025A	18,150,000	-	1,270,000	16,880,000	1,335,000
Subtotal	159,370,000	-	13,040,000	146,330,000	14,610,000
General Revenue, Series 2014A Direct Purchase Bonds	25,370,000	-	1,590,000	23,780,000	1,670,000
Subtotal	25,370,000	-	1,590,000	23,780,000	1,670,000
Total bonds payable	184,740,000	-	14,630,000	170,110,000	16,280,000
Noncurrent accrued liabilities	433,489	496,989	-	930,478	-
Unamortized bond premiums	15,483,467	-	1,411,870	14,071,597	1,383,807
Charitable gift annuities payable	403,894	57,324	87,538	373,680	87,538
Construction loan payable	266,470	-	4,302	262,168	4,496
Right-to-Use lease liability	1,722,113	387,323	757,974	1,351,462	544,181
Financed Equipment purchase liability	1,511,177	-	739,637	771,540	771,539
Right-to-Use subscription IT liability	16,652,953	7,107,627	5,300,858	18,459,722	4,586,004
Total	221,213,563	8,049,263	22,932,179	206,330,647	23,657,565
Due within one year	21,624,433			23,657,565	
Total long-term liabilities	$ 199,589,130			$ 182,673,082	

Note 4 – Long-term Liabilities (Continued)

The changes in long-term liabilities for the year ended June 30, 2025 are as shown below:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Revenue Refunding Variable Rate Bonds, Series 2008B	$ 21,530,000	-	2,320,000	$ 19,210,000	2,415,000
General Revenue Refunding Bonds, Series 2014B	29,760,000	-	29,760,000	-	-
General Revenue Bonds, Series 2015A	20,815,000	-	20,815,000	-	-
General Revenue Refunding Bonds, Series 2016A	48,910,000	-	3,730,000	45,180,000	4,050,000
General Revenue Bonds, Series 2017	18,530,000	-	15,280,000	3,250,000	-
General Revenue Bonds, Series 2018	37,130,000	-	1,470,000	35,660,000	1,545,000
General Revenue Refunding Bonds, Series 2024A	-	37,920,000	-	37,920,000	3,760,000
General Revenue Refunding Bonds, Series 2025A	-	18,150,000	-	18,150,000	1,270,000
Subtotal	176,675,000	56,070,000	73,375,000	159,370,000	13,040,000
General Revenue, Series 2014A Direct Purchase Bonds	26,880,000	-	1,510,000	25,370,000	1,590,000
Subtotal	26,880,000	-	1,510,000	25,370,000	1,590,000
Total bonds payable	203,555,000	56,070,000	74,885,000	184,740,000	14,630,000
Noncurrent accrued liabilities	334,301	99,188	-	433,489	-
Unamortized bond premiums	15,181,344	5,859,309	5,557,186	15,483,467	1,383,807
Charitable gift annuities payable	422,126	71,471	89,703	403,894	89,313
Construction loan payable	270,585	-	4,115	266,470	4,301
Right-to-Use lease liability	1,420,962	2,407,836	2,106,685	1,722,113	609,817
Financed Equipment purchase liability	-	2,315,995	804,818	1,511,177	739,637
Right-to-Use subscription IT liability	15,769,599	6,383,404	5,500,050	16,652,953	4,167,558
Total	236,953,917	73,207,203	88,947,557	221,213,563	21,624,433
Due within one year	16,534,306			21,624,433	
Total long-term liabilities	$ 220,419,611			$ 199,589,130	

Note 4 – Long-term Liabilities (Continued)

The General Revenue Refunding Bonds, Series 2008A, and the General Revenue Refunding Variable Rate 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. In addition to the scheduled payments of $3,090,000 in 2016 and $3,660,000 in 2017, $64,955,000 was defeased through a refunding in 2016 and $4,505,000 was defeased through a refunding in 2017. The defeased bonds from 2016 were held in trust until callable on June 1, 2018 and the defeased bonds from 2017 were held in trust until callable on December 1, 2018. The interest rate on the Series 2008A bonds ranged from 4.13 percent to 5.00 percent and matured in 2019. The Series 2008B bonds mature in 2032.

The Series 2008B bonds bear interest based on a weekly rate determined by the remarketing agent (2.67 percent and 1.97 percent at June 30, 2026 and 2025, respectively). The bonds may be converted and subject to a different interest rate mode, provided certain conditions are met. The interest rate modes to which 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 a seven day 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 letter of credit will terminate at the final bond maturity date of December 1, 2031, unless the university initiates an early termination, which requires a 30 day prior written notice to the bank. In addition, the letter of credit contains a stated expiration date that will require extension or replacement after November 17, 2027.

The General Revenue Bonds, Series 2014A, were issued in February 2014 by the Board of Trustees to provide a portion of the funds needed to construct, furnish, and equip a classroom and laboratory building, a building for the relocation of the university's bookstore and printing activities, as well as an addition to Au Sable Hall, which are all located on the Allendale campus. This is a draw-down bond in which a portion was drawn during fiscal year 2014 and the remainder in fiscal year 2015.

The Series 2014A bonds bear interest of 3.33 percent and 3.92 percent at June 30, 2026 and 2025, respectively, based on a reset rate calculated as a factor of SOFR, plus an applicable spread. The bonds may be converted and subject to a different interest rate mode, provided certain conditions are met. The interest rate modes to which the bonds could potentially be converted include a daily-rate mode, a weekly-rate mode, a term-rate mode, a bank-rate mode, and a fixed-rate mode. The bonds mature in 2040.

The Series 2014A bonds were issued using a direct purchase agreement that identifies events of default requiring immediate payment of the outstanding debt if they are not cured within the allowable cure period. The primary events of default consist of (1) general revenues collected do not equal at least 200% of amounts required for debt service (principal, interest, and other related costs) during the preceding twelve months (2) the university's credit rating issued by S&P Global drops below BBB, or (3) the university fails to pay when due any amount of principal or interest.

The General Revenue Refunding Bonds, Series 2014B, were issued in September 2014 by the Board of Trustees for the advance refunding of $37,905,000 of Series 2009 bonds. In addition to the scheduled payment of $3,010,000, the remaining $26,750,000 of the bonds were defeased through a refunding in September 2024. The defeased bonds were held in trust until callable on December 2, 2024.

Note 4 – Long-term Liabilities (Continued)

The General Revenue Bonds, Series 2015A, were issued in June 2015 by the Board of Trustees to provide a portion of the funds needed to construct, furnish, and equip a student housing and academic building on the Allendale campus. In addition to the scheduled payment of $1,305,000, the remaining $19,510,000 of the bonds were defeased through a refunding in March 2025. The defeased bonds were held in trust until callable on June 1, 2025.

The General Revenue Refunding Bonds, Series 2016A, were issued in May 2016 by the Board of Trustees for the advance refunding of $64,955,000 of Series 2008A bonds. The interest rates on these bonds range from 3.00 percent to 5.00 percent. The bonds mature in 2034. The advance refunding resulted in a deferred outflow of $6,806,169, which is amortized over the life of the original debt.

The General Revenue Bonds, Series 2017, were issued in December 2017 by the Board of Trustees to provide a portion of the funds needed to construct, furnish, and equip Raleigh J. Finkelstein Hall on the Health Campus. In addition, $5,145,000 and $4,505,000 was used for the advance refunding of Series 2007A and Series 2008A bonds, respectively. In addition to the scheduled payment of $965,000, $14,315,000 was defeased through a refunding in September 2024. The defeased bonds were held in trust until callable on December 2, 2024. The interest rates on the Series 2017 bonds range from 3.125 percent to 4.00 percent. The bonds mature in 2037. The advance refunding resulted in a deferred outflow of $81,945, which is amortized over the life of the original debt.

The General Revenue Bonds, Series 2018, were issued in November 2018 by the Board of Trustees to provide a portion of the funds needed to construct, furnish, and equip a building and related facilities and improvements on the university's Health Campus. The interest rate on these bonds is 5.00 percent. The bonds mature in 2044.

The General Revenue Refunding Bonds, Series 2024A, were issued in September 2024 by the Board of Trustees for a full refunding of $26,750,000 of Series 2014B bonds and a partial refunding of $14,315,000 of Series 2017 Bonds. The interest rates on these bonds is 5.00 percent. The bonds mature in 2037. The difference between the cash flows to service the old debt and those required to service the new debt was a net reduction of $2,878,245. The economic gain (difference between the present value of the old and new debt service requirements, discounted at the effective interest rate) was $2,509,411. The advance refunding resulted in a deferred outflow of $388,043, which is amortized over the life of the original debt.

The General Revenue Refunding Bonds, Series 2025A, were issued in March 2025 by the Board of Trustees for a full refunding of $19,510,000 of Series 2015A bonds. The interest rates on these bonds is 5.00 percent. The bonds mature in 2037. The difference between the cash flows to service the old debt and those required to service the new debt was a net reduction of $1,417,050. The economic gain (difference between the present value of the old and new debt service requirements, discounted at the effective interest rate) was $1,238,911. The advance refunding resulted in a deferred outflow of $279,069, which is amortized over the life of the debt.

The university leases building space, laundry equipment, cell tower equipment and vehicles from external parties. In accordance with GASB 87, the university records right-to-use assets and lease liabilities based on the present value of expected payments over the term of the respective leases. The expected payments are discounted using the interest rate charged on the lease, if available, and are otherwise discounted using the university's incremental borrowing rate. The university did not have any significant leases with variable payments, and these are excluded from the valuations. For leases, including payments tied to an index or market rate, the valuation is based on the initial index or market rate. The university does not have any leases subject to a residual value guarantee.

Note 4 – Long-term Liabilities (Continued)

The university obtains the right to use of vendors' information technology software through various long-term contracts. Payments are generally fixed annually, with variable payments excluded from the valuations. In accordance with GASB 96, the university records right-to-use assets and subscription liabilities based on the present value of expected payments over the term of the respective contract. The expected payments are discounted using the interest rate charged on the subscription contract, if available and are otherwise discounted using the university's incremental borrowing rate.

The university financed an equipment purchase through a three year contract commencing in the year ended June 30, 2025. Payments are fixed annually. The university records financed purchase assets and liabilities based on the present value of expected payments over the term of the respective contract. The expected payments are discounted using the university's incremental borrowing rate.

Scheduled maturities of long-term liabilities are as follows:

	Revenue Bonds		Direct Purchase Bonds			Lease Liability		SBITA Liability		Financed Equipment Liability	
Fiscal Year	Principal	Interest	Principal	Interest	Annuities Payable	Principal	Interest	Principal	Interest	Principal	Interest
2027	14,610,000	6,349,548	1,670,000	759,574	87,538	544,181	41,771	4,586,004	688,402	771,539	15,766
2028	15,320,000	5,653,328	685,000	723,014	87,538	242,535	28,638	4,026,964	507,692	1	-
2029	16,070,000	4,922,780	770,000	698,560	87,538	68,862	22,319	3,705,121	345,634	-	-
2030	16,835,000	4,182,082	850,000	671,371	87,538	59,537	19,759	3,090,841	208,370	-	-
2031	13,960,000	3,523,710	945,000	641,229	23,528	63,832	17,140	3,050,792	70,982	-	-
2032-2036	51,720,000	9,483,466	10,280,000	2,323,979	-	264,396	43,978	-	-	-	-
2037-2041	13,850,000	2,215,638	8,580,000	560,824	-	46,771	18,554	-	-	-	-
2042-2046	3,965,000	269,375	-	-	-	61,349	6,191	-	-	-	-
University maturities	$ 146,330,000	$ 36,599,928	$ 23,780,000	$ 6,378,550	$ 373,680	$ 1,351,462	$ 198,349	$ 18,459,722	$ 1,821,080	$ 771,540	$ 15,766

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 position at June 30, 2026 and 2025. The fair value is calculated by the counterparty to the transactions and approximates the termination value of the interest rate swaps.

The fair value balances and notional amounts of the derivative instruments outstanding at June 30, 2026, classified by type, and the change in fair value of such derivative instruments for the year ended as reported in the 2026 financial statements are as follows:

	Changes in Fair Value		Fair Value at June 30, 2026		
Type	Classification	Amount	Classification	Amount	Notional
Hedging Derivatives					
Cash flow hedges:					
Pay-fixed interest rate swap	Deferred inflow of resources	$ 84,000	Asset	$ 2,718,000	23,780,000
Pay-fixed interest rate swap	Deferred outflow of resources	$ 337,500	Liability	$ (435,500)	16,795,000

Note 5 – Derivative Instruments (Continued)

The fair value balances and notional amounts of the derivative instruments outstanding at June 30, 2025, classified by type, and the change in fair value of such derivative instruments for the year ended as reported in the 2025 financial statements are as follows:

	Changes in Fair Value		Fair Value at June 30, 2025		
Type	Classification	Amount	Classification	Amount	Notional
Hedging Derivatives					
Cash flow hedges:					
Pay-fixed interest rate swap	Deferred inflow of resources	$ (619,000)	Asset	$ 2,634,000	25,370,000
Pay-fixed interest rate swap	Deferred outflow of resources	$ (147,000)	Liability	$ (773,000)	19,210,000

As of the Statement of Net Position date, the swap agreements can be summarized as follows:

Effective Date	Type	Objective	Notional Amount	Pay Terms	Receive Terms	Maturity Date	Counterparty Credit Rating
9/6/2007	Pay-fixed, Receive variable	Cash flow hedge for Series 2008B bonds	$ 16,795,000	3.616% Fixed	70% of one-month SOFR	12/1/2031	Aa3/A+
11/20/2019	Pay-fixed, Receive variable	Cash flow hedge for Series 2014A bonds	$ 23,780,000	1.388% Fixed	80% of one-month SOFR	12/1/2038	Aa3/A+

At June 30, 2026, the university holds two derivative instruments that are pay fixed, receivable-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. Both outstanding swap agreements are effective cash flow hedges.

Note 5 – Derivative Instruments (Continued)

The fair values of the interest rate swaps were calculated by an independent consultant as of June 30, 2026 and 2025. 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.

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 non-defaulting 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 non-defaulting party.

All of the contracts are held with one counterparty. That counterparty is rated Aa3/A+ at June 30, 2026.

Interest Rate Risk - The university is exposed to interest rate risk on its interest rate swaps. The university adopted the use of SOFR as a LIBOR replacement as of November 1, 2022. On its pay-fixed, receive-variable interest rate swaps, as SOFR rates decrease, the university's net payment on each swap increases.

Basis Risk - The university is exposed to basis risk on its SOFR/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, 2026 and 2025, the weighted average interest rate on the university's hedged variable-rate debt is 3.06 percent and 3.08 percent, respectively, while 70 percent of SOFR is 2.58 percent and 3.02 percent, respectively. The 80 percent of SOFR, used in the 2019 swap calculation is 2.94 percent and 3.45 percent as of June 30, 2026 and 2025, respectively.

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.

Hedging Derivative Instrument Payments and Hedged Debt - As of June 30, 2026, aggregate debt service requirements of the university's debt (fixed rate and variable rate) and net receipts/payments on associated hedging derivative instruments follow. 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.

Note 5 – Derivative Instruments (Continued)

Fiscal Year		Associated with Swap Agreements: Principal	Interest	Interest Rate Swaps - Net	Total
2027		4,190,000	1,168,920	(195,477)	5,163,443
2028		3,310,000	1,063,448	(205,237)	4,168,211
2029		3,505,000	967,200	(221,775)	4,250,425
2030		3,700,000	865,204	(238,209)	4,326,995
2031		3,915,000	757,106	(254,490)	4,417,616
2032-2036		13,375,000	2,358,618	(1,072,427)	14,661,191
2037-2040		8,580,000	560,825	(262,056)	8,878,769
	Total	$ 40,575,000	$ 7,741,321	$ (2,449,671)	$ 45,866,650

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's 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 $23,357,700 and $22,222,000 for the years ended June 30, 2026 and 2025, respectively. Total payroll covered under this plan was approximately $194,647,600 in 2026 and $185,183,800 in 2025.

Maintenance, Grounds, and Service staff hired after October 8, 2004 and Professional Support Staff hired on or after February 2, 2006 participate in a defined contribution plan with university contributions equal to 8 percent of wages. The university will also match the employees' contribution up to an additional 2 percent of wages. Participants become fully vested upon completion of two years of employment. Total expenses under this plan were approximately $2,149,400 in 2026 and $2,034,700 in 2025. Total payroll covered under this plan was approximately $23,811,900 in 2026 and $21,368,500 in 2025.

Note 6 – Retirement Plans (Continued)

Defined Benefit Plans

The university has two defined benefit retirement plans - the GVSU Professional Support Staff Employees' Retirement Plan and the GVSU Maintenance, Grounds, Service Employees' Retirement Plan.

Plan Administration - Grand Valley State University (GVSU) administers the GVSU Professional Support Staff Employees' Retirement Plan (PSSE), a single-employer defined benefit pension plan that provides pensions for all Professional Support Staff of the university hired before February 2, 2006, and the GVSU Maintenance, Grounds, Service Employees' Retirement Plan (MGSE), a single-employer defined benefit pension plan that provides pensions for all permanent full-time Maintenance, Grounds, and Service employees of the university hired before October 9, 2004. The management of the plans is vested in the Treasurer of the Board of Trustees. Benefit terms have been established by contractual agreements between the university and the various employee union representation; amendments are subject to the same process.

The financial statements of the plans are included in these financial statements as a pension trust fund (a fiduciary fund).

At July 1, 2025 and 2024, retirement plan membership consisted of the following:

	Professional Support Staff Employees' Plan		Maintenance, Grounds, Service Employees' Plan	
	2025	2024	2025	2024
Inactive plan members receiving benefits	283	279	93	87
Inactive members entitled to, not yet receiving benefits	77	82	4	5
Active plan members	73	77	29	38
Total participants	433	438	126	130

Benefits Provided - The plans provide retirement and death benefits. Retirement benefits for plan members are calculated as 1.9 percent of the member's calendar year salary for the highest five years out of the last 10 years multiplied by the member's years of service. Plan members with 10 years of continuous service are eligible to retire at age 65, or with reduced benefits, as early as age 55. Death benefits are equal to the present value of accrued benefits. A plan member who leaves the university with less than 10 years of continuous service may withdraw his or her contributions. The plan does not provide cost-of-living adjustments.

Contributions - Article 9, Section 24 of the Regulations of the State of Michigan constitution requires the financial benefits arising on account of service rendered each year be funded during that year. The university retains an actuary to determine the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. In addition, active members also contribute to the plan.

For the PSSE plan, through December 31, 2018, the active members' contribution rate was 4.5 percent, and 5.0 percent beginning January 1, 2019 and continues at 5.0 percent. The university's contribution rate of annual payroll was 31.1 percent and 24.9 percent for the years ended June 30, 2026 and 2025, respectively.

Note 6 – Retirement Plans (Continued)

For the MGSE plan, the active members' contribution rate increased from 4.25 percent to 6.25 percent beginning May 1, 2025 and continues at 6.25 percent. The university's contribution rate of annual payroll was 55.5 percent and 35.6 percent for the years ended June 30, 2026 and 2025, respectively.

Investments

Investment Policy - The retirement plan's policy in regard to the allocation of invested assets is established and may be amended by the Treasurer of the Board of Trustees in consultation with the GVSU Pension Plans Investment Committee. It is the policy of the Board of Trustees that the Treasurer pursue an investment strategy that is long term and primarily equity based. The retirement plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

The following was the asset allocation policy for the plans as of June 30, 2026 and 2025:

	Target Allocation	
Asset Class	2026	2025
Global equities	62%	62%
Fixed income	18%	18%
Cash	3%	3%
Real estate	10%	10%
Alternative Investments	7%	7%

Concentrations - The retirement plans held no investment in any one organization that represents 5 percent or more of the retirement plan's fiduciary net position.

Rate of Return - The annual money-weighted rate of return on retirement plan investments, net of retirement plan investment expense, was a gain of 15.7 percent and 11.8 percent for the years ended June 30, 2026 and 2025, respectively, for the PSSE plan. The annual money-weighted rate of return on retirement plan investments, net of retirement plan investment expense, was a gain of 15.7 percent and 11.8 percent for the years ended June 30, 2026 and 2025, respectively, for the MGSE plan. The money-weighted rate of return expresses investment performance, net of investment expense.

Note 6 – Retirement Plans (Continued)

The financial statements of the trust funds held for each retirement plan follow:

	Professional Support Staff Employees' Retirement Plan		Maintenance, Grounds, and Service Employees' Retirement Plan	
	Year Ended June 30		Year Ended June 30	
	2026	2025	2026	2025
Assets				
Money market funds	$ 2,805,932	$ 1,347,939	$ 1,301,847	$ 582,705
Time deposits	637,187	2,276,883	230,872	810,095
Domestic equities	27,800,137	26,183,161	11,008,179	10,246,610
International equities	11,108,933	10,668,204	4,424,866	4,176,134
Domestic bonds	17,854,647	14,509,718	6,050,749	4,828,060
International bonds	779,651	710,388	233,344	195,992
Alternative strategies	7,186,078	6,388,974	2,782,057	2,498,948
Total cash and cash equivalents and investments	68,172,565	62,085,267	26,031,914	23,338,544
Accrued income	159,558	149,501	52,976	51,130
Net Position - Restricted for Pensions	**$ 68,332,123**	**$ 62,234,768**	**$ 26,084,890**	**$ 23,389,674**

Note 6 – Retirement Plans (Continued)

Schedule of Changes in Fiduciary Net Position by Pension Trust Fund

	Professional Support Staff Employees' Retirement Plan		Maintenance, Grounds, and Service Employees' Retirement Plan	
	Year Ended June 30		Year Ended June 30	
	2026	2025	2026	2025
Additions				
Investment income:				
Interest and dividends	$ 1,855,347	$ 1,808,207	$ 704,227	$ 685,282
Appreciation in fair value of investments	2,883,451	4,764,902	1,165,699	1,856,637
Income (Loss) on sale of investments	4,253,070	(83,762)	1,641,552	(35,407)
Total investment income	8,991,868	6,489,347	3,511,478	2,506,512
Employer contributions	1,455,815	1,200,714	964,325	704,759
Other income	225,736	223,458	75,070	56,986
Total additions - Net	10,673,419	7,913,519	4,550,873	3,268,257
Benefit payments	4,460,384	4,333,484	1,793,392	1,666,774
Administrative expense	115,680	109,645	62,265	58,927
Total deductions	4,576,064	4,443,129	1,855,657	1,725,701
Net Increase	6,097,355	3,470,390	2,695,216	1,542,556
Net Position - Restricted for Pensions				
Beginning of year	62,234,768	58,764,378	23,389,674	21,847,118
End of year	**$ 68,332,123**	**$ 62,234,768**	**$ 26,084,890**	**$ 23,389,674**

Net Pension Liability of the University

The university's net pension liability was measured as of June 30, 2026 and 2025. The total pension liability used to calculate the net pension liability was determined by actuarial valuations as of July 1, 2025 and 2024, which used updated procedures to roll forward the estimated liability to June 30, 2026 and 2025, respectively.

Note 6 – Retirement Plans (Continued)

Changes in the net pension liability for the PSSE plan during the measurement years are as follows:

	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at June 30, 2024	**$ 70,137,308**	**$ 58,764,378**	**$ 11,372,930**
Changes for the Year			
Service cost - Beginning of year	350,500	-	350,500
Interest on average adjusted total pension liability	4,201,761	-	4,201,761
Differences between expected and actual experience	1,003,349	-	1,003,349
Changes in assumptions	(1,331,543)	-	(1,331,543)
Benefit payments, including refunds of member contributions	(4,333,484)	(4,333,484)	-
Contributions - Employer	-	1,200,714	(1,200,714)
Contributions - Member	-	223,458	(223,458)
Net investment income	-	6,489,347	(6,489,347)
Administrative expenses	-	(109,645)	109,645
Net Changes	(109,417)	3,470,390	(3,579,807)
Balance at June 30, 2025	**$ 70,027,891**	**$ 62,234,768**	**$ 7,793,123**
Changes for the Year			
Service cost - Beginning of year	348,471	-	348,471
Interest on average adjusted total pension liability	4,252,321	-	4,252,321
Differences between expected and actual experience	209,719	-	209,719
Changes in assumptions	(135,909)	-	(135,909)
Benefit payments, including refunds of member contributions	(4,460,385)	(4,460,385)	-
Contributions - Employer	-	1,455,815	(1,455,815)
Contributions - Member	-	225,737	(225,737)
Net investment income	-	8,991,868	(8,991,868)
Administrative expenses	-	(115,680)	115,680
Net Changes	214,217	6,097,355	(5,883,138)
Balance at June 30, 2026	**$ 70,242,108**	**$ 68,332,123**	**$ 1,909,985**

Note 6 – Retirement Plans (Continued)

Changes in the net pension liability for the MGSE plan during the measurement years are as follows:

	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at June 30, 2024	**$ 27,237,541**	**$ 21,847,118**	**$ 5,390,423**
Changes for the Year			
Service cost - Beginning of year	200,192	-	200,192
Interest on average adjusted total pension liability	1,636,168	-	1,636,168
Differences between expected and actual experience	914,306	-	914,306
Changes in assumptions	1,022,763	-	1,022,763
Change in benefit terms	105,089	-	105,089
Benefit payments, including refunds of member contributions	(1,666,774)	(1,666,774)	-
Contributions - Employer	-	704,759	(704,759)
Contributions - Member	-	56,986	(56,986)
Net investment income	-	2,506,512	(2,506,512)
Administrative expenses	-	(58,927)	58,927
Net Changes	2,211,744	1,542,556	669,188
Balance at June 30, 2025	**$ 29,449,285**	**$ 23,389,674**	**$ 6,059,611**
Changes for the Year			
Service cost - Beginning of year	187,069	-	187,069
Interest on average adjusted total pension liability	1,793,354	-	1,793,354
Differences between expected and actual experience	(864,286)	-	(864,286)
Changes in assumptions	(52,968)	-	(52,968)
Benefit payments, including refunds of member contributions	(1,793,392)	(1,793,392)	-
Contributions - Employer	-	964,325	(964,325)
Contributions - Member	-	75,070	(75,070)
Net investment income	-	3,511,478	(3,511,478)
Administrative expenses	-	(62,265)	62,265
Net Changes	(730,223)	2,695,216	(3,425,439)
Balance at June 30, 2026	**$ 28,719,062**	**$ 26,084,890**	**$ 2,634,172**

Note 6 – Retirement Plans (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the years ended June 30, 2026 and 2025, the university recognized pension expense of $251,457 and ($1,069,940) respectively, for the PPSE plan and $165,511 and $1,141,355 respectively, for the MSGE Plan.

At June 30, 2026, the university reported deferred outflows and inflows of resources related to pensions from the following sources:

	Professional Support Staff		Maintenance, Grounds, Service	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,076	$ -	$ -	$ 78,571
Changes in assumptions	-	1,346	-	4,815
Net difference between projected and actual earnings on plan investments	-	7,718,583	-	3,011,127
Total	$ 2,076	$ 7,719,929	$ -	$ 3,094,513

At June 30, 2025, the university reported deferred outflows and inflows of resources related to pensions from the following sources:

	Professional Support Staff		Maintenance, Grounds, Service	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 219,483	$ -	$ 328,212	$ -
Changes in assumptions	-	291,275	367,146	-
Net difference between projected and actual earnings on plan investments	-	2,966,741	-	1,163,246
Total	$ 219,483	$ 3,258,016	$ 695,358	$ 1,163,246

Note 6 – Retirement Plans (Continued)

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

Amortization of Deferred Outflows/Inflows Years Ended June 30	PPSE Amount Recognized	MSGE Amount Recognized
2027	$ (2,635,538)	$ (1,113,363)
2028	(2,358,803)	(911,666)
2029	(1,683,765)	(653,998)
2030	(1,039,747)	(415,486)
	$ (7,717,853)	$ (3,094,513)

Actuarial Assumptions - The total pension liability as of June 30, 2026 and 2025 for both plans was determined by an actuarial valuation as of July 1, 2025 and 2024, respectively, using updated procedures and the following actuarial assumptions, applied to all periods included in the measurement:

Salary increases including inflation, PPSE	2.75%
Salary increases including inflation, MSGE	3.00%
Investment rate of return	6.26% as of July 1, 2026 and 6.24% as of July 1, 2025, net of pension plan investment expense

For the July 1, 2025 actuarial valuation, the mortality was used from the PUB-2016 Mortality for Public Plans. The mortality scale remained unchanged at the 2024 IRS Adjusted Improvement Scale MP-2021, since the prior measurement date. There were no significant changes in benefit terms during either period.

Discount Rate - The discount rate used to measure the total pension liability of the PPSE plan was 6.26 percent and 6.24 percent for years ended June 30, 2026 and 2025, respectively. The discount rate used to measure the total pension liability of the MSGE plan was 6.26 percent and 6.24 percent for the years ended June 30, 2026 and 2025, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that university contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the retirement plan's fiduciary net position is projected to be available to make all projected future benefit payments of active and inactive plan members.

Note 6 – Retirement Plans (Continued)

The long-term expected rate of return on retirement plan investments for both plans was determined using a building-block model in which best-estimate ranges of expected future real rates of return (expected returns, net of retirement plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return as of June 30, 2026 and 2025 (see discussion of the retirement plans' investment policy) are summarized in the table below:

Asset Class	Target Allocation	2026 Long-term Expected Real Rate of Return	2025 Long-term Expected Real Rate of Return
Global equities	62%	7.12%	7.06%
Fixed income	18%	3.79%	3.82%
Cash	3%	2.17%	2.29%
Real estate	10%	8.95%	8.75%
Alternatives	7%	2.89%	3.41%

The sum of the target allocations times the long-term expected rates is 6.26 percent and 6.24 percent for years ended June 30, 2026 and 2025, respectively.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the university, calculated using the current discount rates, as well as what the university's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate for each plan.

For the year ended June 30, 2026:

Plan	1% Decrease	Current Discount Rate	1% Increase
Professional Support Staff Employees' Plan	$ 9,272,089	$ 1,909,985	$ (4,368,630)
Maintenance, Grounds, Service Employees' Plan	$ 5,494,474	$ 2,634,172	$ 179,808

For the year ended June 30, 2025:

Plan	1% Decrease	Current Discount Rate	1% Increase
Professional Support Staff Employees' Plan	$ 15,306,422	$ 7,793,393	$ 1,404,202
Maintenance, Grounds, Service Employees' Plan	$ 9,064,592	$ 6,059,611	$ 3,480,932

Note 6 – Retirement Plans (Continued)

Other Postemployment Benefit Plan (OPEB)

During the fiscal year, the university terminated its Other Postemployment Benefit Plan (OPEB), a single-employer defined benefit plan that provides certain healthcare benefits for retired faculty and staff through full settlement of all remaining obligations to participants. As a result, the Net OPEB Liability was extinguished. In accordance with GASB Statement No. 75, all remaining deferred inflows and outflows of resources related to OPEB were recognized immediately in OPEB expense, as no future service period exists. The difference between the recorded liability and the settlement amount was recognized in the current period and was insignificant. Following the settlement, the university has no remaining OPEB liability at June 30, 2026.

Additional information regarding the plan prior to settlement follows:

Plan Description - The plan requirements were established and may be amended by the university's Board of Trustees. Substantially all of the university's employees hired prior to January 1, 2014 became 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.

As of June 30,2025, the plan covered 2,328 members which included 1,056 active members, 894 inactive members receiving benefits and 378 covered spouses of retirees and no active members contributed to the plan. On January 1, 2014, the plan was closed to new participants. No assets were accumulated in a trust that met the criteria in paragraph 4 of GASB Statement No. 75,

Funding Policy - The plan's policy was that the employer will fund the plan on a pay-as-you-go basis. An investment fund was established for the purpose of prefunding retiree benefits, with a market value of $0 and $25,927,246 at June 30, 2026 and 2025, respectively. However, because the funds are not held in an irrevocable trust, these assets are excluded for GASB Statement No. 75 purposes.

Note 6 – Retirement Plans (Continued)

Total OPEB Liability - The June 30, 2025 total OPEB liability was measured as of June 30, 2025 based on an actuarial valuation performed at June 30, 2025 in compliance with GASB Statement No. 75. At June 30, 2026, the liability is $0 due to settlement and termination of the plan. Changes in the total OPEB liability for the two year period follows:

	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at June 30, 2024	**$ 19,102,152**	**$ -**	**$ 19,102,152**
Changes for the Year			
Service cost - Beginning of year	290,360	-	290,360
Interest on average adjusted total OPEB liability	796,134	-	796,134
Differences between expected and actual experience	-	-	-
Changes in assumptions	(1,671,439)	-	(1,671,439)
Benefits payments, including refunds of member contributions	(963,920)	(963,920)	-
Contributions - Employer	-	963,920	(963,920)
Net Changes	(991,300)	-	(991,300)
Balance at June 30, 2025	**$ 18,110,852**	**$ -**	**$ 18,110,852**
Changes for the Year			
Service cost - Beginning of year	-	-	-
Interest on average adjusted total OPEB liability	-	-	-
Difference between expected and actual experience	(140,668)		(140,668)
Changes in assumptions	2,976,426	-	2,976,426
Benefits payments, including refunds of member contributions	(20,946,610)	-	- (20,946,610)
Net Changes	(18,110,852)	-	(18,110,852)
Balance at June 30, 2026	**$ -**	**$ -**	**$ -**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2026, the university recognized OPEB expense of $0 due to the settlement and termination of the plan. For the year ended June 30, 2025, the university recognized OPEB expense of $386,486.

Note 6 – Retirement Plans (Continued)

At June 30, 2025, the university reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 825,557	$ 684,889
Changes in assumptions	883,848	3,731,303
Total	$ 1,709,405	$ 4,416,192

Actuarial Assumptions - The total OPEB liability in the June 30, 2025 actuarial valuation was determined using an inflation assumption of 0 percent as assets held are not allowable for inclusion under GASB 75 requirements; assumed salary increases (including inflation) of 3.0 percent; an investment rate of 0 percent as assets held were not allowable for inclusion under GASB 75 requirements; a healthcare cost trend rate of 7.5 percent 2025; and used the Public Teacher 2016 mortality tables with the 2024 IRS modified MP-2021 improvement scale in 2025.

Discount Rate - The discount rate used to measure the total OPEB liability was 4.81 percent at June 30, 2025. The impact of this change was presented as a change in assumption. Because the plan does not have an irrevocable OPEB trust, there are not assets projected to be sufficient to make projected future benefit payment to current plan members, and therefore the discount rate reflects the S & P Municipal Bond 20 Year High Grade Rate Index.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the university, as well as what the university's total liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate at June 30, 2025.

June 30, 2025	1% Decrease	Current Discount Rate 4.81%	1% Increase
Total OPEB Liability	$ 20,052,454	$ 18,110,852	$ 16,448,187
Plan Fiduciary Net Position	-	-	-
Net OPEB Liability	**$ 20,052,454**	**$ 18,110,852**	**$ 16,448,187**

Note 6 – Retirement Plans (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following presents the total OPEB liability of the university, calculated using the pertinent healthcare cost trend rate of 7.5 percent for 2025 as well as what the university's total liability would be if it were calculated using a healthcare cost trend that is 1 percentage point lower or 1 percentage point higher than the current rate:

June 30, 2025	1% Decrease	Current Healthcare Trend Rate 7.5%	1% Increase
Total OPEB Liability	$ 18,087,274	$ 18,110,852	$ 18,137,420
Plan Fiduciary Net Position	-	-	-
Net OPEB Liability	**$ 18,087,274**	**$ 18,110,852**	**$ 18,137,420**

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 following buildings:

- Padnos College of Engineering and Computing (Pew Campus in downtown Grand Rapids)
- Graduate School of Business and Graduate Library Building (Pew Campus)
- P. Douglas Kindschi Hall of Science (Allendale Campus)
- Daniel and Pamella DeVos Center for Interprofessional Health (Health Campus in downtown Grand Rapids)

The projects were financed in part by SBA bond issuances, which are secured by a pledge of rentals to be received by the State of Michigan pursuant to an arrangement between the SBA, the State of Michigan, and the university. While the SBA bonds are outstanding, the SBA will hold title to the respective building, although the university has capitalized the building and pays all operating and maintenance costs. Once the SBA bonds are fully paid, the SBA will transfer title of the building to the university.

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 $300,000 per individual in fiscal year 2026 and 2025, with no lifetime limit. The workers' compensation stop-loss insurance continues to limit its liability for claims paid per individual to $500,000. Current liabilities for estimated claims retained by the university under self-insurance programs have been established at $3,555,513 and $3,389,495 as of June 30, 2026 and 2025, respectively.

	2026	2025	2024
Balance - Beginning of year	$ 3,389,495	$ 2,319,081	$ 2,145,075
Claims incurred and changes in estimates	49,122,149	37,517,666	36,569,078
Claim payments	(48,956,131)	(36,447,252)	(36,395,072)
Balance - End of year	$ 3,555,513	$ 3,389,495	$ 2,319,081

Note 8 – Contingencies (Continued)

The university established a line of credit as required by a particular utility agreement. To secure payment for this agreement, the university requested a $450,000 letter of credit during August 2007, which has been extended through March 31, 2029. As of June 30, 2026, there were no funds drawn.

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 2026 and 2025, there are 11 universities participating 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.

Pursuant to State of Michigan Public Act 362 of 1993, as amended, the university has previously authorized 62 public school academies. All 62 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 $422,488,850 and $407,824,870 was appropriated by the State in 2026 and 2025, respectively, to be allocated to the public school academies, net of approximately a 3.0 percent administrative fee retained by the university. At June 30, 2026, $75,413,268 was outstanding as a receivable from the State, of which $73,548,493 was subsequently forwarded to support the public school academies. At June 30, 2025, $76,446,060 was outstanding as a receivable from the State, of which $74,507,276 was subsequently forwarded to support the public school academies. This activity is treated as a fiduciary custodial transaction. However, it meets the business-type activities exception and therefore is not included as revenue and expenditures on the accompanying financial statements.

Note 9 – Subsequent Events

The State of Michigan has approved the 2027 fiscal year appropriation of $102,699,600, which includes $3,911,200 of one-time operations funding under Sec 236d of Enrolled House Bill No. 5630.

In July 2026, the university purchased the John G. Russell building adjacent to Pew Campus in downtown Grand Rapids for $9 million.

Note 10 – Upcoming Pronouncements

In December 2025, the Governmental Accounting Standards Board issued Statement No. 105, *Subsequent Events*, which improves financial reporting requirements for subsequent events by clarifying the subsequent events time frame and the distinction between recognized and nonrecognized events. This statement also establishes specific note disclosure requirements and requires disclosure of the date through which subsequent events have been evaluated. The provisions of this statement are effective for the university's financial statements for the year ending June 30, 2027.

Required Supplementary Information

Required Supplementary Information
Professional Support Staff Employee's Retirement Plan
Schedule of Changes in the Plan's Net Pension Liability and Related Ratios

	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total Pension Liability (TPL)										
Service cost - Beginning of year	$ 348,471	$ 350,500	$ 425,661	$ 532,262	$ 527,546	$ 610,659	$ 701,687	$ 718,850	$ 797,818	$ 718,706
Interest on average adjusted TPL	4,252,321	4,201,761	4,165,088	4,125,654	4,284,466	4,153,358	4,120,388	4,103,753	3,976,774	3,918,820
Difference between expected and actual experience	209,719	1,003,349	110,993	(771,419)	(469,744)	561,716	(780,109)	(787,903)	209,400	197,571
Changes in assumptions	(135,909)	(1,331,543)	(2,042,353)	(1,880,873)	6,705,695	(2,519,297)	(484,636)	1,935,559	(312,926)	5,444,091
Benefits payments, including refunds of member contributions	(4,460,385)	(4,333,484)	(4,195,779)	(4,105,628)	(3,918,551)	(3,586,482)	(3,138,347)	(2,761,440)	(2,515,721)	(2,183,758)
Net change in total pension liability	214,217	(109,417)	(1,536,390)	(2,100,004)	7,129,412	(780,046)	418,983	3,208,819	2,155,345	8,095,430
Total pension liability - Beginning of year	70,027,891	70,137,308	71,673,698	73,773,702	66,644,290	67,424,336	67,005,353	63,796,534	61,641,189	53,545,759
Total pension liability - End of year	**$ 70,242,108**	**$ 70,027,891**	**$ 70,137,308**	**$ 71,673,698**	**$ 73,773,702**	**$ 66,644,290**	**$ 67,424,336**	**$ 67,005,353**	**$ 63,796,534**	**$ 61,641,189**
Plan Fiduciary Net Position										
Contributions - Employer	$ 1,455,815	$ 1,200,714	$ 1,170,700	$ 809,389	$ 1,195,438	$ 1,464,957	$ 1,680,087	$ 1,846,741	$ 2,080,143	$ 2,078,728
Contributions - Member	225,737	223,458	241,308	258,661	281,682	342,492	330,806	347,440	305,305	286,728
Net investment income (loss)	8,991,868	6,489,347	6,445,019	4,379,029	(6,865,266)	12,668,293	2,005,546	2,961,581	4,032,968	4,633,461
Administrative expenses	(115,680)	(109,645)	(101,878)	(98,671)	(114,441)	(109,160)	(155,623)	(197,614)	(200,506)	(186,466)
Other	-	-	-	114	243	-	579,138	-	-	-
Benefit payments, including refunds of member contributions	(4,460,385)	(4,333,484)	(4,195,779)	(4,105,628)	(3,918,551)	(3,586,482)	(3,138,347)	(2,761,440)	(2,515,721)	(2,183,758)
Net change in plan fiduciary net position	6,097,355	3,470,390	3,559,370	1,242,894	(9,420,895)	10,780,100	1,301,607	2,196,708	3,702,189	4,628,693
Plan fiduciary net position - Beginning of year	62,234,768	58,764,378	55,205,008	53,962,114	63,383,009	52,602,909	51,301,302	49,104,594	45,402,405	40,773,712
Plan fiduciary net position - End of year	**$ 68,332,123**	**$ 62,234,768**	**$ 58,764,378**	**$ 55,205,008**	**$ 53,962,114**	**$ 63,383,009**	**$ 52,602,909**	**$ 51,301,302**	**$ 49,104,594**	**$ 45,402,405**
Net pension liability - End of year	**$ 1,909,985**	**$ 7,793,123**	**$ 11,372,930**	**$ 16,468,690**	**$ 19,811,588**	**$ 3,261,281**	**$ 14,821,427**	**$ 15,704,051**	**$ 14,691,940**	**$ 16,238,784**
Plan fiduciary net position as a percentage of total pension liability	97.3%	88.9%	83.8%	77.0%	73.1%	95.1%	78.0%	76.6%	77.0%	73.7%
Covered payroll	$ 4,681,197	$ 4,829,439	$ 4,916,775	$ 4,910,942	$ 5,455,790	$ 7,428,812	$ 7,515,171	$ 8,001,192	$ 10,857,657	$ 9,966,093
Net pension liability as a percentage of covered payroll	40.8%	161.4%	231.3%	335.3%	363.1%	43.9%	197.2%	196.3%	135.3%	162.9%

Required Supplementary Information
Professional Support Staff Employee's Retirement Plan
Schedule of Investment Returns

	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Annual money-weighted rate of return, net of investment expense	15.7%	11.8%	13.0%	9.4%	-11.6%	27.9%	2.7%	5.8%	9.7%	12.8%

Required Supplementary Information
Professional Support Staff Employee's Retirement Plan
Schedule of Employer Contributions

	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Actuarially determined contribution offset by employee contributions	$ 1,255,795	$ 1,096,584	$ 1,172,703	$ 1,061,381	$ 1,115,729	$ 1,529,466	$ 1,609,192	$ 1,754,781	$ 1,913,108	$ 2,101,207
Actual contributions by the University	1,455,815	1,200,714	1,170,700	809,389	1,195,438	1,464,957	1,680,087	1,846,741	2,080,143	2,078,728
Contribution deficiency (excess)	(200,020)	(104,130)	2,003	251,992	(79,709)	64,509	(70,895)	(91,960)	(167,035)	22,479
Covered payroll	4,681,197	4,829,439	4,916,775	4,910,942	5,455,790	7,428,812	7,515,171	8,001,192	10,857,657	9,966,093
Actual contributions as a percentage of covered payroll	31.1%	24.9%	23.8%	16.5%	21.9%	19.7%	22.4%	23.1%	19.2%	20.9%

Required Supplementary Information
Professional Support Staff Employee's Retirement Plan
Notes to Required Supplementary Information

	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Discount rate	6.26%/year	6.24%/year	6.15%/year	5.95%/year	5.71%/year	6.57%/year	6.27%/year	6.23%/year	6.50%/year	6.50%/year
Funding	6.50%/year	6.50%/year	6.50%/year	6.50%/year	6.50%/year	6.50%/year	6.50%/year	6.50%/year	6.50%/year	6.50%/year
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortizaton method	Level dollar amount, closed	Level dollar amount, closed	Level dollar amount, closed	Level dollar amount, closed	Level dollar amount, closed	Level dollar amount, closed	Level dollar amount, closed	Level dollar amount, closed	Level dollar amount, closed	Level dollar amount, closed
Remaining amortization period	13 years	14 years	15 years	16 years	17 years	18 years	19 years	20 years	21 years	22 years
Asset valuation method	4-year moving market value average	4-year moving market value average	4-year moving market value average	4-year moving market value average	4-year moving market value average	4-year moving market value average	4-year moving market value average	4-year moving market value average	4-year moving market value average	4-year moving market value average
Salary increases (including inflation)	2.75%	2.75%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Mortality	PUB-2016 Mortality for Public Plans 2024 IRS modified MP-2021	PUB-2016 Mortality for Public Plans 2024 IRS modified MP-2021	RP-2014 with Projection Table MP-2021	RP-2014 with Projection Table MP-2021	RP-2014 with Projection Table MP-2020	RP-2014 with Projection Table MP-2019	RP-2014 with Projection Table MP-2018	RP-2014 with Projection Table MP-2017	RP-2014 with Projection Table MP-2018	RP-2014 with Projection Table MP-2014
Changes in Benefit Terms	None	None	None	None	None	None	Participants' eligible age for early retirement from 55 to 60	None	None	None

Required Supplementary Information
Maintenance, Grounds, Service Employees' Retirement Plan
Schedule of Changes in the Plan's Net Pension Liability and Related Ratios

	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total Pension Liability (TPL)										
Service cost - Beginning of year	$ 187,069	$ 200,192	$ 206,768	$ 233,183	$ 197,176	$ 236,543	$ 279,560	$ 265,172	$ 318,061	$ 284,832
Interest on average adjusted TPL	1,793,354	1,636,168	1,597,884	1,547,661	1,639,495	1,600,115	1,602,853	1,571,020	1,535,483	1,547,098
Differences between expected and actual experience	(864,286)	914,306	183,856	221,686	(449,977)	(67,173)	(568,836)	252,845	5,766	(50,039)
Changes in assumptions	(52,968)	1,127,852	(632,453)	(654,211)	2,268,217	(864,928)	(178,142)	651,124	(132,170)	1,865,214
Benefits payments, including refunds of member contributions	(1,793,392)	(1,666,774)	(1,533,853)	(1,608,367)	(1,473,258)	(1,388,918)	(1,211,502)	(1,180,738)	(1,074,315)	(1,024,385)
Net change in total pension liability	(730,223)	2,211,744	(177,798)	(260,048)	2,181,653	(484,361)	(76,067)	1,559,423	652,825	2,622,720
Total pension liability - Beginning of year	29,449,285	27,237,541	27,415,339	27,675,387	25,493,734	25,978,095	26,054,162	24,494,739	23,841,914	21,219,194
Total pension liability - End of year	**$ 28,719,062**	**$ 29,449,285**	**$ 27,237,541**	**$ 27,415,339**	**$ 27,675,387**	**$ 25,493,734**	**$ 25,978,095**	**$ 26,054,162**	**$ 24,494,739**	**$ 23,841,914**
Plan Fiduciary Net Position										
Contributions - Employer	$ 964,325	$ 704,759	$ 663,686	$ 501,383	$ 614,659	$ 730,977	$ 846,413	$ 829,005	$ 904,245	$ 908,222
Contributions - Member	75,070	56,986	79,069	93,675	102,109	102,842	113,610	112,328	123,132	134,960
Net investment income (loss)	3,511,478	2,506,512	2,466,670	1,681,041	(2,521,062)	4,755,886	624,612	1,065,492	1,485,370	1,741,566
Administrative expenses	(62,265)	(58,927)	(55,810)	(54,129)	(60,678)	(58,280)	(54,590)	(51,172)	(53,062)	(50,013)
Other	-	-	-	35	78	-	20	-	-	-
Benefit payments, including refunds of member contributions	(1,793,392)	(1,666,774)	(1,533,853)	(1,608,367)	(1,473,258)	(1,388,918)	(1,211,502)	(1,180,738)	(1,074,315)	(1,024,385)
Net change in plan fiduciary net position	2,695,216	1,542,556	1,619,762	613,638	(3,338,152)	4,142,507	318,563	774,915	1,385,370	1,710,350
Plan fiduciary net position - Beginning of year	23,389,674	21,847,118	20,227,356	19,613,718	22,951,870	18,809,363	18,490,800	17,715,885	16,330,515	14,620,165
Plan fiduciary net position - End of year	**$ 26,084,890**	**$ 23,389,674**	**$ 21,847,118**	**$ 20,227,356**	**$ 19,613,718**	**$ 22,951,870**	**$ 18,809,363**	**$ 18,490,800**	**$ 17,715,885**	**$ 16,330,515**
Net pension liability - End of year	**$ 2,634,172**	**$ 6,059,611**	**$ 5,390,423**	**$ 7,187,983**	**$ 8,061,669**	**$ 2,541,864**	**$ 7,168,732**	**$ 7,563,362**	**$ 6,778,854**	**$ 7,511,399**
Plan fiduciary net position as a percentage of total pension liability	90.8%	79.4%	80.2%	73.8%	70.9%	90.0%	72.4%	71.0%	72.3%	68.5%
Covered payroll	$ 1,737,267	$ 1,979,120	$ 2,195,318	$ 2,545,503	$ 2,662,649	$ 3,093,181	$ 2,971,700	$ 2,984,013	$ 3,716,780	$ 3,435,936
Net pension liability as a percentage of covered payroll	151.6%	306.2%	245.5%	282.4%	302.8%	82.2%	241.2%	253.5%	182.4%	218.6%

Required Supplementary Information
Maintenance, Grounds, Service Employees' Retirement Plan
Schedule of Investment Returns

	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Annual money-weighted rate of return, net of investment expense	15.7%	11.8%	13.0%	9.4%	-11.6%	27.7%	2.5%	5.8%	9.6%	12.8%

Required Supplementary Information
Maintenance, Grounds, Service Employees' Retirement Plan
Schedule of Employer Contributions

	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Actuarially determined contribution offset by employee contributions	$ 969,948	$ 627,738	$ 693,112	$ 591,049	$ 568,847	$ 720,913	$ 777,954	$ 857,482	$ 867,707	$ 905,259
Actual contributions by University	964,325	704,759	663,686	501,383	614,659	730,977	846,413	829,005	904,245	908,222
Contribution deficiency (excess)	5,623	(77,021)	29,426	89,666	(45,812)	(10,064)	(68,459)	28,477	(36,538)	(2,963)
Covered payroll	1,737,267	1,979,120	2,195,318	2,545,503	2,662,649	3,093,181	2,971,700	2,984,013	3,716,780	3,435,936
Actual contributions as a percentage of	55.5%	35.6%	30.2%	19.7%	23.1%	23.6%	28.5%	27.8%	24.3%	26.4%

Required Supplementary Information
Maintenance, Grounds, Service Employees' Retirement Plan
Notes to Required Supplementary Information

	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Discount rate	6.26%/year	6.24%/year	6.15%/year	5.95%/year	5.71%/year	6.57%/year	6.27%/year	6.23%/year	6.50%/year	6.50%/year
Funding	6.50%/year	6.50%/year	6.50%/year	6.50%/year	6.50%/year	6.50%/year	6.50%/year	6.50%/year	6.50%/year	6.50%/year
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level dollar amount, closed	Level dollar amount, closed	Level dollar amount, closed	Level dollar amount, closed	Level dollar amount, closed	Level dollar amount, closed	Level dollar amount, closed	Level dollar amount, closed	Level dollar amount, closed	Level dollar amount, closed
Remaining amortization period	13 years	14 years	15 years	16 years	17 years	18 years	19 years	20 years	21 years	22 years
Asset valuation method	4-year moving market value average	4-year moving market value average	4-year moving market value average	4-year moving market value average	4-year moving market value average	4-year moving market value average	4-year moving market value average	4-year moving market value average	4-year moving market value average	4-year moving market value average
Salary increases (including inflation)	3.0%	3.0%	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Mortality	PUB-2016 Mortality for Public Plans 2024 IRS modified MP-2021	PUB-2016 Mortality for Public Plans 2024 IRS modified MP-2021	RP-2014 with Projection Table MP-2021	RP-2014 with Projection Table MP-2021	RP-2014 with Projection Table MP-2020	RP-2014 with Projection Table MP-2019	RP-2014 with Projection Table MP-2018	RP-2014 with Projection Table MP-2018	RP-2014 with Projection Table MP-2016	RP-2014 with Projection Table MP-2014
Changes in Benefit Terms	None	None	None	None	None	None	None	None	None	None

Required Supplementary Information
Other Postemployment Benefits
Schedule of Changes in OPEB Liability and Related Ratios

	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability									
Service cost	$ -	$ 290,360	$ 309,726	$ 359,712	$ 745,442	$ 622,951	$ 622,951	$ 719,962	$ 725,755
Interest	-	796,134	795,284	758,192	509,000	609,325	703,145	614,057	612,140
Difference between expected and actual experience	(140,668)	557,565	(170,890)	629,059	(143,511)	(1,079,291)	(314,544)	175,403	(111,193)
Changes in assumptions	2,976,426	(1,671,439)	(345,441)	(70,745)	(4,557,776)	1,087,927	1,676,212	(301,810)	220,509
Benefits payments, including refunds of member contributions	(20,946,610)	(963,920)	(866,137)	(949,219)	(1,007,419)	(836,133)	(579,322)	(725,085)	(713,556)
Net change in total OPEB liability	(18,110,852)	(991,300)	(277,458)	726,999	(4,454,264)	404,779	2,108,442	482,527	733,655
Total OPEB liability - Beginning of year	18,110,852	19,102,152	19,379,610	18,652,611	23,106,875	22,702,096	20,593,654	20,111,127	19,377,472
Total OPEB liability - End of year	-	18,110,852	19,102,152	19,379,610	18,652,611	23,106,875	22,702,096	20,593,654	20,111,127
Plan Fiduciary Net Position									
Contributions/benefit payments made from general operating funds	-	963,920	866,137	949,219	1,007,419	836,133	579,322	725,085	713,556
Benefit payments, including refunds of member contributions	-	(963,920)	(866,137)	(949,219)	(1,007,419)	(836,133)	(579,322)	(725,085)	(713,556)
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-	-
Net OPEB liability - End of year	$ -	$ 18,110,852	$ 19,102,152	$ 19,379,610	$ 18,652,611	$ 23,106,875	$ 22,702,096	$ 20,593,654	$ 20,111,127
Covered payroll	-	114,318,000	108,561,800	100,255,000	106,292,000	120,567,500	125,070,500	128,421,700	132,267,000
Net OPEB liability as a percentage of covered payroll	-	15.84%	17.60%	19.33%	17.55%	19.17%	18.15%	16.04%	15.20%

Required Supplementary Information
Other Postemployment Benefits
Notes to Required Supplementary Information

	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Discount rate	-	4.81%	4.21%	4.13%	4.09%	2.18%	2.66%	3.36%	3.00%
Salary increases (including inflation)	-	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Healthcare cost trend rate	-	7.50%	7.25%	7.25%	6.00%	6.50%	7.00%	7.50%	8.00%
Mortality	None	PUB-2016 Mortality for Public Plans 2024 IRS modified MP-2021	RP-2014 with Projection Table 2024 IRS Adjusted Improvement Scale MP-2021	RP-2014 with Projection Table MP-2021	RP-2014 with Projection Table MP-2021	RP-2014 with Projection Table MP-2020	RP-2014 with Projection Table MP-2019	RP-2014 with Projection Table MP-2018	RP-2014 with Projection Table MP-2017
Changes in Benefit Terms	Plan Settled	None	None	None	None	None	None	None	None