NEW ISSUE – BOOK-ENTRY-ONLY

<u>RATINGS</u>
Moody's: "Aa3"
S&P: "A+"
See "BOND RATINGS" herein

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel to the Board, subject to compliance with certain covenants, under existing law, (i) interest on the Bonds is excludable from gross income for federal income tax purposes, (ii) interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax, and (iii) the Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan, except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein and APPENDIX D hereto.

WAYNE STATE UNIVERSITY

$65,515,000
BOARD OF GOVERNORS OF WAYNE STATE UNIVERSITY
General Revenue Bonds, Series 2025A

Dated: Date of Delivery **Due: November 15, as shown on the inside cover**

The General Revenue Bonds, Series 2025A (the "**Bonds**") will bear interest from their date of delivery at the rates, and will mature on the dates and in the amounts, as shown on the inside front cover of this Official Statement. Interest on the Bonds will be payable on each May 15 and November 15, commencing on May 15, 2026.

The Bonds are being issued pursuant to a Trust Indenture, dated as of September 1, 2025 (the "**Trust Indenture**"), between the Board of Governors of Wayne State University (the "**Board**") and The Bank of New York Mellon Trust Company, N.A., as trustee (the "**Trustee**"), for the purposes described herein.

The Bonds will be issued as fully-registered bonds and initially will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("**DTC**"). DTC will act as securities depository for the Bonds. Purchases of Bonds will be made in book-entry-only form. Beneficial Owners (as hereinafter defined) will not receive certificates representing their interests in the Bonds purchased. Payments of principal or the redemption price of, and interest on, the Bonds, will be made by the Trustee to DTC and will be made to Beneficial Owners by DTC Participants or Indirect Participants (each as hereinafter defined). See APPENDIX F – "BOOK-ENTRY-ONLY SYSTEM." Purchases of beneficial interests in the Bonds will be made in denominations of $5,000 or any integral multiple thereof.

The Bonds are subject to redemption prior to maturity as more fully described in this Official Statement.

The Bonds are limited obligations of the Board, payable solely from and secured solely by an irrevocable pledge of General Revenues of the Board, as provided in the Trust Indenture, on a parity basis with the pledge of General Revenues securing certain outstanding debt of the Board. See "SECURITY FOR THE BONDS" herein. The Bonds do not constitute a general obligation debt of the Board, the State of Michigan (the "State") or any political subdivision of the State and neither the credit nor the taxing power of the State or any political subdivision of the State is pledged for the payment of the Bonds.

The Bonds are offered when, as and if issued by the Board and received by the Underwriter, subject to withdrawal or modification of the offer without notice, and to the approval of legality by Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel. Certain matters will be passed on for the Underwriter by its counsel, Dickinson Wright PLLC. It is expected that the Bonds in definitive form will be available for delivery through DTC on or about September 10, 2025.

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, including the Appendices, to obtain information essential to making an informed investment decision.

BofA Securities

The date of this Official Statement is August 21, 2025

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP INFORMATION

$65,515,000
BOARD OF GOVERNORS OF WAYNE STATE UNIVERSITY
General Revenue Bonds, Series 2025A

Serial Bonds

Due November 15	Principal Amount	Interest Rate	Yield	CUSIP† (946303)
2026	$ 695,000	5.00%	2.49%	J62
2027	3,210,000	5.00	2.51	J70
2028	3,370,000	5.00	2.52	J88
2029	3,545,000	5.00	2.60	J96
2030	3,735,000	5.00	2.73	K29
2031	3,930,000	5.00	2.94	K37
2032	4,120,000	5.00	3.13	K45
2033	605,000	5.00	3.31	K52
2034	635,000	5.00	3.54	K60
2035	4,660,000	5.00	3.70	K78
2036	4,905,000	5.00	3.90*	K86
2037	5,155,000	5.00	4.05*	K94
2038	5,410,000	5.00	4.18*	L28
2039	820,000	5.00	4.31*	L36
2040	855,000	5.00	4.43*	L44
2041	900,000	5.00	4.55*	L51
2042	950,000	5.00	4.67*	L69
2043	1,000,000	5.00	4.78*	L77
2044	1,050,000	5.00	4.86*	L85
2045	1,105,000	5.00	4.92*	L93

Term Bonds

$6,460,000 5.25% Term Bonds Due November 15, 2050; Yield 5.05%*; CUSIP†: 946303M27
$8,400,000 5.25% Term Bonds Due November 15, 2055; Yield 5.13%*; CUSIP†: 946303M35

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* Yield to November 15, 2035 first optional redemption date..

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Board, the Trustee or the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers. CUSIP® numbers are subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, redemption or defeasance in whole or in part of the Bonds.

REGARDING THIS OFFICIAL STATEMENT

The information in this Official Statement has been obtained from the Board of Governors of Wayne State University (the "**Board**") and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. No dealer, salesperson or any other person has been authorized to give any information or to make any representation other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by the Board. Any information or expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create an implication that there has been no change as to the affairs of the Board since the date hereof.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12 of the Securities and Exchange Commission.

THE BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACT. FURTHER, THE BONDS HAVE NOT BEEN REGISTERED UNDER THE LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE BONDS MAY NOT BE EXEMPT IN EVERY JURISDICTION IN THE UNITED STATES. THE EXEMPTIONS FROM REGISTRATION IN ACCORDANCE WITH APPLICABLE PROVISIONS OF FEDERAL OR STATE LAWS CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. THE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY, AND NO SUCH COMMISSION OR REGULATORY AUTHORITY HAS REVIEWED OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. IN MAKING AN INVESTMENT DECISION WITH RESPECT TO THE BONDS, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE BOARD AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

This Official Statement contains forward-looking statements, which can be identified by the use of the future tense or other forward-looking terms such as “may,” “intend,” “will,” “expect,” “anticipate,” “plan,” “management believes,” “estimate,” “continue,” “should,” “strategy,” or “position” or the negatives of those terms or other variations on them or by comparable terminology. In particular, any statements, express or implied, concerning future operating results or the ability to generate revenues or cash flow to service indebtedness are forward-looking statements. Such forward-looking statements include, among others, statements contained in APPENDIX A – “CERTAIN INFORMATION CONCERNING WAYNE STATE UNIVERSITY.” Investors are cautioned that reliance on any of those forward-looking statements involves risks and uncertainties and that, although the Board’s management believes that the assumptions on which those forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate. As a result, the forward-looking statements based on those assumptions also could be incorrect, and actual results may differ materially from any results indicated or suggested by those assumptions. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Official Statement should not be regarded as a representation by the Board that its plans and objectives will be achieved. All forward-looking statements are expressly qualified by the cautionary statements contained in this paragraph. The Board undertakes no duty to update any forward-looking statements.

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OFFICIAL STATEMENT

$65,515,000
BOARD OF GOVERNORS OF WAYNE STATE UNIVERSITY
General Revenue Bonds, Series 2025A

INTRODUCTION

This Official Statement, including the cover page and the Appendices, is furnished by the Board of Governors of Wayne State University (the "**Board**") to provide information concerning the offering of its $65,515,000 General Revenue Bonds, Series 2025A (the "**Bonds**").

The Board

The Board is established under Article VIII, Section 5 of the Michigan Constitution of 1963 and is granted the general supervision of Wayne State University (the "**University**") and control and direction of all expenditures of University funds. For additional information regarding the University, see APPENDIX A – "CERTAIN INFORMATION REGARDING WAYNE STATE UNIVERSITY."

Authorization and Purpose of Bonds

The Bonds are authorized and will be issued pursuant to a resolution adopted by the Board on April 25, 2025 (the "**Resolution**"), and a Trust Indenture, dated as of September 1, 2025 (the "**Trust Indenture**"), between the Board and The Bank of New York Mellon Trust Company, N.A., as trustee (the "**Trustee**").

The Board will use the proceeds of the Bonds to (i) pay part of the costs of certain capital projects of the Board, (ii) refund certain outstanding indebtedness of the Board, and (iii) pay costs incidental to the issuance of the Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Security for the Bonds

The Bonds are limited obligations of the Board, payable solely from and secured solely by an irrevocable pledge of General Revenues (as hereinafter defined) of the Board, on a parity basis with certain outstanding debt of the Board. See "SECURITY FOR THE BONDS" for further information. The Bonds are not a general obligation of the Board, the State of Michigan (the "State") or any political subdivision of the State and neither the credit nor the taxing power of the State or any political subdivision of the State is pledged for the payment of the Bonds.

References; Definitions of Certain Terms

The information contained in this Official Statement is provided for use in connection with the initial sale of the Bonds. The summaries of and references to all documents, reports and other instruments referred to in this Official Statement do not purport to be complete and are qualified in their entirety by reference to each document, report or instrument. For a more detailed description of certain provisions of the Trust Indenture, see APPENDIX E – "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE."

Most capitalized words and terms used in this Official Statement are defined in the Trust Indenture and such words and terms are used herein as so defined. Certain words and terms are defined in this Official Statement in abbreviated form for convenience only and all such definitions are subject to the complete definitions set forth in the Trust Indenture. See APPENDIX E – "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE – Definitions of Certain Terms" for a summary of certain defined terms used in the Trust Indenture.

THE BONDS

General

The Bonds will be issued in the aggregate principal amount shown on the cover page of this Official Statement. The Bonds will be dated the date of their delivery and will bear interest at the rates, and mature on the dates and in the amounts, as set forth on the inside front cover page of this Official Statement. Interest on the Bonds will be computed on the basis of a 360-day year of twelve thirty (30) day months.

Interest on the Bonds will be payable on each May 15 and November 15, commencing May 15, 2026 (each, an "**Interest Payment Date**"), to each registered owner of the Bonds as of the Record Date for the applicable Interest Payment Date, which will be the close of business on the first (1^{st}) day of the calendar month in which the related Interest Payment Date occurs. So long as the Bonds are registered in book-entry-only form in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**DTC**"), interest on the Bonds will be payable by wire transfer in immediately available funds to Cede & Co., which will, in turn, remit such payment to the Direct Participants of DTC for subsequent disbursement to the Beneficial Owners of the Bonds. See "THE BONDS – Book-Entry-Only System" and APPENDIX F – "BOOK-ENTRY-ONLY SYSTEM." Purchases of beneficial interests in the Bonds will be made in denominations of $5,000 or integral multiples thereof.

Redemption Provisions

Par Optional Redemption

The Bonds maturing on or before November 15, 2035 are not subject to optional redemption prior to maturity. The Bonds maturing on or after November 15, 2036 are subject to redemption prior to maturity, at the option of the Board, in whole or in part, on any date on or after November 15, 2035, at a redemption price equal to one hundred percent (100%) of the principal amount of each Bond or portion thereof to be redeemed, plus accrued interest to the redemption date.

Mandatory Redemption

The Bonds maturing on November 15, 2050 and November 15, 2055 (the "Term Bonds") are subject to mandatory redemption prior to maturity on November 15 of the years and in the principal amounts set forth below, at a redemption price equal to one hundred percent (100%) of the principal amount to be redeemed, without premium, plus accrued interest to the date of redemption.

[*Schedule of mandatory redemption requirements for Term Bonds appears on the following page.*]

Term Bonds Due November 15, 2050

Mandatory Redemption Date (November 15)	Mandatory Redemption Principal Amount
2046	$1,160,000
2047	1,220,000
2048	1,290,000
2049	1,360,000
2050†	1,430,000

†Maturity date

Term Bonds Due November 15, 2055

Mandatory Redemption Date (November 15)	Mandatory Redemption Principal Amount
2051	$1,510,000
2052	1,590,000
2053	1,675,000
2054	1,765,000
2055†	1,860,000

†Maturity date

The principal amount of the Term Bonds of a maturity to be redeemed on a date set forth above shall be reduced, in the order determined by the Board, by the principal amount of the Term Bonds of the same maturity that have been previously redeemed or called for redemption, other than as a result of a previous mandatory redemption requirement, or purchased or acquired by the Board and delivered to the Trustee for cancellation.

Selection of Bonds to be Redeemed

If less than all of the Bonds shall be called for optional redemption by the Board, the Board shall designate the maturity or maturities from which the Bonds are to be redeemed. If less than all of the Bonds of a single maturity are called for redemption (including pursuant to the mandatory redemption requirements described above under "Redemption Provisions – Mandatory Redemption"), the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Trustee in such manner as the Trustee in its discretion may determine. The portion of any Bond to be redeemed shall be in the principal amount of $5,000 or a multiple of $5,000. In selecting Bonds for redemption, the Trustee shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of the Bond by $5,000.

Notice of Redemption

If any of the Bonds, or portions thereof, are called for redemption, the Trustee will give notice to the holders of any such Bonds to be redeemed, in the name of the Board, of the redemption of such Bonds, or portions thereof, which notice will specify the Bonds to be redeemed, the redemption price and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds are to be redeemed, the numbers of such Bonds to be so redeemed, and, in the case of Bonds to be redeemed in part only, such notice will also specify the respective portions of the principal amount thereof to be redeemed. Such notice will be given by mailing a copy of the redemption notice by first class mail at least twenty (20) days prior to the date fixed for redemption to the holder of each Bond to be redeemed, at the address shown on the registration books; provided, however, that failure to give such notice by mail, or any defect in the notice mailed to the holder of any Bond, shall not affect the validity of the proceedings for the redemption of any other Bond.

With respect to any notice of optional redemption of Bonds, unless, upon the giving of such notice, such Bonds shall be deemed to have been paid in accordance with the Trust Indenture, such notice may state that such redemption is conditioned upon the receipt by the Trustee, on or prior to the date fixed for redemption, of moneys sufficient to pay the redemption price of such Bonds to be redeemed, and that if such moneys shall not have been so received said notice of redemption shall be of no force or effect and the Board shall not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made, the failure of the Board to pay the redemption price of the Bonds so called for redemption on the date fixed for redemption shall not constitute a default or an Event of Default under the Trust Indenture, and the Trustee shall promptly give notice, in the manner in which the notice of redemption was given, that such redemption will not take place.

So long as the book-entry-only system of DTC described below remains in effect, the Trustee will give notice of redemption of Bonds to Cede & Co., as nominee of DTC, only, and only Cede & Co. will be deemed to be a holder of the Bonds. In the event of any partial redemption, DTC is expected to reduce the credit balances of the applicable Direct Participants in respect of the Bonds, and such Direct Participants are expected in turn to select those Beneficial Owners whose ownership interests are to be extinguished by such partial redemption, each by such method as DTC or such Direct Participant, as the case may be, deems fair and appropriate in its sole discretion.

Effect of Redemption

If notice of redemption shall have been given as provided above, and if on the date fixed for redemption monies sufficient to pay the redemption price of all Bonds or portions of Bonds to be redeemed, together with interest accrued and unpaid thereon to the date fixed for redemption, shall be available for such payment, then from and after the date fixed for redemption, interest on such Bonds or portions thereof shall cease to accrue.

Book-Entry-Only System

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. Payments of principal or the redemption price of, and interest on, the Bonds, are payable by the Trustee to Cede & Co., as registered owner of the Bonds, which will, in turn, remit such payment to the Direct Participants of DTC for subsequent disbursement to the Beneficial Owners of the Bonds. See APPENDIX F – "BOOK-ENTRY-ONLY SYSTEM" for a description of DTC, DTC's book-entry-only system of registration, and the provisions for registration and registration of transfer of the Bonds if the book-entry-only system of registration is discontinued.

So long as Cede & Co. is the registered owner of the Bonds, as nominee for DTC, references herein and in the Trust Indenture to the Bondholders, registered owners or owners (or similar terms) of the Bonds shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds. See APPENDIX F – "BOOK-ENTRY-ONLY SYSTEM."

Transfer of the Bonds

So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, beneficial ownership interests in the Bonds may be transferred only through a Direct Participant or Indirect Participant and recorded on the book-entry-only system operated by DTC. See APPENDIX F – "BOOK-ENTRY-ONLY SYSTEM."

SECURITY FOR THE BONDS

The Bonds are limited obligations of the Board, payable solely from and secured solely by an irrevocable pledge of General Revenues and a security interest in and lien on amounts in the Bond Fund established by the Trust Indenture. The lien of the pledge of General Revenues securing the Bonds constitutes a first lien thereon, on a parity basis with the lien on General Revenues securing the Board's Outstanding Parity Bonds (as defined below under the heading "Outstanding Parity Bonds").

The Board may issue additional obligations payable from and secured by General Revenues on a parity basis with the Bonds and the Outstanding Parity Bonds (the "**Additional Parity Bonds**") under the terms and conditions of the Trust Indenture. See "SECURITY FOR THE BONDS – Issuance of Additional Obligations." The Bonds, the Outstanding Parity Bonds and any Additional Parity Bonds are herein called "**Parity Bonds**."

The Bonds are not a general obligation of the Board, the State or any political subdivision of the State and neither the credit nor the taxing power of the State or any political subdivision of the State is pledged for the payment of the Bonds.

General Revenues

"**General Revenues**" constitute all fees, deposits, charges, receipts and income from all or any part of the students of the University, whether activity fees, tuition, instructional fees, tuition surcharges, general fees, health fees or other special purpose fees (before allowances for scholarships); all gross income, revenues and receipts from the ownership, operation and control of the University's housing, dining and auxiliary facilities (before allowances for scholarships); all unrestricted receipts from the sales and service of educational activities; all grants, gifts, donations and pledges and receipts therefrom (before allowances for scholarships); and unrestricted investment income; but excluding all of the following: (a) any deposits required by law or contracts to be held in escrow; (b) any gifts, grants, contracts, donations or pledges restricted as to use in a manner inconsistent with payment of debt service on the Bonds, other Parity Bonds or Additional Subordinate Obligations; (c) appropriations from the State Legislature; and (d) an amount equal to up to 10% of General Revenues each Fiscal Year collected annually from the levy of a special fee hereafter established by the Board and designated by the Board to be excluded from General Revenues.

General Revenues do not include the "Gross Revenues" of the University's housing facilities that are controlled and operated by Corvias Campus Living – WSU, LLC, or its successors, as concessionaire (the "Concessionaire"), under that certain Service Concession Agreement for the Operation and Management of Student Housing, dated November 30, 2017 (the "Concession Agreement"), between the Board and the Concessionaire, and which "Gross Revenues" the Concessionaire has the right to receive and retain under the Concession Agreement. For additional information regarding the Concession Agreement, see APPENDIX A – "CERTAIN INFORMATION REGARDING WAYNE STATE UNIVERSITY – University Facilities – Service Concession Agreement for Student Housing" and Note 15 to the University's audited financial statements as of and for the year ended September 30, 2024, attached hereto as APPENDIX B.

On or before each date on which principal of and/or interest on, or the redemption price of, the Bonds is due and payable, the Board shall transfer to the Bond Fund from General Revenues moneys sufficient, together with funds then on hand in the Bond Fund and available therefor, to pay the principal of and/or interest on the Bonds due on such date, or the redemption price of the Bonds to be redeemed on such date. If on any date on which principal of and/or interest on, or the redemption price of, any Bond is due and payable, the moneys then on deposit in the Bond Fund are not sufficient to meet the requirements for the payment of the principal of and/or interest on, or the redemption price of, Bonds coming due on such date, the Board shall pay to the Trustee for deposit into the Bond Fund all General Revenues thereafter received until the amount on deposit in the Bond Fund are sufficient for the payment of such amounts; provided, however, that in making the payment over to the Trustee, General Revenues shall be divided in each Fiscal Year pro rata between the Bond Fund and any similar fund or funds for the payment of any other Parity Bonds of the Board secured by a first lien on General Revenues without regard to the existence of any reserve funds for any other Parity Bonds, based on the amount of debt service due in such Fiscal Year. Subject to the above requirements, the Board shall have and retain the full right and ability to receive, collect, expend, invest, use or otherwise hold or dispose of General Revenues as the Board deems appropriate.

The Board has irrevocably pledged General Revenues to the payment of the principal or redemption price of, and interest on, the Bonds. This pledge of General Revenues, together with the respective pledges of General Revenues pledged as security for the payment of the Outstanding Parity Bonds and any Additional Parity Bonds, shall constitute and be a first charge or lien against all General Revenues.

The Trust Indenture does not restrict the Board's ability to transfer any of the assets that produce any portion of the General Revenues, and if any such assets shall be transferred by the Board at a future date, the revenues produced by such assets will no longer be subject to the lien of the pledge of the General Revenues granted by the Trust Indenture.

The rights and remedies of the holders of the Bonds may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights now existing or hereafter enacted and by the application of general principles of equity, including those related to equitable subordination.

[*Remainder of page intentionally left blank.*]

The General Revenues of the Board for the Fiscal Years ended September 30, 2020 through September 30, 2024, are as follows:

Summary of General Revenues
Fiscal Year Ended September 30
(Dollars in Thousands)

	2020	2021	2022	2023	2024
Tuition Fees and Other Student Charges[(a)]	$418,944	$414,855	$410,149	$411,136	$430,358
Recovery of Indirect Costs of Sponsored Programs	35,415	35,707	36,288	41,532	43,454
Private Gifts and Grants	49,691	61,321	85,042	66,944	63,713
Unrestricted Endowment Income and Other Investment Income	15,764	27,711	(44,762)	26,437	61,024
Auxiliary Sales and Services[(b)]	21,203	13,169	18,182	20,113	21,872
Sales and Services of Educational Activities	18,008	17,444	23,920	25,389	22,500
Other	3,985	4,577	4,634	4,609	4,859
Total General Revenues	**$563,010**	**$574,784**	**$533,453**	**$596,160**	**$647,780**

(a) Gross Tuition, Fees and Other Charges before student scholarship allowances.
(b) Auxiliary Sales and Services before scholarship allowances.

Rate Covenant

The Board covenants and agrees in the Trust Indenture that, as long as any Bonds remain outstanding and unpaid, as to either principal or interest, the Board will in each Fiscal Year fix, make, adjust and collect all fees, rates, rentals and charges and other items of General Revenues in an amount sufficient to provide annually sums equal to at least (a) two hundred percent (200%) of the principal and interest owing in such Fiscal Year on the Bonds and all or any other Parity Bonds, plus (b) one hundred percent (100%) of the amounts required to meet debt service requirements on all outstanding Additional Subordinate Obligations in such Fiscal Year, in each case with interest on any Variable Rate Bonds for each Fiscal Year to be calculated at the beginning of the Fiscal Year at the average rate during the preceding twelve (12) months (or such shorter period during which the Variable Rate Bonds have been outstanding if shorter than 12 months). Such fees, rates, rentals, charges and other items or revenues shall be sufficient to provide such sums as are necessary, together with other available funds, including, but not limited to, appropriations and unrestricted fund balances, for the operation, administration and maintenance of the University and its facilities and programs.

Outstanding Parity Bonds

As of July 31, 2025, the Board had outstanding the following series of General Revenue Bonds, which are payable from and secured by a pledge of General Revenues on a parity basis with the Bonds (collectively, the "**Prior Bonds**"):

General Revenue Bonds	Outstanding Principal
Series 2007B (Taxable)	$ 3,690,000
Series 2013A	23,125,000
Series 2016A	65,450,000
Series 2016B (Taxable)	7,535,000
Series 2018A	109,585,000[1]
Series 2019A	49,295,000
Series 2019B (Taxable)	25,685,000
Series 2020A (Taxable)	104,180,000
Series 2023A	41,975,000
Series 2024A	31,885,000
Total	**$462,405,000**

(1) A portion of the proceeds of the Bonds will be used to refund a portion of the outstanding Series 2018A Bonds. See "PLAN OF FINANCE" herein.

The Board has also obtained two separate revolving lines of credit from two different commercial banks in the aggregate maximum available amount of $50,000,000 (collectively, the "**Lines of Credit**"). As of July 31, 2025, the Board had no outstanding balances under the Lines of Credit. The current stated expiration dates of the Lines of Credit are April 30, 2027 and March 11, 2028, respectively. The Board's obligations under the Lines of Credit are secured by a pledge of General Revenues on a parity basis with the Bonds and the Outstanding Parity Bonds.

In addition, the Board has entered into two basis swap transactions with two separate counterparties, which are presently related to a portion of the debt service on the Series 2024A Bonds (collectively, the "**Swap Transactions**"). As of July 31, 2025, the aggregate notional amount of the Swap Transactions was $30,000,000. The Board's obligations under the Swap Transactions are secured by a pledge of General Revenues on a parity basis with the Bonds and the Outstanding Parity Bonds. For additional information regarding the Swap Transactions, see Note 7 to the audited financial statements of the University as of and for the year ended September 30, 2024, set forth in APPENDIX B to this Official Statement.

The Prior Bonds, the Lines of Credit and the Swap Transactions are collectively referred to herein as the "**Outstanding Parity Bonds**."

Issuance of Additional Obligations

Subject to certain limitations set forth in the Trust Indenture, the Board may issue Additional Parity Bonds as Fixed Rate Bonds, Variable Rate Bonds, other loan obligations or interest rate swaps or similar arrangements related to debt obligations for any authorized purpose having equal standing and priority of lien against General Revenues with the Bonds and other then existing Parity Bonds; provided, however, that prior to the issuance of Additional Parity Bonds, the total amount of General Revenues for the last Fiscal Year for which an audit has been completed (but ending not earlier than eighteen (18) months prior to the date of issuance of the Additional Parity Bonds) shall be at least equal to two hundred percent (200%) of the maximum Annual Debt Service for any subsequent Fiscal Year of the Parity Bonds and the Additional Parity Bonds proposed to be issued, plus one hundred percent (100%) of the amounts required to meet debt service requirements in such last Fiscal Year on all outstanding Additional Subordinate Obligations. In addition, Additional Parity Bonds may be issued without meeting the foregoing test to evidence the Board's reimbursement obligations under a Credit Instrument securing any Parity Bonds. In addition, without meeting the foregoing test, the Board may issue Additional Parity Bonds to refund all or part of any outstanding Parity Bonds, so long as the maximum Annual Debt Service after issuance of such Additional Parity Bonds shall not exceed the maximum Annual Debt Service on all outstanding Parity Bonds at the time of the refunding by more than 10%.

The Board may also issue Additional Subordinate Obligations, whose lien on General Revenues is subordinate to the payment of the Bonds and any other Parity Bonds, for any lawful purpose of the Board, so long as the principal of and interest on such Additional Subordinate Obligations is subordinate to the payment of the Bonds and any other Parity Bonds.

See APPENDIX E - "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE – Issuance of Additional Indebtedness" for additional information regarding the issuance of Additional Parity Bonds and Additional Subordinate Obligations by the Board.

The Trust Indenture does not limit the Board's ability to issue debt payable from sources other than General Revenues.

DEBT SERVICE COVERAGE

The following debt service coverage summary is based on General Revenues collected for the Fiscal Years ended September 30, 2024, 2023 and 2022 and estimated annual debt service requirements on the Bonds and the pro-forma outstanding Prior Bonds (excluding debt service on the Lines of Credit described above under the caption "SECURITY FOR THE BONDS – Outstanding Parity Bonds").

	Year Ended September 30		
	2022	2023	2024
General Revenues (in thousands)	$533,453	$596,160	$647,780
Coverage of Estimated Pro-Forma Maximum Annual Debt Service ($41,514,770 in Fiscal Year 2028)*	12.85x	14.36x	15.60x

* Excludes debt service on the portions of the Series 2018A Bonds expected to be refunded with a portion of the proceeds of the Bonds. See "PLAN OF FINANCE" herein for additional information.

ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth, for each respective Fiscal Year ending September 30, the estimated annual debt service requirements payable by the Board from General Revenues on the Bonds and the outstanding Prior Bonds.

Fiscal Year	The Bonds		Outstanding Bonds Debt Service[(1)]	Total Annual Debt Service[(2)]
	Principal	Interest		
2026	$ -	$2,254,613	$34,452,111	$36,706,723
2027	695,000	3,295,525	35,319,784	39,310,309
2028	3,210,000	3,197,900	35,106,870	41,514,770
2029	3,370,000	3,033,400	35,091,152	41,494,552
2030	3,545,000	2,860,525	35,094,416	41,499,941
2031	3,735,000	2,678,525	28,897,165	35,310,690
2032	3,930,000	2,486,900	28,843,907	35,260,807
2033	4,120,000	2,285,650	28,861,152	35,266,802
2034	605,000	2,167,525	32,506,799	35,279,324
2035	635,000	2,136,525	32,499,291	35,270,816
2036	4,660,000	2,004,150	28,655,868	35,320,018
2037	4,905,000	1,765,025	23,774,856	30,444,881
2038	5,155,000	1,513,525	20,062,754	26,731,279
2039	5,410,000	1,249,400	17,962,857	24,622,257
2040	820,000	1,093,650	22,711,163	24,624,813
2041	855,000	1,051,775	20,954,030	22,860,805
2042	900,000	1,007,900	20,956,418	22,864,318
2043	950,000	961,650	20,963,562	22,875,212
2044	1,000,000	912,900	20,956,501	22,869,401
2045	1,050,000	861,650	20,941,399	22,853,049
2046	1,105,000	807,775	15,951,532	17,864,307
2047	1,160,000	749,700	15,955,452	17,865,152
2048	1,220,000	687,225	15,959,498	17,866,723
2049	1,290,000	621,338	15,958,007	17,869,344
2050	1,360,000	551,775	8,497,532	10,409,307
2051	1,430,000	478,538	5,987,752	7,896,290
2052	1,510,000	401,363	-	1,911,363
2053	1,590,000	319,988	-	1,909,988
2054	1,675,000	234,281	-	1,909,281
2055	1,765,000	143,981	-	1,908,981
2056	1,860,000	48,825	-	1,908,825

(1) Excludes debt service on the portions of the Series 2018A Bonds being refunded with the proceeds of the Bonds. See “PLAN OF FINANCE” herein. Interest on the outstanding Series 2024A Bonds is calculated without regard to the related Swap Transactions described above under the caption “SECURITY FOR THE BONDS – Outstanding Bonds.”

(2) Totals may not be exact due to rounding.

PLAN OF FINANCE

The Bonds are being issued for the purpose of providing funds to be used to (i) pay part of the costs of certain capital projects of the Board, as described below, (ii) refund certain outstanding indebtedness of the Board, as described below, and (iii) pay costs incidental to the issuance of the Bonds.

The Projects

The projects expected to be financed in part with the proceeds of the Bonds include: (i) construction, furnishing and equipping of a new health sciences research facility, including lab facilities, offices, and community outreach (the "**Health Sciences Research Building**"); (ii) construction, furnishing and equipping of a new building for the Wayne State University Law School; (iii) renovation, furnishing and equipping of a building for the School of Public Health; and (iv) various other capital improvements on the campus of the University (collectively, the "**Projects**"). Approximately $30,000,000 of the total costs of the Projects will be funded from the proceeds of the Bonds. The balance of the costs of the Projects will be funded from state grant funds, state capital outlay funding, gifts, and the proceeds of a future bond issue.

A portion of the Health Sciences Research Building may be used from time to time by one or more organizations that are qualified under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "**Code**"), for health science research purposes, pursuant to their exempt purposes. As a result, the Board will elect for federal tax purposes to treat the portion of the Bonds used to finance the construction of the Health Sciences Research Building as "qualified 501(c)(3) bonds" pursuant to the Code. See "TAX MATTERS – Qualified 501(c)(3) Bonds" herein.

Partial Refunding of Series 2018A Bonds

A portion of the proceeds of the Bonds will be used to establish an irrevocable escrow fund (the "**Escrow Fund**") that will provide amounts sufficient to pay, upon call for redemption, that portion of the Board's outstanding General Revenue Bonds, Series 2018A maturing on November 15 of the years 2026 to 2032, inclusive, and 2035 to 2038, inclusive (the "**Refunded Bonds**"), and all interest accruing on the Refunded Bonds to the date of redemption. The Refunded Bonds will be called for redemption within ninety (90) days of the date of issuance of the Bonds at a redemption price equal to 100% of the principal amount of the Refunded Bonds.

The Escrow Fund will be established with The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "**Escrow Agent**"), pursuant to the terms of an escrow deposit agreement (the "**Escrow Agreement**") between the Board and the Escrow Agent. The amounts deposited in the Escrow Fund will be used to purchase certain non-callable, direct obligations of the Treasury of the United States of America (the "**Government Obligations**"), and to establish an initial cash balance. The Government Obligations to be deposited in the Escrow Fund, together with the initial cash balance, will provide amounts sufficient, without reinvestment, to pay all interest accruing on the Refunded Bonds upon call of the Refunded Bonds for redemption, and to pay the principal of the Refunded Bonds upon call for redemption. The Refunded Bonds will be defeased upon delivery of the Bonds.

All money and Government Obligations on deposit with the Escrow Agent in the Escrow Fund, including investment income on the Government Obligations, if any, are pledged solely and irrevocably for the benefit of the holders of the Refunded Bonds (except that funds not needed to pay principal of or interest on the Refunded Bonds may be released as provided in the Escrow Agreement).

The arithmetical computations of the adequacy of the principal of and interest on the Government Obligations to be purchased with the proceeds of the Bonds to pay the principal of and interest on the Refunded Bonds when due and upon call for redemption will be verified by The Arbitrage Group, Inc. based upon information supplied by the Board and the Underwriter.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds from the sale of the Bonds are estimated to be applied as follows:

Sources of Funds	
Principal Amount of the Bonds	$65,515,000
Plus Original Issue Premium	4,362,909
Total Sources	**$69,877,909**
Uses of Funds	
Costs of the Projects to be Funded with Bond Proceeds	$30,000,000
Deposit to Escrow Fund for Refunded Bonds	39,382,159
Issuance Costs[(1)]	495,750
Total Uses	**$69,877,909**

(1) Including, but not limited to, underwriter's discount, professional fees and costs.

TAX MATTERS

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel to the Board, under existing law, the interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that, under existing law, the Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan, except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. Bond Counsel will express no opinion regarding any other federal or state tax consequences arising with respect to the Bonds and the interest thereon.

The opinions on federal and State of Michigan tax matters are based on the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Board contained in the transcript of proceedings and which are intended to evidence and assure the foregoing, including that the Bonds are and will remain obligations the interest on which is excludable from gross income for federal and State of Michigan income tax purposes. The Board has covenanted to take the actions required of it for the interest on the Bonds to be and to remain excludable from gross income for federal and State of Michigan income tax purposes, and not to take any actions that would adversely affect that exclusion. Bond Counsel's opinion assumes the accuracy of the Board's certifications and representations and the continuing compliance with the Board's covenants. Noncompliance with these covenants by the Board may cause the interest on the Bonds to be included in gross income for federal and State of Michigan income tax purposes retroactively to the date of issuance of the Bonds. After the date of issuance of the Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal and State of Michigan income tax purposes of interest on the Bonds or the market prices of the Bonds.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to the excludability of interest on the Bonds from gross income for federal and State of Michigan income tax purposes but is not a guarantee of that conclusion. The opinion is not binding on the Internal Revenue Service ("**IRS**") or any court. Bond Counsel cannot give and has not given any opinion or assurance about the effect of future changes in the Internal Revenue Code of 1986, as amended (the "**Code**"), the applicable regulations, the interpretations thereof or the enforcement thereof by the IRS.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, corporations (as defined in Section 59(k) of the Code) subject to the alternative minimum tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Bonds. Bond Counsel will express no opinion regarding any such consequences.

Qualified 501(c)(3) Bonds. As described under the heading "PLAN OF FINANCE – The Projects," a portion of the proceeds of the Bonds will be used to pay a portion of the cost of constructing the Health Sciences Research Building. The Health Sciences Research Building will be owned and operated by the University, but may from time to time be used by one or more other organizations that are or will be qualified under Section 501(c)(3) of the Code (collectively, the "**501(c)(3) organizations**"). As a result, the Board will elect for federal tax purposes to treat the portion of the Bonds that will be used to finance the construction of the Health Sciences Research Building as "qualified 501(c)(3) bonds" pursuant to the Code. The opinion of Bond Counsel as to federal tax matters pertaining to the Bonds as described above is therefore dependent upon compliance by the 501(c)(3) organizations with the requirements of the Code applicable to qualified 501(c)(3) bonds, including the requirements that each of the 501(c)(3) organizations be qualified as an organization described in Section 501(c)(3) of the Code, that each maintains its status as an organization described in Section 501(c)(3) of the Code subsequent to the date of issuance of the Bonds, and that each 501(c)(3) organization's use of the Health Sciences Research Building be substantially related to its exempt purpose under Section 513(a) of the Code. The maintenance of such status is contingent on compliance with the rules in the Code and related regulations and rulings regarding the organization and operation of tax-exempt entities, including their operation for charitable and other permissible purposes and their avoidance of transactions that may cause their earnings or assets to inure to the benefit of private individuals.

Failure of any of the 501(c)(3) organizations to be organized and operated in accordance with the IRS's requirements for the maintenance of its status as an organization described in Section 501(c)(3) of the Code, or to use the Health Sciences Research Building in a manner that is substantially related to its exempt purposes under Section 513(a) of the Code, may cause the interest on the Bonds to be included in gross income for federal and State of Michigan income tax purposes, possibly retroactively to the date of issuance of the Bonds.

Tax Treatment of Accruals on Original Issue Discount Bonds. Under existing law, if the initial public offering price to the public (excluding bond houses and brokers) of a Bond is less than the stated redemption price of such Bond at maturity, then such Bond is considered to have "original issue discount" equal to the difference between such initial offering price and the amount payable at maturity (such Bonds are referred to as "**OID Bonds**"). Such discount is treated as interest excludable from federal gross income to the extent properly allocable to each registered owner thereof. The original issue discount accrues over the term to maturity of each such OID Bond on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period) from the date of original issue with straight-line interpolations between compounding dates. The amount of original issue discount accruing during each period is added to the adjusted basis of such OID Bonds to determine taxable gain upon disposition (including sale, redemption or payment on maturity) of such OID Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of OID Bonds who purchase such OID Bonds after the initial offering of a substantial amount thereof. Owners who do not purchase such OID Bonds in the initial offering at the initial offering prices should consult their own tax advisors with respect to the tax consequences of ownership of such OID Bonds.

All holders of the OID Bonds should consult their own tax advisors with respect to the allowance of a deduction for any loss on a sale or other disposition of an OID Bond to the extent such loss is attributable to accrued original issue discount.

Amortizable Bond Premium. For federal income tax purposes, the excess of the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold over the amount payable at maturity thereof constitutes for the original purchasers of such Bonds (collectively, the "**Original Premium Bonds**") an amortizable bond premium. Bonds other than Original Premium Bonds may also be subject to an amortizable bond premium determined generally with regard to the taxpayer's basis (for purposes of determining loss on a sale or exchange) and the amount payable on maturity or, in certain cases, on an earlier call date (such bonds being referred to herein collectively with the Original Premium Bonds as the "**Premium Bonds**"). Such amortizable bond premium is not deductible from gross income. The amount of amortizable bond premium allocable to each taxable year is generally determined on the basis of the taxpayer's yield to maturity determined by using the taxpayer's basis (for purposes of determining loss on sale or exchange) of such Premium Bonds and compounding at the close of each six-month accrual period. The amount of amortizable bond premium allocable to each taxable year is deducted from the taxpayer's adjusted basis of such Premium Bonds to determine taxable gain upon disposition (including sale, redemption or payment at maturity) of such Premium Bonds.

All holders of the Premium Bonds should consult with their own tax advisors as to the amount and effect of the amortizable bond premium.

Market Discount. The "market discount rules" of the Code apply to the Bonds. Accordingly, holders acquiring their Bonds subsequent to the initial issuance of the Bonds will generally be required to treat market discount recognized under the provisions of the Code as ordinary taxable income (as opposed to capital gain income). Holders should consult their own tax advisors regarding the application of the market discount provisions of the Code and the advisability of making any of the elections relating to market discount allowed by the Code.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest paid after March 31, 2007 on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing the Bonds through a brokerage account has executed a Form W-9 in connection with the establishment of such account no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the IRS.

Future Developments. Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds and, unless separately engaged, Bond Counsel is not obligated to defend the Board in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the Board as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit.

No assurance can be given that any future legislation or clarifications or amendments to the Code, if enacted into law, will not contain proposals which could cause the interest on the Bonds to be subject directly or indirectly to federal or State of Michigan income taxation or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. In addition, such legislation, whether currently proposed, proposed in the future or enacted, could adversely affect the market price or marketability of the Bonds. Bond Counsel expresses no opinion regarding any pending or proposed federal or State of Michigan tax legislation.

Further, no assurance can be given that any actions of the IRS, including, but not limited to, selection of the Bonds for audit examination, or the course or result of any examination of the Bonds, or other bonds which present similar tax issues, will not affect the market price of the Bonds.

Investors should consult with their tax advisors as to the tax consequences of their acquisition, holding or disposition of the Bonds, including the impact of any pending or proposed federal or State of Michigan tax legislation.

NON-LITIGATION CERTIFICATE

At the time of delivery of the Bonds, the Board will certify that no litigation or other proceeding is pending or, to the knowledge of the Board, threatened, in any court, agency or other administrative body, restraining the issuance of the Bonds, or in any way affecting the validity of any provision of the Bonds, the Trust Indenture or the Resolution authorizing the Bonds.

BOND RATINGS

Moody's Investors Service, Inc. and S&P Global Ratings have assigned long-term ratings to the Bonds of "Aa3" and "A+", respectively.

Such ratings reflect only the view of such rating agencies and an explanation of the significance of such ratings may be obtained only from such rating agencies. There is no assurance that such ratings will continue for any period of time or that they will not be revised downward or withdrawn entirely by such rating agencies if, in the judgment of such rating agencies, circumstances so warrant. Any revision or withdrawal of the ratings assigned to the Bonds could affect the market price of the Bonds.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization and issuance of the Bonds are subject to the approval of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel. The form of opinion of Bond

Counsel with respect to the Bonds is attached as APPENDIX C. Certain matters will be passed on for the Underwriter by its counsel, Dickinson Wright PLLC.

UNDERWRITING

BofA Securities, Inc. (the "**Underwriter**") has entered into a Bond Purchase Agreement (the "**Bond Purchase Agreement**") with the Board for the purchase of the Bonds. The Bond Purchase Agreement provides for the Underwriter, subject to certain conditions precedent, to purchase all of the Bonds at an aggregate purchase price of $69,725,278.45 (representing the aggregate principal amount of the Bonds, plus original issue premium of $4,362,909.40, less an underwriter's discount of $152,630.95).

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include sales and trading, investment banking, advisory, investment management, investment research, principal investment, hedging, lending, brokerage and other financial and non-financial activities and services. In the ordinary course of their various business activities, the Underwriter and its affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and may actively trade securities, loans, and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Board (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Board. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold long and/or short positions in such assets, securities and instruments.

The Underwriter has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, the Underwriter may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, the Underwriter may compensate MLPF&S as a dealer for their selling efforts with respect to the Bonds.

MUNICIPAL ADVISOR

Blue Rose Capital Advisors, LLC, Minneapolis, Minnesota (the "**Municipal Advisor**"), has been retained by the Board to provide certain financial advisory services in connection with the issuance of the Bonds, including limited assistance with the preparation of the Official Statement. The Municipal Advisor is not obligated to conduct, and has not conducted, a detailed investigation of the affairs of the University to independently verify the completeness or accuracy of the information set forth in this Official Statement and the Appendices hereto. The Municipal Advisor is not a public accounting firm and has not been engaged by the Board to compile, review, examine or audit any information in this Official Statement in accordance with accounting standards. The Municipal Advisor is a municipal advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board in accordance with applicable federal securities laws, and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds. The fee to be paid to the Municipal Advisor for services provided in connection with the issuance of the Bonds is contingent upon the closing of the Bonds.

The Municipal Advisor is under common ownership with HedgeStar, LLC ("**HedgeStar**"). HedgeStar provides certain services to the University. HedgeStar provides hedge accounting, fair value accounting, and valuation services for financial instruments including, but not limited to, fixed-income securities and derivatives, which services may have been used in the preparation of the University's financial statements.

INDEPENDENT ACCOUNTANTS

The financial statements of the University as of and for the years ended September 30, 2024 and September 30, 2023 included in APPENDIX B to this Official Statement have been audited by Plante & Moran, PLLC, independent accountants, as stated in their report appearing in APPENDIX B. The University's independent public accountants have not audited any financial statements of the University for any period subsequent to September 30, 2024.

ONGOING DISCLOSURE

On or before the date of delivery of the Bonds, the Board will execute and deliver for the benefit of the holders and beneficial owners of the Bonds, a Continuing Disclosure Undertaking pursuant to the requirements of Rule 15c2-12 (the "**Rule**") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, in substantially in the form set forth in APPENDIX D. Except as may be otherwise required by applicable federal securities law, the Board is not obligated to provide any additional disclosure beyond that specified in APPENDIX D. Neither the Underwriter nor the Trustee shall have any responsibilities with respect to the Continuing Disclosure Undertaking.

Except as described in this paragraph, the Board has not, in the previous five years, failed to comply in any material respect with any previous disclosure undertaking entered into by the Board pursuant to the Rule. For the Board's fiscal year ended September 30, 2022, the Board timely filed with the Municipal Securities Rulemaking Board (the "**MSRB**") both audited financial statements and updates to certain financial information and operating data of the Board (collectively, the "**Required Filings**"), as required by the terms of the Board's existing disclosure undertakings. However, the Required Filings for the Board's fiscal year ended September 30, 2022 were posted to the Board's homepage on the MSRB's Electronic Municipal Market Access system, but were not linked to the CUSIP numbers for any of the Board's outstanding General Revenue Bonds. The Required Filings for the Board's fiscal years ended September 30, 2022 were resubmitted to the MSRB on July 13, 2023 with links to the applicable CUSIP numbers.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between or among the Board and the purchasers or holders of any of the Bonds. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board since the date hereof.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement has been duly authorized by the Board.

BOARD OF GOVERNORS OF
WAYNE STATE UNIVERSITY

By: /s/ Bethany Gielczyk
Its: Senior Vice President for Finance and Business Affairs, Chief Financial Officer, and Treasurer

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APPENDIX A

CERTAIN INFORMATION REGARDING WAYNE STATE UNIVERSITY

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WAYNE STATE UNIVERSITY

General

From its earliest beginnings as a small medical college, Wayne State University ("Wayne State," "WSU" or the "University") has evolved into a comprehensive public urban research University. Its roots can be traced to 1868, when a group of returning Union Army physicians founded The Detroit Medical College, the first established school of what would become the University. In 1919, the Detroit College of Medicine and Surgery, as it was then known, became an official part of the Detroit Board of Education.

In 1933, the Detroit College of Medicine and five other independent colleges of the City of Detroit were united by action of the Detroit Board of Education into a University organization called the Colleges of the City of Detroit. In 1934, the name Wayne University was adopted in honor of the Revolutionary War hero Anthony Wayne, to whom the British surrendered the southeast Michigan region in 1796. The school became Wayne State University in 1956 by action of the Michigan Legislature, and in 1959 it became a constitutionally autonomous institution on an equal standing with the University of Michigan and Michigan State University. Today, thirteen schools and colleges comprise the University. The University is included in the Carnegie Foundation's basic classification category of Doctoral Universities: Highest Research Activity.

The goals and purposes of the University are described in the University Mission Statement, which is grounded in the conviction that education is how the quality of human circumstances can be improved.

Mission Statement

Wayne State's mission is to create and advance knowledge, prepare a diverse student body to thrive, and positively impact local and global communities.

The University's main campus of over one hundred buildings is in the heart of Detroit's Cultural Center, the home of renowned musicians, galleries and theatres, most of which are within walking distance. The main campus is adjacent to other major educational and cultural institutions such as the Detroit Institute of Arts, the main branch of the Detroit Public Library, the Charles H. Wright Museum of African American History, the Michigan Science Center, the Wayne State University Hilberry Theatre and the Detroit Historical Museum. Nearby is the Henry Ford Health System headquarters and its flagship hospital, and the Detroit Medical Center. In addition, courses are taught at three satellite campuses located throughout the Detroit metropolitan area.

The University provided educational services in the Fall of 2024 to a headcount enrollment of 23,964 students in the various undergraduate, graduate, and professional divisions, making it the third largest university in the state. With approximately 7,000 faculty, graduate assistants, and staff employees, WSU is one of the largest employers in the City of Detroit, and the only major research university in the tri-county area of Wayne, Macomb and Oakland counties.

Wayne State University has long prided itself on being an institution of access and opportunity for students, no matter their background. The U.S. News & World Report 2024 Best Colleges ranked Wayne State number one in Michigan on social mobility, highlighting the University's commitment to helping economically disadvantaged students succeed and graduate.

Accreditations and Memberships

The University is fully accredited by the Higher Learning Commission. As part of the accreditation process, Wayne State completed a comprehensive evaluation in 2017 and an assurance review in 2021. In addition, individual programs and colleges or schools at the University are accredited by 40 other professional accrediting agencies.

Board of Governors of Wayne State University

The University is governed by the Board of Governors of Wayne State University, consisting of eight members elected at large in biennial State elections. In addition, the President of the University serves as an *ex officio* member of the Board of Governors. The members of the current Board of Governors are shown below:

Shirley Stancato, Chair	Marilyn Kelly
Bryan C. Barnhill II, Vice Chair	Anil Kumar
Danielle Atkinson	Terri Lynn Land
Michael Busuito	Sunny Reddy

Kimberly Andrews Espy, *Ex Officio*

The Members of the Board of Governors serve without compensation for overlapping terms of eight years. According to the Michigan Constitution, the Board of Governors has "general supervision of its institution and the control and direction of all expenditures from the institution's funds."

Executive Officers

The University's executive officers are listed below, with biographical sketches following:

Kimberly Andrews Espy, *President*
Laurie Lauzon Clabo, *Provost and Executive Vice President for Academic Affairs*
Bethany Gielczyk, *Senior Vice President for Finance and Business Affairs; Chief Financial Officer and Treasurer*
Bernard J. Costello, M.D., D.M.D, *Senior Vice President for Health Affairs*
Ezemenari Obasi, Ph.D, *Vice President for Research & Innovation*
Michael Poterala, *Vice President and General Counsel*
David Ripple, *Vice President for Development and Alumni Affairs and President, Wayne State University Foundation*
Ned Staebler, *Vice President for Economic Development*
Melissa Smiley, *Chief of Staff and University Relations Officer*
Julie H. Miller, University *Secretary and Executive Officer to the Board of Governors*

Kimberly Andrews Espy, President

Wayne State University Board of Governors unanimously elected Kimberly Andrews Espy, Ph.D., as the University's 13th president, effective August 1, 2023.

Dr. Espy previously served as provost and senior vice president for academic affairs at the University of Texas at San Antonio (UTSA), a position she held since 2018. During her tenure, UTSA earned the distinction of an R1 identification by the Carnegie Foundation and was invited to join the Alliance of Hispanic Serving Research Universities. Additionally, UTSA was named a 2022 Degree

Completion Finalist by the Association of Public and Land-Grant Universities in recognition of a 40% increase in awarded degrees, which marked a 12-point improvement in six-year graduation rates under her leadership.

Prior to serving as UTSA's provost, Dr. Espy was senior vice president for research at the University of Arizona, where she increased research and development awards by record amounts. She also served as vice president for research and innovation and dean of the graduate school at the University of Oregon, where she helped secure funding from the Oregon state legislature to advance economic development and value to the state.

Dr. Espy received her undergraduate degree in psychology from Rice University and an M.A. and Ph.D. in clinical neuropsychology from the University of Houston. She also completed a clinical/pediatric psychology internship at the University of Louisville School of Medicine/Bingham Child Guidance Center and a postdoctoral fellowship at the University of Arizona College of Medicine.

Laurie Lauzon Clabo, Provost and Executive Vice President for Academic Affairs

Dr. Laurie Lauzon Clabo, Ph.D., began her role as provost and senior vice president for academic affairs in March 2024. Dr. Clabo previously served as dean of the College of Nursing and as interim provost from August 2020 to July 2021 and again from November 2023 until her current appointment in March 2024 at the University.

As dean of the College of Nursing, Dr. Clabo oversaw significant advancements, including increased philanthropy, growth in research funding and graduate enrollment, and improved national rankings for the college's programs. Under her leadership, the University opened the new Campus Health Center and the Taylor Street Primary Care Clinic, enhancing healthcare services in Detroit's Virginia Park community.

Dr. Clabo received her baccalaureate degree in nursing from the University of Windsor, her master's in nursing administration from Dalhousie University in Halifax Nova Scotia and her Ph.D. in nursing from the University of Rhode Island. She is an alumna of the Robert Wood Johnson Executive Nurse Fellows program and the Wharton Executive Leadership program, and has served in various leadership roles in professional organizations, including two terms as president of the Michigan Association of Colleges of Nursing. She is also a fellow of the American Academy of Nursing.

Bethany Gielczyk, Senior Vice President for Finance and Business Affairs; Chief Financial Officer and Treasurer

Bethany Gielczyk joined the University in October 2022 following her tenure as Deputy State Budget Director at the State Budget Office of Michigan. In this role, she played a pivotal role in managing the state's $80 billion budget and advised the Governor and State Budget Director, particularly during the challenges posed by the pandemic. With over two decades of experience in budgeting and financial management, Ms. Gielczyk 's career includes significant contributions as Deputy Director of the House Fiscal Agency, where she served as a key advisor to legislators on budgetary matters.

Ms. Gielczyk holds a Master's Degree in Public Policy from the University of Michigan's Ford School of Public Policy and is an alumna of Michigan State University's James Madison College. Her expertise spans strategic fiscal planning, budget planning, and navigating fiscal challenges.

Bernard J. Costello, M.D., D.M.D., Senior Vice President for Health Affairs

Dr Costello's appointment to serve as the senior vice president for health affairs was approved by the Board of Governors in December 2024. He joined Wayne State from the University of Pittsburgh (Pitt), where he was associate vice chancellor for interdisciplinary education in health sciences and full professor of oral and maxillofacial surgery. Dr. Costello also was chief of pediatric oral and maxillofacial surgery at the University of Pittsburgh Medical Center's top ten-ranked children's hospital. With more than two decades of leadership experience across six highly ranked health sciences schools, Dr. Costello transformed interprofessional education, reengineered clinical operations, and accelerated and grew research initiatives and external funding.

After earning his M.D. and D.M.D. at the University of Pennsylvania, Dr. Costello completed his residency at the Hospital of the University of Pennsylvania and Children's Hospital of Philadelphia, followed by a pediatric craniofacial fellowship at the Posnick Center for Facial Surgery and Georgetown University Medical Center. He has published numerous peer-reviewed publications and served as an editor and author for key texts on craniomaxillofacial reconstruction. Dr. Costello has held leadership roles with many key professional associations, boards and foundations, including past president for the American Board of Oral and Maxillofacial Surgery, past president of the American Academy of Craniomaxillofacial Surgeons, and past president of the American Cleft Palate-Craniofacial Association.

Ezemenari Obasi, Ph.D, Vice President for Research & Innovation

Dr. Ezemenari M. Obasi began his tenure as Vice President for Research on February 1, 2024. Dr. Obasi earned a B.S. degree in Physics at the University of California – Irvine. He then went on to earn a Ph.D. in Counseling Psychology at The Ohio State University, while also obtaining a minor in Quantitative Psychology in the area of psychometrics and data analysis. He completed his pre-doctoral internship at Harvard Medical School: McLean Hospital. Dr. Obasi's research focuses on the neurobiology of stress, addictions, and cancer prevention within the context of health-equity science. While at the University of Houston, he served as the director of a national center, HEALTH Center for Addictions Research and Cancer Prevention and the Founder/Director of UH's HEALTH Research Institute. To this end, Dr. Obasi has led or participated in over $30M of science research funded by the National Institute of Health, the State of Texas, and other foundations. Ultimately, he is committed to bringing about positive change to underserved and minoritized communities where he is actively involved in the community while disseminating research designed to improve their quality and length of life.

Michael Poterala, Vice President and General Counsel

Michael Poterala joined the Office of General Counsel in October 2022 as Vice President and General Counsel. An accomplished lawyer and leader in higher education, Mr. Poterala provides legal counsel and representation to the University, ensures compliance, and minimizes legal risk while also fostering sound decision-making in operation, instruction, research and administration. In his role, Mr. Poterala works closely with the University's Board of Governors, senior leadership, faculty, and staff.

Mr. Poterala joined WSU from the University of Maryland, where he served as vice president for legal affairs and general counsel since 2015 and has chaired the Big Ten Academic Alliance general counsel group since 2018. Prior to his time at the University of Maryland, Mr. Poterala held senior legal and administrative positions at North Carolina State University and Michigan State University. Mr. Poterala began his legal career in private practice in the Detroit area, where he worked on a wide range of legal matters representing both institutions and individuals. He also served for a time as the Michigan general counsel for the Motion Picture Association of America. He is a graduate of Georgetown University, where he obtained his Juris Doctor and B.S. in finance degrees, both with honors.

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

David Ripple joined as Vice President for Development and Alumni Affairs and President, Wayne State University Foundation in February of 2023. No stranger to Wayne State, he first came to campus as Associate Vice President of Development and Alumni Affairs in 2006 and was promoted to Vice President of the division and President of the Wayne State University Foundation in 2008. During his tenure, he retooled fundraising operations to meet the needs of a comprehensive R1 university, implemented best-practice metrics for development operations, and provided recommended courses of action to the University president and foundation board to strategically link the needs of Wayne State with external resources.

In 2014, Mr. Ripple left Wayne State to become vice president of development at The Ohio State University, then returned to Michigan in 2016, where he became President of The Remington Group and then moved on to become Vice President of Development for Trinity Health. He holds an Associate Degree in Liberal Arts from Schoolcraft College, a B.A. in journalism from Madonna University, and an M.A. in English from Eastern Michigan University.

Ned Staebler, Vice President for Economic Development

Ned Staebler serves as Vice President for Economic Development at Wayne State University and as President and CEO of TechTown, Detroit's most established business incubator and accelerator. He leads both organizations' efforts to strengthen the Detroit region's neighborhoods, businesses and leaders, overseeing a range of activities around innovation and entrepreneurship, business development and attraction, talent retention, transit and mobility, and place making.

Mr. Staebler previously served as the Vice President for Entrepreneurial and Capital Services at the Michigan Economic Development Corporation. In this role, he was responsible for the oversight of the Michigan Strategic Fund Board and the 21st Century Jobs Fund, a $2 billion, 10-year initiative to transform Michigan's economy. As part of these efforts, Mr. Staebler led the investment and management of $600 million of state funds into entrepreneurial companies, venture capital and private equity funds, and strategic service providers.

Mr. Staebler also spent nearly a decade in the private sector, working in both startup and Fortune 150 environments. He served on the management team of the Helios Group, a technology-based, startup financial services firm that he helped grow from 30 to 130 employees. After Helios was acquired in 2000 by Bear Stearns, Mr. Staebler spent the next three years in the company's London, England office as an Associate Director.

A Detroit native, Mr. Staebler is a graduate of the University of Detroit Jesuit High School and Harvard, and he received a master's degree from the London School of Economics and Political Science. He serves on various boards, including NextEnergy, Midtown Detroit, Inc., the Detroit Historical Society, MichBio and the Ann Arbor Local Development Finance Authority.

Melissa Smiley, Chief of Staff and University Relations Officer

Melissa Smiley was appointed Chief of Staff and University Relations Officer in March 2024. In this role, she oversees the University Relations division, responsible for external advocacy strategy and operations. This includes coordinating efforts across Government and Community Affairs, Marketing and Communications, and the Board of Governor's office.

Prior to joining the University, Smiley served as chief of staff at WorkMoney, a national nonprofit focused on improving the financial well-being of working Americans. Previously, she was chief of staff to Michigan Secretary of State Jocelyn Benson, where she launched the Secretary of State's first Race and Equity taskforce and implemented an appointment-based model across more than 130 branch offices, significantly reducing wait times.

Earlier in her career, Smiley was special assistant to the president and vice president of strategy and operations at the Community Foundation for Southeast Michigan. She also served as deputy chief of staff to Detroit Mayor Mike Duggan during the city's bankruptcy.

Melissa Smiley holds an A.B. from Bryn Mawr College, a master of public health, a master of urban planning, and a Ph.D. in epidemiological science from the University of Michigan.

Julie H. Miller, Secretary to the Board of Governors

Julie Miller joined Wayne State University in 1977 and was appointed Secretary of the Board of Governors in 2001. She received her B.S. degree in Human Resources Management, cum laude, and her M.A. in Industrial Relations from Wayne State University. Prior positions at the University have included Executive Assistant to the President and confidential assistant to the Vice President for Academic Affairs.

Organization and Academic Programs

Wayne State University is composed of 13 schools and colleges, including: Medicine; Business; Law; Engineering; Education; Social Work; Fine, Performing and Communication Arts; Liberal Arts and Sciences; Graduate School; Nursing; Information Sciences; Pharmacy and Health Sciences and the Honors College. In the 2023-2024 academic year, the following degrees were awarded:

DEGREES AWARDED IN 2024

	Undergraduate	Master	Doctorate	Professional	Total
School of Business Administration	857	316	2	-	1,175
College of Education	284	230	26	-	540
College of Engineering	584	219	41	-	844
Fine, Performing & Communication Arts	335	27	10	-	372
Graduate School	-	1	3	-	4
School of Information Science	-	123	-	-	123
Liberal Arts & Sciences	1,430	233	93	-	1,756
Law School	-	23	-	133	156
School of Medicine	-	94	11	258	363
College of Nursing	181	51	1	37	270
Pharmacy and Health Sciences	132	86	3	136	357
School of Social Work	113	224	4	-	341
TOTAL	**3,916**	**1,627**	**194**	**564**	**6,301**

Centers and institutes at the University serve to assist in college or University-wide interdisciplinary teaching, research, and service activities. There are approximately 37 approved centers and institutes at the University, ranging across such areas as the Barbara Ann Karmanos Cancer Institute, the Center for Molecular Medicine and Genetics, the Institute of Gerontology, the Institute of Environmental Health Sciences, the Center for Urban Studies, and the Merrill Palmer Skillman Institute for Children.

The University has 126 undergraduate degree programs. All of the colleges and schools offer graduate or professional degrees. There are 139 master's degree programs and 60 doctoral programs, as well as graduate professional degrees in Law, Medicine, and Pharmacy. Approximately 26% of the total credit hours earned at the University are earned in graduate and graduate/professional programs. The University also admits students to a variety of non-degree, graduate certificate programs that address the need for periodic professional upgrading or retraining.

The University is one of approximately 187 universities with the research activity designation of Research 1: Very High Research Spending and Doctorate Production by the Carnegie Commission on Higher Education. It ranks in the top 100 public institutions in research and development expenditures by the National Science Foundation (NSF). The University is also classified as a Community Engagement institution by the Carnegie Foundation. Wayne State University is one of 84 public doctoral universities with both the R1 Classification and Community Engagement. The University is one of 18 Urban Serving Universities with both the R1 Classification and Community Engagement. Additionally, it has also earned the Association of Public and Land Grant Universities Innovation and Economic Prosperity designation.

The schools and colleges are described below; discussion of the Graduate School is encompassed within the applicable School or College with a graduate program.

School of Medicine and Related Programs. Wayne State University's history began in 1868, when five physicians who witnessed the crude medical treatment on Civil War battlefields committed themselves to advancing health education and care in Detroit. They founded the Detroit Medical College, which has since transformed into the WSU School of Medicine, an internationally renowned school that has contributed to landmark medical achievements such as the world's first successful open-heart surgery and the discovery of AZT, the first drug approved by the U.S. Food and Drug Administration for the treatment of AIDS, which is still used today.

This legacy of medical education and research continues today. With approximately 1,200 M.D. program students, the School of Medicine is the largest single-campus medical school in the nation. The school provides quality education in the medical sciences through its Doctor of Medicine, Doctor of Philosophy and Master's degree programs. In 2022, the School of Medicine launched a new M.D./M.B.A. program, allowing medical students to obtain a master's of business administration degree concurrent with a medical degree.

Graduate education in clinical fields, post-doctoral study and Continuing Medical Education programs are also offered in the School of Medicine. Approximately 350 students are enrolled in doctoral or master's degree study in 21 program areas, predominately in the basic medical sciences. At present, there are 130 residents in training in the school's nine sponsored graduate medical education programs. The school is also the academic institutional partner for more than 50 residency and fellowship training programs housed at the Detroit Medical Center and other major health care systems in southeast Michigan.

In addition to degree programs, the School of Medicine offers courses in many basic medical science disciplines, which are appropriate for students in other colleges and schools of the university, along with continuing education programs for professionals throughout the community.

Wayne State produces more of Michigan's physicians than any other school in the country. Interest in the medical degree program, as measured by applications, has continued to increase, from 4,770 applicants in 2016 to more than 10,000 in 2025.

The successful residency match rates of the School of Medicine's graduating classes continue to attest to the robust and nationally recognized medical education provided by the School of Medicine. The 2025 graduating class attained a 99.4% match rate. At 99.4%, the match rate for the School of Medicine students who participated in this year's match was nearly 6 points higher than the national average of 93.5%. The nine-year Match rate for the WSU School of Medicine has remained at or above 97%

In November 2023, the School of Medicine received the full eight-year maximum accreditation from the Liaison Committee on Medical Education, the accrediting body for educational programs at schools of medicine. The school remains fully accredited through the 2030-31 academic year.

Research focusing on human health is the foundation of the activities in the School of Medicine. Major research specialties have been established in cancer biology and the neurosciences. The School of Medicine has research partnerships with the Detroit Medical Center, Henry Ford Health, Corewell Health, Henry Ford Rochester Hospital and the Barbara Ann Karmanos Cancer Institute (KCI). Wayne State University, in participation with KCI, operates one of the 72 comprehensive cancer research centers designated by the National Cancer Institute.

The school is also home to the Addiction Research Institute, the C.S. Mott Center for Human Growth and Development, the Center for Molecular Medicine and Genetics, the EHS Center in Molecular and Cellular Toxicology with Human Applications, the Ligon Research Center of Vision, the Morris J. Hood Jr. Comprehensive Diabetes Center and the Center for Emerging and Infectious Diseases.

The school was ranked 71st in research nationally of the 193 medical schools eligible for ranking by U.S. News & World Report in 2023. The school's most recent research portfolio stands at $183 million in external grant funding.

In 2024, the Blue Ridge Institute for Medical Research, which provides an annual ranking of National Institutes of Health funding to medical schools and individual departments, placed the WSU School of Medicine 73rd nationally and third in Michigan among medical schools securing NIH funding, with a total of $57.9 million in grants. Three departments; the Department of Emergency Medicine, the Department of Radiology, and the Department of Ophthalmology and Visual and Anatomical Sciences are among the nation's top 20 departments in NIH grant funding. The Department of Emergency Medicine ranked ninth in the nation, (second in Michigan), with $6.1 million in NIH grant funding. The Department of Radiology climbed from 23rd to 15th nationally (second in Michigan) with $14.2 million in grants. The Department of Ophthalmology, Visual and Anatomical Sciences maintained its 15th in the nation ranking (second in Michigan), with $7.0 million in funding. Nine departments ranked in the top 50 and six others in the top 100.

Significant grants in 2024 included:

- $3.4 million award to C.S. Mott Center for Human Growth and Development from the National Institutes of Health aims to overcome the limitations of conventional semen analyses by examining mitochondrial DNA levels in sperm as a novel biomarker of sperm fitness and predictor of couples' reproductive success.

- $3.4 million grant to Department of Psychiatry and Behavioral Neurosciences from the National Institute of Mental Health of the National Institutes of Health, evaluating whether cannabidiol, or

CBD, can enhance the effects of cognitive behavioral therapy for individuals with generalized anxiety disorder.

- The five-year grant for $2.2 million Ophthalmology, Visual and Anatomical Sciences in the Wayne State University School of Medicine, received an award from the National Eye Institute of the National Institutes of Health for his study aiming to reverse the adverse effects of diabetes on eyesight.

- NIH awards $1.7 million to Department of Physiology to study genetic mechanisms of exercise in fighting heart disease, cancer and more.

The Wayne State University School of Medicine does not provide clinical services, except for certain limited diagnostic laboratory services provided as part of the teaching and research functions of the University. As Detroit's only allopathic medical school, the School of Medicine's faculty and students are actively involved in delivering health care to the community through its clinical affiliations with multiple hospital and physician partners. Among these are Detroit Medical Center hospitals, Henry Ford Health hospitals, the Barbara Ann Karmanos Cancer Center, Corewell Health and other affiliated institutions. These institutions, along with the John D. Dingell Department of Veterans Affairs Medical Center, are the principal teaching hospitals for the School of Medicine. The school also has affiliations with more than 20 physician practice groups.

Wael Sakr, M.D., became dean of the Wayne State University School of Medicine in May 2022, having served as the chair of the Department of Pathology at the school since 2008. Dr. Sakr is a nationally recognized academic pathologist with a track record of independent and collaborative National Institutes of Health funding and with seminal contributions in the field of genitourinary neoplasia, prostate cancer in particular. He participated in numerous clinical trials as an expert pathologist evaluating morphologic and molecular changes and expression profiling as markers for cancer diagnosis and prognosis.

Dr. Sakr is a passionate medical educator who has organized and lectured in numerous institutional, regional, national and international educational and training seminars, with emphasis on the integrated and multidisciplinary aspects of diagnosis and management. During his three decades as a faculty member, he has been an active participant in the teaching and mentoring of medical students, residents and fellows. He also has assumed leadership roles in professional and community-based organizations, including NIH study sections and task forces, World Health Organization committees, and the National Arab American Medical Association and Arab Community Center for Economic and Social Services.

On August 15, 2025, the University announced that Dr. Sakr has been placed on paid administrative leave. Dr. David Rosenberg, Chair of the Department of Psychiatry and Behavioral Neurosciences, has been appointed to serve as acting dean of the School of Medicine.

Mike Ilitch School of Business. In 1917, the Detroit Board of Education formally organized the Detroit Junior College to offer business and accounting courses. This institution became the predecessor of the Mike Ilitch School of Business (Ilitch School).

Today, the business school has approximately 3,960 full-time and part-time students, in both undergraduate and graduate programs. The graduate program includes master's degree and doctoral degree programs. The Ilitch School focus is on teaching and conducting research in the theory and practice of business administration. All programs are accredited by AACSB International - The Association to Advance Collegiate Schools of Business.

The Ilitch School has six departments: Accounting, Finance, Global Supply Chain Management, Marketing, Management, and Technology, Information Systems and Analytics (TISA). Research is conducted through these departments and various interdisciplinary entities such as the Manufacturing Information Systems Center. Executive education programs are offered.

Law School. A group of public-spirited lawyers led by Judge Allan Campbell, in cooperation with the City of Detroit, established a new law school in 1927 as part of the Colleges of the City of Detroit. The Law School grew along with the University and today has approximately 480 students.

The Law School offers a Juris Doctor (JD), Master of Laws (LLM), Master of Studies in Law (MSL) and Bachelor of Arts in Law (BA) degrees. It also offers a joint JD/MBA program and JD/MA programs with an MA in history, political science, criminal justice or economics. The JD program is offered as a day program, a part-time evening program, and as a combined day and evening program. The LLM program is designed to provide practicing lawyers with specialized training in taxation, labor and employment, and corporate and finance law. The urban setting provides students with opportunities for internships with judges, prosecutors and defense offices, and public interest law offices. The school offers seven different legal clinics, including a free legal aid clinic, the Damon J. Keith Center for Civil Rights, and the Levin Center at Wayne Law.

James and Patricia Anderson College of Engineering. Responding to the rich manufacturing environment in Detroit, the College of the City of Detroit first offered engineering courses in 1920 and established a College of Engineering in 1933. Today, the College of Engineering offers over 50 degree and certificate programs. The Anderson College of Engineering has eight departments: Biomedical Engineering, Chemical Engineering and Materials Science, Civil and Environmental, Computer Science, Electrical and Computer Engineering, Industrial and Systems, Mechanical Engineering, and Engineering Technology. The College established the nation's first Electric-drive Vehicle Engineering program in 2010. Approximately 2,790 undergraduate and 660 graduate students are enrolled in the College of Engineering.

The college offers a full range of engineering disciplines, enhancing industry-relevant curricula with interdisciplinary research in mobility, electric-drive vehicle engineering, advanced manufacturing, automotive engineering and safety, data science and business analytics, environmental and transportation engineering, health care engineering, imaging and biomedical engineering, robotics, welding and metallurgical engineering technology, nanotechnology, and cybersecurity. Bringing industry closer together with the college's academics improves learning outcomes, maximizes the value of research, strengthens commercial impact, and provides top-level engineering prospects with technologically relevant skills.

In 2025, Wayne State University alumnus James A. Anderson (BSCE '66, MSCE '70) and his wife, Patricia, made a $50 million gift to the university to advance research, entrepreneurship, and student success in the College of Engineering. In recognition of this historic investment, the college has been renamed the James and Patricia Anderson College of Engineering.

College of Education. The forerunner of the University's College of Education was the Detroit Normal School established by the City of Detroit in 1881. The College of Education has provided Michigan with teachers, principals, superintendents, counselors, educational psychologists, kinesiologists, sports administrators, school and community health educators and experts in instructional design and in educational evaluation & research design. These programs are currently organized under four divisions within the College: the Division of Teacher Education, the Division of Kinesiology, Health & Sports Studies, the Division of Administrative and Organizational Studies, and the division of Theoretical and Behavioral Foundations. The College has a mixture of undergraduate and graduate programs that prepare students for both applied and research occupations. Approximately 2,000 undergraduate and graduate students are enrolled in the College of Education

The College has a variety of outreach projects, partners, and programs where research merges with practice. The College operates an Early Childhood Center which prepares its students for teaching young children, as well as providing professional development and community parents with child development information. It also operates the Center for Health and Community Impact and the Detroit Partnership for Education Equity & Research.

School of Social Work. A separate School of Social Work was established in 1950. Prior to that time, courses were offered in the School of Public Affairs and Social Work, which was organized in 1935. The School of Social Work has as its mission the teaching of the knowledge, values, and skills of the social work profession. It uses the advantages of its urban setting to develop and deliver superb teaching and research that benefits the community and advances social, economic, and environmental justice. The school offers degree programs at the bachelor's, master's, and doctoral levels, as well as five graduate certificate programs. Approximately 925 undergraduate and graduate students are enrolled in the School of Social Work. The school was recognized for its innovation by U.S. News & World Report in its 2024 Best Graduate Schools list, ranking Wayne State in the top 50 schools of social work across the nation.

College of Fine, Performing and Communication Arts. The mission of the College of Fine, Performing and Communication Arts is to provide quality education for practitioners, scholars, audiences, and critics in art and art history, communication, music, dance, and theatre. The College provides a variety of performance and presentation resources, such as the Hilberry Repertory Theatre, the University Orchestra and the Community Arts and Elaine L. Jacob Gallery. The Hilberry Repertory Theatre is the nation's oldest full season graduate repertory company.

Approximately 1,513 students are enrolled in the College of Fine, Performing and Communication Arts, which offers seventeen graduate and twelve undergraduate degree programs. The four academic departments include Art and Art History, Theatre and Dance, Communication, and Music. The College fosters a wide variety of relationships with professional organizations, such as the Detroit Symphony Orchestra and the Detroit Institute of Arts. In Spring 2023, the college opened a new state-of-the-art theatre performing arts complex, the Hillberry Gateway.

College of Nursing. Although not officially a college until 1945, the College of Nursing traces its origins back to the early 1880's when a group of prominent Detroit women formed a training school for nurses. Today, the College of Nursing's programs cover a wide range of health issues, from the prevention of teenage pregnancy to psychosocial intervention with cancer patients undergoing radiation therapy. The College also administers the Office for Health Research, which focuses on promoting and supporting nursing research. The college operates the Michigan Area Health Education Center (MI-AHEC) in partnership with the School of Medicine. MI-AHEC's mission is to improve access to primary care for all Michigan residents through recruitment and retention initiatives and special clinical education programs.

The College of Nursing offers a bachelor of science in nursing and master's degree programs in five areas, including public health, neonatal, pediatric (primary and acute), and psychiatric nursing. Post-masters certificate programs are offered in four areas and nursing education. The College offers a Ph.D. program and eight clinical specialties in the doctor of nursing practice program. The College has several state-of-the-art distance learning centers and high-technology classrooms, as well as two simulation laboratories. Approximately 796 undergraduate and graduate students are enrolled in the College of Nursing. In 2025, U.S. News and World Report recognized Wayne State University's College of Nursing for offering one of the best BSN programs, MSN programs and Doctor of Nursing Practice programs in the country.

Eugene Applebaum College of Pharmacy and Health Sciences. The earliest history of the programs in the College dates to 1890 when the first formal program offering pharmaceutical education in Detroit was developed by the Detroit College of Medicine. The Applebaum College of Pharmacy and Health Sciences is one of only a handful of colleges nationwide that houses both the PharmD program and a variety of other professional programs in health care. With this unique infrastructure, WSU Applebaum has a built-in opportunity to train students in interprofessional practice, which is critical to patient safety and quality of care. The College also offers programs in twelve different disciplines: Applied Health Sciences, Medical Laboratory Sciences, Mortuary Science, Occupational Therapy, Pathologists' Assistant, Pharmaceutical Sciences, Pharmacy, Physical Therapy, Physician Assistant Studies, Radiation Therapy Technology and Radiologic Technology. Total enrollment in the College is 932 students composed of 203 undergraduates, 192 graduates, and 537 in the professional-level program.

College of Liberal Arts and Sciences. The College of Liberal Arts and Sciences was originally part of an institution known in 1917 as the Detroit Junior College. In 1923, the Junior College became the College of the City of Detroit, and in 1934, it joined other colleges in what was to become Wayne State University. The College of Liberal Arts and Sciences offers majors, minors, and co-majors across twenty departments (African American Studies; Anthropology; Biological Sciences; Chemistry; Classical and Modern Languages, Literature and Cultures; Communication Sciences & Disorders; Criminal Justice; Economics; Employment and Labor Relations; English; Environmental Studies and Geology; Gender, Sexuality and Women's Studies; History; Latino/a and Latin American Studies; Law; Linguistics; Mathematics; Neuroscience; Nutrition & Food Science; Peace and Conflict Studies; Philosophy; Physics and Astronomy; Political Science; Psychology; Public Health, Sociology; and Urban Studies and Planning). These provide a broad-based liberal arts education that serves the interests of a diverse student population. The faculty includes nationally recognized researchers and authors in their areas of expertise. Most departments in the College offer bachelor's and master's degrees, and more than fifteen also offer the Ph.D. There are approximately 7,907 undergraduate and graduate students in this College. The College also has a number of centers and institutes, including the Labor Studies Center, a Center for the Study of Citizenship, and the Center for Excellence and Equity in Mathematics.

Irvin D. Reid Honors College. The Board of Governors approved the establishment of an Honors College effective as of Fall 2008. The College replaced the Honors Program which was created in 1986. The Irvin D. Reid Honors College is city-based and service-oriented; it promotes excellence and challenges students to be engaged as problem-solvers and leaders. It provides a community of scholars within a large urban research University. The College is home to roughly 2,075 students, comprising both University Honors and Departmental Honors tracks.

Other. In addition to the main campus in Detroit, WSU has extension centers that are attended by more than 1,000 students (Fall 2024) and are located in Livonia, Clinton Township and Warren. The Office of Educational Outreach oversees the three centers and supports additional outreach initiatives, which allow the University to expand its reach and provide educational opportunities throughout southeast Michigan.

Each extension center is located in proximity to a partner educational institution: The Schoolcraft Center for Educational Outreach is located on the campus of Schoolcraft College; the University Center at Macomb is located at Macomb Community College center campus; and the Advanced Technology Education Center (ATEC) is across the street from Macomb Community College's (MCC) south campus.

By partnering with community colleges, Wayne State provides a seamless transition for students who want to pursue a four-year degree. The connection boosts WSU's enrollment and graduation rates and allows community college students to participate in WSU programs such as Study Abroad, which is not offered at partner institutions.

In the last decade, Wayne State has expanded operations in Macomb County to maximize opportunities in the state's third-largest county, and one without a four-year institution. By developing a strategic partnership with MCC and creating innovative programs such as Wayne Advantage-Macomb, which allows highly qualified students to be concurrently enrolled at WSU and MCC, Wayne State has increased enrollment from the county. The largest number of transfer students come to WSU from MCC.

Degree programs offered at the extension centers and other off-campus locations address educational and community needs by delivering high-quality Wayne State University instruction in convenient formats and locations. The Advanced Technology Education Center (ATEC) specializes in computer science and engineering, while the Schoolcraft Center focuses on business, engineering technology, law, and public health—areas that support both community college transfer students and broader community demands.

Academic and transfer advising are available at the centers on a rotating basis, and each site offers study spaces, Wi-Fi, vending services, and free parking. To better support students transferring to the university from other institutions, Educational Outreach established the Transfer Student Success Center (TSSC). The TSSC hosts informational events on the university's main campus and at the extension centers, provides transcript credit evaluations, and develops resources, transfer plans, and Transfer Pathways to help students achieve transfer success and navigate their first semester.

Research

According to the National Science Foundation (NSF) Higher Education, Research, and Development expenditures for 2023 (the most recent NSF published rankings available), the University's research expenditures were over $251 million and ranked 78th among 420 public universities and 118th out of more than 644 colleges and universities with research funding in the United States. Many individual research units within the University have received national recognition.

From the 2023 grant and contract awards, the University expended over $251 million as annually reported by the standard process to the National Science Foundation. This NSF-reported research expenditures total has been relatively stable since 2018. Based on direct expenditures, the University receives facilities and administration cost reimbursements, which totaled $44.5 million in FY24. University budgetary policy distributes a portion of these among the faculty, departments, and colleges for additional research, allocates another portion of the recovery to the Vice President for Research & Innovation along with reimbursing the University for a share of its central support of the research enterprise.

The extramural research funding to the University since FY2014 has steadily increased, with the 2025 funding levels totaling $294.3 million.

Of the total research funding, the largest amount of research funding within a college or school at the University is in the School of Medicine, which includes research funding for the Barbara Ann Karmanos Cancer Institute. The balance of the research funding is spread among various University units including the College of Liberal Arts and Sciences, the College of Engineering, the College of Nursing and the Eugene Applebaum College of Pharmacy and Health Sciences among others.

The Federal government consistently has provided a substantial portion of the University's external research funding, with the National Institutes of Health (NIH) being the primary funding agency. Large NIH awards in 2024 to Wayne State University include "The mechanisms of MEIG1 complex in mammalian spermiogenesis and fertilization" funded at $3.2 million; "Defining Cancer Intervention Targets by Functional Genomics Analysis of Outbred F1 Mice" funded at $2.78 million; "Non-invasive infrared light therapy and medical device to treat spinal cord injury" funded at $2.76 million; and "The impact of aging on neutrophil-mediated protection and inflammation in the female genital mucosa" funded at $2.0 million. In FY24, extramural research funding from the National Institutes of Health (NIH) totaled nearly $94.4 million, accounting for over 32% of all obligated sponsored research awards received.

In terms of research facilities, the University continues to move forward in a deliberate manner to achieve distinction as a major research University. In 2024, the University completed renovations in the Eugene Applebaum College of Pharmacy and Health Sciences for a new, modern, FDA-approved 3T human magnetic resonance imaging system. The project and equipment totaled $3.4 million, with $2 million awarded by the National Institutes of Health and the remainder provided by matching funds from the Office of the Vice President for Research & Innovation and the School of Medicine.

In 2022, Wayne State was awarded $100 million from the State of Michigan that will be used towards building a new state-of-the-art Health Sciences research facility. The University is preparing to break ground on this facility soon. The university will aim to advance the future of health sciences with the construction of this new Health Sciences Research Building (HSRB), a cutting-edge facility designed to drive discovery, innovation, collaboration and community impact. This state-of-the-art space will empower faculty researchers, students and the community to push the boundaries of medical and scientific advancements that improve lives. the HSRB will feature dedicated space for research in areas including oncology, translational neuroscience, systems biology and immunology, and metabolism and infectious diseases. The building is slated to be completed in 2028.

In 2006, Wayne State University, Michigan State University, and the University of Michigan formed the University Research Corridor (URC). In 2025, Michigan Technological University became an R1 institution and joined the group; the URC has been renamed Research Universities for Michigan (RU4M). The purpose of this organization is to spark regional economic development via invention, innovation, and technology transfer. Together, the RU4M institutions account for most of the research expenditures among all Michigan universities.

Wayne State University's research and technology district—Detroit's first Innovation District—includes TechTown Detroit, the Integrative Biosciences Center (IBio), and the Industry Innovation Center (I2C). As the university's entrepreneurship hub, TechTown is a key anchor of this innovation ecosystem and a major force in Detroit's economic revitalization. Since its founding in 2004, TechTown has accelerated small business development, job creation, and tech-based ventures throughout Midtown and the city's neighborhoods. Designated as both a state SmartZone and a Small Business Support Hub, TechTown advances equitable economic growth by supporting businesses across diverse industries, from life sciences and technology to retail and hospitality.

TechTown provides comprehensive support for early-stage entrepreneurs and scalable small businesses through hands-on programming, technical assistance, coworking and event space. It also serves as a collaborative convening space for innovators and partners across the region. Over the past 20 years, TechTown has supported more than 7,000 businesses, helped secure over $420 million in capital, and contributed to the creation of more than 2,300 local jobs. As a central part of Wayne State's innovation strategy, TechTown champions inclusive entrepreneurship across Detroit, Hamtramck, Highland Park, and Greater Wayne County.

The following schedule identifies actual research expenditures as reflected in the University's financial statements for the last five years from both internal and external sources. (These amounts differ from the NSF Higher Education Research and Development (HERD) Survey research expenditure submissions due to different accounting policies for research expenditures, including the under-recovery of indirect cost reimbursement on internal and external research grants.)

RESEARCH EXPENDITURES IDENTIFIED BY SOURCE
FISCAL YEAR ENDED SEPTEMBER 30,
(Dollars in Thousands)

	2020	2021	2022	2023	2024
Federal Sources					
Public Health Services (including NIH)	$52,969	$53,471	$59,675	$51,884	$53,584
U.S. Army	3,137	2,098	4,215	3,466	2,611
Department of Energy	1,291	1,307	1,644	2,122	3,322
National Science Foundation	5,540	6,864	6,423	7,471	7,253
Other Federal Agencies	4,405	5,272	5,123	9,093	12,950
Total Federal Sources	**$67,342**	**$69,012**	**$77,080**	**$74,036**	**$79,720**
Non-Federal Sources					
Foundations, Charities and Health Agencies	$5,075	$5,476	$5,930	$5,672	$4,563
Industry	7,626	5,147	3,848	4,646	6,119
State, Local and Foreign Governments	4,902	2,051	1,973	4,128	2,506
Other, including other Schools and Universities	25,223	25,336	21,219	25,355	24,956
Institutional Funds	51,151	44,266	48,135	50,904	58,022
Total Non-Federal Sources	**$93,977**	**$82,276**	**$81,105**	**$90,705**	**$96,166**
Total All Sources	**$161,319**	**$151,288**	**$158,185**	**$164,741**	**$175,886**

Note: These amounts include equipment purchases that are charged to these sources.

Public Service

The University is committed to serving the urban community. Through many internally and externally sponsored projects, the University provides strong educational and service programs to children, adults, businesses and other organizations.

Wayne State University's Educational Transition Coordination (ETC) program, in partnership with the Michigan Justice Fund (MJF), creates a prison-to-college pipeline for formerly incarcerated individuals. The University's prison reentry program clears a pathway for individuals released from prison into higher education institutions.

The Law School operates seven free law clinics, Appeal and Post-Conviction Advocacy Clinic, Asylum and Immigration Law Clinic, Business and Community Law Clinic, Community Advocacy Clinic, Disability Law Clinic, Immigration Appellate Advocacy Clinic, Legal Advocacy for People with Cancer Clinic. These clinics offer free legal advisory services to residents of the metro Detroit community.

The Center for Urban Responses to Environmental Stressors (CURES), located at Wayne State University, is one of the few select environmental health sciences core centers in the nation funded by the National Institute of Environmental Health Sciences. Through the application of cutting-edge research and technology, CURES researchers and community partners work together to understand how human complex exposures to chemical and non-chemical stressors in the urban environment can influence the development of environmentally linked diseases.

The University operates WDET, a public, non-commercial radio station and Detroit's only member of the National Public Radio network. As a public service program of the University, WDET presents a variety of news, educational and cultural radio programs and other related services, which inform and educate. WDET offers the Detroit Radio Information Service program, which provides free reading services to the blind and the print-impaired population. While WDET will see a reduction in federal support it is addressing through increased memberships and fundraising, budget reductions, and exploring alternative methods of support. The University remains committed to their mission.

The University is involved in many other public service projects, including programs through the Developmental Disabilities Institute (DDI) to produce positive outcomes for the disabled and their families, the Institute of Maternal and Child Health to assist at-risk mothers and babies, and the Addiction Research Institute which provides substance abuse prevention programs and services. DDI is the State of Michigan's University Center for Excellence in Developmental Disabilities. In addition to operating these various programs, the University often contributes toward project funding by providing faculty time, supplies or facilities at no cost to the funding agency.

University Facilities

Academic, Administrative and Auxiliary Enterprise Facilities. The University has over 120 buildings used for academic instruction, research, auxiliary and administrative functions comprising approximately 11.5 million gross square feet. These buildings are located on approximately 256 acres, inclusive of satellite campus locations.

In 2018, Wayne State embarked on a 14-month campus master planning process, resulting in The Wayne Framework: 2030 Campus Master Plan which was approved by the Board of Governors in June 2019. The Wayne Framework set out near-term and long-term strategies to guide the University's decision making with respect to the built environment. The University completed the Mike Ilitch School of Business in 2018 at a cost of $59 million. In 2019, the new Data Center was completed at a cost of $16.9 million. The WSU Fieldhouse, completed in 2021, serves as a new home for the University's basketball teams and the Motor City Cruise, as well as commencement and event space, for a cost of $29 million. In 2021, the University also completed the STEM Innovation Learning Center (STEM) at a cost of approximately $49.5 million. Comprised of 116,000 net square feet of building area, STEM offers state of the art classrooms and laboratories to support students in the STEM fields. In 2023, the Hilberry Gateway Theatre building was completed at a cost of $69.5 million.

State Hall, the University's largest, purpose-built classroom building, underwent an $80 million gut renovation that was substantially completed in fall 2023. Originally constructed in 1947 and expanded in 1955, State Hall houses 69 general purpose classrooms that support classes offered by every school or college. Over 75% of all Wayne State undergraduate students will take at least one class in this building, making it the heart of academic space on campus. The renovation of State Hall provides hy-flex capable teaching facilities with flexible furnishings, ample study, and collaboration space. This project was identified in the Wayne Framework as a catalytic project to optimize the University's learning facilities across campus and provide standards for future classroom renovation and construction.

Medical School Facilities. Gordon H. Scott Hall, built in 1971, is the main education building for the Medical School. It is located in the heart of the Detroit Medical Center, and it provides facilities for pre-clinical and basic science education, basic science departments, research laboratories for basic and clinical programs, and the administrative offices of the Medical School. In 2023, the University completed a renovation of the Scott Hall Vivarium at a cost of $11.0 million. Other medical school facilities include: The Helen Vera Prentis Lande Medical Research Building, the Hudson-Webber facility, the Louis M.

Elliman Clinical Research Building, the C.S. Mott Center for Human Growth and Development, the Richard J. Mazurek, M.D., Medical Education Commons, the Shiffman Medical Library.

Wayne State University is making plans to break ground this fall on a $200 million health sciences research building on its Detroit campus, advancing the future of health sciences with the construction of a new Health Sciences Research Building —a cutting-edge facility designed to drive discovery, innovation, collaboration and community impact. This state-of-the-art space will empower faculty researchers, students and the community to push the boundaries of medical and scientific advancements that improve lives. The project completion is targeted for early 2028.

<u>Libraries</u>. The University Libraries support the education, research, and service missions of the University and its communities through comprehensive, high-quality resources, services, and programs. The libraries are leaders in providing accurate and timely information to Wayne State University as well as the metropolitan Detroit area and Michigan. Scholarly materials in the University Libraries total more than three million volumes, over 56,000 journal titles and a broad range of electronic resources, including electronic journals and over 800,000 e-books, all available through the Libraries' website.

The Library System includes the David Adamany Undergraduate Library, the Arthur Neef Law Library, the Purdy/Kresge Library, the Vera P. Shiffman Medical Library and its Learning Resource Center at the Eugene Applebaum College of Pharmacy and Health Sciences, and the Walter P. Reuther Library of Labor and Urban Affairs and University Archives. The School of Information Sciences and the Detroit Area Library Network (DALNET) are also under the Library System's charge.

The Arthur Neef Law Library is the second largest academic library in the state of Michigan. It is an important legal research resource for Wayne Law students and faculty, as well as attorneys and the general public statewide.

<u>University Press</u>. The Wayne State University Press (Press) was established in 1941. Its primary purpose is to support and extend Wayne State University’s mission by publishing high quality and original scholarship, general interest, and professional works consonant with the University’s urban mission.

<u>Service Concession Agreement for Student Housing.</u> On November 30, 2017, the Board entered into a Service Concession Agreement for the Operation and Management of Student Housing (the “Concession Agreement”) with Corvias Campus Living – WSU, LLC, as concessionaire (the “Concessionaire”), pursuant to which the Concessionaire agreed to manage, operate, maintain, and repair the University’s on-campus student housing facilities for a term of forty years. Under the terms of the Concession Agreement, the Concessionaire was also responsible for the financing and construction of a new on-campus housing facility, known as Anthony Wayne Drive Apartments, the renovation of the Chatsworth Apartments and the demolition of the Helen L. DeRoy Apartments. Construction of the Anthony Wayne Drive Apartments was completed in two phases, with final completion occurring in August 2019. The renovation project was completed in August 2020 and the demolition project was completed in 2019. Currently, the Concessionaire is responsible for the management, operation, maintenance, and repair of seven on-campus student housing facilities containing approximately 3,192 revenue-generating beds. The Concession Agreement contains property management and maintenance standards for the housing facilities and parameters for the establishment of housing rental rates for the duration of the term of the Concession Agreement.

Under the terms of the Concession Agreement, the Board retained fee simple title to all land and improvements associated with the housing projects and is responsible for providing certain services to the housing projects (the “Retained Services”), for which it is entitled to compensation in accordance with the terms of the Concession Agreement. Retained Services include residence life services and activities, information technology services, security services, marketing, room assignments, housing fee billing and collection, and certain investment management services. During the term of the Concession Agreement, the Concessionaire has the right to receive the "Gross Revenues" of the housing facilities, which consists of substantially all revenue and other income from the operation of such housing facilities. The "Gross Revenues" that the Concessionaire is entitled to receive and retain under the Concession Agreement do not constitute General Revenues of the Board and are not pledged as security for the payment of the Bonds. See "SECURITY FOR THE BONDS – General Revenues" in this Official Statement.

Concurrently with the execution of the Concession Agreement, the Concessionaire issued $307,500,000 in aggregate principal amount of senior secured notes (the "Project Indebtedness"), the proceeds of which were used to: (i) finance the costs of the construction of the Anthony Wayne Drive Apartments, the renovation of the Chatsworth Apartments, and the demolition of the Helen L. DeRoy Apartments; (ii) defease $99,005,000 in aggregate principal amount of General Revenue Bonds previously issued by the Board to finance the costs of the construction or renovation of the University's on-campus housing facilities; (iii) fund certain reserve accounts for the Project Indebtedness and for operation and maintenance expenses; and (iv) pay transaction costs and expenses. The Project Indebtedness is secured by a security interest in and liens on all assets of the Concessionaire, including the Concession Agreement and the Concessionaire's right to receive the Gross Revenues of the housing facilities. The Project Indebtedness is not secured by a lien on the land or improvements associated with the housing projects. The Project Indebtedness is not a liability of the Board, and the Board has no obligation for the payment of the principal of and interest thereon.

Student occupancy levels at the housing facilities were significantly impacted by the COVID-19 pandemic in the Fall of 2020. Occupancy rates have failed to return to historical pre-pandemic levels, resulting in lower than anticipated housing system revenues. The overall occupancy rates for Fall 2021, Fall 2022, Fall 2023 and Fall 2024 were approximately 63.4%, 66.5%, 70.0%, and 73.6% respectively. In 2022, as a result of lower than anticipated revenue collections, the Concessionaire experienced certain covenant defaults under the terms of the Note Purchase Agreement (the "Note Purchase Agreement") between the Concessionaire and the holders (the "Noteholders") of the Project Indebtedness. These events of default have not been cured by the Concessionaire and are continuing. In addition, in June 2022, June and December 2023, June and December 2024, and June 2025, the Concessionaire failed to make full payment of interest due on the Project Indebtedness, resulting in payment defaults under the terms of the Note Purchase Agreement. The December 2023 and June 2024 payment defaults have been cured but the rest of the payment defaults remain uncured.

Beginning in June 2022, as a result of the payment default, the Noteholders assumed control over the approval of the housing system's expenditures. Since that time Noteholders have declined to approve any compensation to the University for the University's provision of Retained Services to the housing system. The University continues to provide the Retained Services at its own cost and expense. The cumulative value of the uncompensated Retained Services provided by the University to the housing system through June 30, 2025 is approximately $13.8 million.

The Concessionaire continues to manage, operate, and maintain the student housing facilities, subject to the exercise of the aforementioned approval rights of Noteholders. The Concessionaire, the Noteholders and the University have engaged in various discussions in an effort to resolve the events of default. To date, the Concessionaire and the Noteholders have been unable to agree on a permanent resolution, as they continue to monitor occupancy trends in order to better gauge long-term occupancy projections for the student housing system and develop programs aimed at increasing occupancy.

Athletics. The University sponsors NCAA Division II intercollegiate teams. There are eight men's sports: baseball, basketball, cross country, fencing, football, golf, swimming, and tennis; and eight women's sports: basketball, cross country, fencing, softball, swimming, tennis, track and field and volleyball. These Division II sports participate in the Great Lakes Intercollegiate Athletics Conference (GLIAC).

In May 2019, the Board of Governors of the University approved a public-private partnership between the University and the Detroit Pistons. Construction on the $25 million Wayne State Fieldhouse for WSU's men's and women's basketball teams on the west side of its athletic complex was completed in October of 2021. The 70,000 square-foot arena includes seating capacity for approximately 3,000 fans, office space and locker room areas for both WSU's men's and women's basketball teams, a concessions area, and other ancillary spaces.

Other Activities. The University recognizes more than 400 student organizations, including academic and professional organizations, political organizations, fraternities, sororities, religious organizations, and recreational clubs.

Faculty and Staff

The University's total faculty and staff (excluding student employees) aggregates approximately 7,040 employees. The full-time faculty for Fall 2024 totals approximately 1,363 members, including roughly 446 professors, 451 associate professors, 442 assistant professors, and 21 instructors and lecturers. Of the full-time instructional staff, approximately 805 faculty members hold tenure, or tenure-track appointments. Additionally, there are approximately 800 graduate assistants and approximately 913 part-time faculty.

Union Representation

Thirteen unions are presently recognized at the University, covering approximately 4,400 employees. The University has had no strikes or work stoppages in over fifteen years.

The following table summarizes the status of union contracts at the University.

Employee Group	Number of Represented Employees	Bargaining Unit Representative	Contract Expiration
Academic Staff and Faculty	1,653	AAUP-AFT, Local 6075	6/30/27
Clerical, Technical	290	Staff Association UAW, Local 2071	7/31/27
Professional & Administrative	521	UAW, Local 1979	7/31/27
Custodial, Mail, Service	173	AFSCME, Local 1497	6/10/26
Skilled Trades	27	MI Building and Construction Trades Council	5/31/26
Operating Engineers	48	Operating Engineers Local 324*	12/31/24
Public Safety	27	Police Officers Assoc of Michigan	9/30/26
Custodial and Grounds Supervisors	12	Service Employees International Union	1/31/28
Local 24 - Janitors	17	UNITE HERE Local 24	6/30/27
Graduate Teaching Assistants	491	GEOC/Michigan Federation of Teachers	8/15/28
Part-time Faculty (UPTF)	721	AFL-CIO, AFT Local 477	7/14/26
Resident Advisors	74	Resident Advisors United	New/Open
Medical Residents	135	Affiliation of Physician Residents	6/30/27

* Monthly extensions have been signed while the contract is in negotiation.

Student Enrollment

As a public urban research university with a commitment to serving the students of the Detroit metropolitan area, the University has a unique student body profile. For Fall 2024, the University student body had the following characteristics:

- Approximately 90% of students were from the State of Michigan (representing over 70 Michigan counties), 5.7% were from out of state and 77 different nations are represented on campus, international students make up 5.5% of the student population.
- The average age for undergraduates was 22, with 47% of the undergraduate student population being Pell-eligible,
- Over three quarters of the undergraduate student population attended full-time, with a nearly 2% increase in full-time undergraduate student enrollment and an increase of over 7% in graduate student full-time enrollment for Fall 2024,
- Approximately 26% of the total student population were underrepresented minorities.

The University continues to enhance its recruitment efforts by focusing on expanding partnerships with community-based organizations and high yield schools; expanding its recruitment territories in Michigan, nationally, and internationally; improving its processes; and adopting new direct admissions pathways. These efforts have led to increases in completed applications and admissions. The University is also continuing to leverage its position in Midtown Detroit, which is experiencing an economic and cultural revival. The University has developed partnerships with national business located in Detroit, and other sports and entertainment organizations best suited to expand the University's brand and student experience.

The University remains deeply committed to student success, continuing to invest in initiatives that promote timely degree completion. In 2024–2025, the university established the Office of Student Success, Support, and Engagement to provide strategic leadership and better coordination across advising, academic support, housing, disability services, student life, and basic needs. This restructuring has enhanced institutional capacity to deliver more holistic, student-centered support throughout the academic journey. Additionally, the University completed construction of the new Student Success Hub in the Undergraduate Library, co-locating key services in a highly accessible space. This centralization has improved visibility, streamlined referrals, and increased student engagement with high-impact resources.

Despite the residual impact of the COVID-19 pandemic on earlier student cohorts, the University has again stabilized its six-year graduation rate, rebounding to 58.4% in 2024. Additionally, Wayne State's four-year graduation rate saw continued growth in 2024 to 39% and is projected to exceed 40% for the first time in the university's history—an important milestone demonstrating the efficacy of recent reforms, including curricular innovations, first-year experience programs, and enhanced learning support.

In April 2025 Student Success 2.0: Every Warrior Rises launched. This initiative is designed to support students from recruitment through graduation. The program provides personalized support, vital resources, and transformative experiences to help boost graduation rates, with a goal of reaching a 75% six-year graduation rate.

These outcomes reaffirm the institution's strategic focus on increasing degree attainment across all student populations. With five consecutive years of first-to-second year retention exceeding 80%, Wayne State is building a more resilient academic pipeline, ensuring that more students—particularly those from Pell-eligible and first-generation backgrounds—persist, graduate, and thrive.

The University is also expanding its relationship with community colleges across the state, region, and internationally. Having just recently signed new transfer agreements with Canadian institutions and expanding housing scholarship access for transfer students boosting on-campus housing occupancy. This is in addition to expanded student service support for transfer students. The Transfer Student Success Center (TSSC), provides a wide range of services and activities for current and prospective transfer students. The TSSC has recently relocated its offices to the undergraduate library in state-of-the-art Student Success HUB space, providing increased access for students and for the first time bringing the TSSC team all under one roof. The University has begun working with partner community colleges to streamline or transfer pathways/articulation agreements via broader university wide agreements which will help the University more quickly go from ideation to implementation.

The total number of students attending the University's campus for the Fall term and total credit hours taken during the last five years are shown in the following table.

Fall Semester	Undergraduate Headcount	Graduate and Professional Headcount *	Total Headcount*	Annualized Full-Time Equivalent*	Fiscal Year	Annual Total Credit Hours Taken*
2020	17,513	8,738	26,251	20,559	2021	660,151
2021	16,851	8,080	24,931	19,449	2022	627,330
2022	16,116	7,672	23,788	18,602	2023	556,211
2023	16,266	7,436	23,702	19,047	2024	565,301
2024	16,173	7,791	23,964	19,525		n/a

*Excludes Graduate Medical Education Students
Note: Enrollments have been adjusted to remove students who withdrew during open registration.

The following table shows Fall 2024 enrollment by college.

School/College	Undergraduate	Graduate*	Professional	Total
Medicine - M.D. Program	-	346	1,230	1,576
Business Administration	2,859	1,099	-	3,958
Law				
Juris Doctor	-	-	388	388
Master of Law	-	94	-	94
Graduate School	-	21	-	21
Engineering	2,788	662	-	3,450
Education	1,214	790	-	2,004
Social Work	336	589	-	925
Fine, Performing & Comuunication Arts	1,343	170	-	1,513
Liberal Arts & Sciences	6,901	1,006	-	7,907
Information Sciences	-	400	-	400
Nursing	529	134	133	796
Pharmacy and Health Sciences	203	192	537	932
Totals	16,173	5,503	2,288	**23,964**

*Excludes Graduate Medical Education Students

Student Admissions

Admission to the University continues to be competitive, with the number of applications exceeding the number of students admitted. The tables below set forth the total number of first year and transfer student applications received and accepted for degree programs, and the number of students enrolled for the fall semesters indicated.

		First Year			
Fall Semester	Completed Applications	Applications Accepted	Percent Accepted	Students Enrolled	Percent Enrolled
2020	17,258	11,796	68%	3,120	26%
2021	15,351	9,603	63%	2,732	28%
2022	16,634	10,548	63%	2,577	24%
2023	15,229	12,461	82%	2,988	24%
2024	17,037	13,781	81%	3,085	22%

The following table shows applications, acceptances and enrolled transfer students for the fall semesters indicated:

		Transfer Students			
Fall Semester	Completed Applications	Applications Accepted	Percent Accepted	Students Enrolled	Percent Enrolled
2020	4,547	2,694	59%	1,544	57%
2021	4,030	2,520	63%	1,501	60%
2022	4,283	2,592	61%	1,520	59%
2023	3,666	2,856	78%	1,674	59%
2024	3,602	2,757	77%	1,360	49%

The following table shows applications, acceptances and enrolled graduate students for the fall semesters indicated:

		Graduate Students			
Fall Semester	Completed Applications	Applications Accepted	Percent Accepted	Students Enrolled	Percent Enrolled
2020	9,428	2,568	27%	1,271	50%
2021	7,557	3,027	40%	1,177	39%
2022	7,124	2,757	39%	1,216	44%
2023	8,196	3,066	37%	1,258	41%
2024	20,131	6,109	30%	1,489	24%

Note: Excludes professional Law, Doctor of Pharmacy, and Medical Doctor programs and beginning Fall 2020 excludes Physical Therapy, Nurse Anesthesia Practice, Nurse Practitioners, and Medical Physics.

As of July 31, 2025, overall applications for fall 2025 at the University increased by 4.7% compared to fall 2024. The percentage admitted stayed relatively flat between fall 2025 and 2024 at approximately 46%.

For fall 2025 undergraduate student applications as of July 26, 2025, were 1.6% ahead of fall 2024. The percentage admitted remained relatively unchanged compared to fall 2024, as of the same time last year.

As of July 31, 2025, graduate applications for fall 2025 were up 7.0% compared to fall 2024, increasing from 20,654 applications in fall 2024 to 22,440 applications for fall 2025. The percentage admitted declined by 1.5% to 26.6% for fall 2025, compared to the same time last year. In Winter 2023 the University began participation in Graduate CAS, a singular application that can be submitted to multiple schools, and the waiver of application fees. This change contributed to an uptick in graduate application.

Student Tuition and Mandatory Fees

For academic year 2025-2026, undergraduate tuition is charged on either a per credit hour basis or a flat rate for 12 – 18 hours per semester depending on enrollment status (part- or full-time) with additional fees for all programs. For graduate and most professional programs, tuition is charged per credit hour. Medical School professional tuition is charged on either a per credit hour basis or a flat rate per term depending on time status (part- or full-time). In lieu of registration fees, Medical School students are charged an annual $1,161 Medical School support fee for the 2025-2026 academic year.

For academic year 2025-2026, the student service fee is assessed at $46.41 per credit hour for undergraduate students. The fee assessed to graduate, Doctor of Pharmacy, and Law School students is $66.95 per credit hour and $1,744 annual flat rate for Medical School students. A registration fee of $288.58 is charged to all undergraduate students on a per semester basis. These fees provide funding for better on-campus technology, athletics programs, and increased funding for student activities. A one-time matriculation fee of $250 is charged to all new undergraduate students.

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The following tables show total tuition and mandatory fees based on a standard number of credit hours for full-time students (both resident and non-resident) for the academic years indicated:

Resident Tuition and Fees

	Undergraduate		Graduate and Professional				
Academic Year	Lower Division(1)	Upper Division(1)	Masters(2)	Ph.D. (3)	Pharmacy(4)	Law(5)	MD Medicine(6)
2021-22	$14,043	$16,354	$18,937	$12,843	$27,261	$35,259	$38,626
2022-23	14,675	17,090	19.789	13,421	28,487	36,845	39,208
2023-24	14,297	16,630	20,482	13,891	29,485	38,135	40,459
2024-25	14,940	17,378	21,403	14,516	30,811	39,851	42,679
2025-26	15,612	18,160	22,366	15,169	32,198	41,644	46,678

Non-Resident Tuition and Fees

	Undergraduate		Graduate and Professional				
Academic Year	Lower Division (1)	Upper Division (1)	Masters (2)	Ph.D. (3)	Pharmacy (4)	Law (5)	MD Medicine (6)
2021-22	$30,013	$35,441	$38,666	$25,996	$52,745	$38,452	$65,517
2022-23	31,364	37,036	40,406	27,166	36,277	40,182	66,502
2023-24	30,418	37,234	41,820	28,117	37,547	41,588	68,712
2024-25	31,790	38,912	43,702	29,382	39,236	43,460	69,702
2025-26	33,217	39,200	45,669	30,704	41,001	45,415	74,927

(1) 30 Credit hours a year (tuition and support fee) plus 2 registration fees. Rates vary by academic program.
(2) 24 Credit hours a year (tuition and support fee) plus 2 registration fees. Rates vary by academic program.
(3) 16 Credit hours a year (tuition and support fee) plus 2 registration fees.
(4) 31 Credit hours a year (tuition and support fee) plus fees.
(5) 30 Credit hours a year (tuition and support fee) plus 2 registration fees. Year 1 charges are reported.
(6) 50 credit hours per year plus one student support fee and one medical support fee. Year 1 charges are reported.

Gifts, Grants and Contracts

The following table sets forth the total amounts of gifts, grants and contracts received during the past five fiscal years, identified by source.

Gifts, Grants and Contracts by Source
Fiscal Year Ended September 30
(Dollars in Thousands)

Current Funds	2020	2021	2022	2023	2024
Federal Sources:					
Public Health Service (including NIH)	$ 70,660	$ 70,724	$ 85,292	$ 76,137	$ 80,855
Department of Education	53,341	87,770	101,459	48,513	54,045
National Science Foundation	7,734	9,065	8,587	9,304	10,036
Other Federal Agencies	8,049	16,531	15,823	21,641	26,787
Sub-Total Federal Sources	$ 139,784	$ 184,090	$ 211,161	$ 155,595	$ 171,723
Non-Federal Sources:					
State of Michigan	$ 25,469	$ 30,488	$ 33,462	$ 104,024	$ 73,567
Local Government	1,136	684	435	611	854
Other	59,366	79,979	73,785	91,978	87,979
Health Care Institutions	63,647	56,941	81,098	55,061	52,698
Sub-Total Non-Federal Sources	$ 149,618	$ 168,092	$ 188,780	$ 251,674	$ 215,098
Total Current Funds	$ 289,402	$ 352,182	$ 399,941	$ 407,269	$ 386,821
Endowment Fund	$ 10,884	$ 13,352	$ 16,891	$ 16,442	$ 12,952
Plant Funds					
Federal Sources	$ 63	$ -	$ -	$ -	$ -
Non-Federal Sources	7,600	2,747	4,771	963	43
Total Plant Funds	$ 7,663	$ 2,747	$ 4,771	$ 963	$ 43
Total Gifts, Grants and Contracts	$ 307,949	$ 368,281	$ 421,603	$ 424,674	$ 399,816

Note: The University presently participates in the Federal Direct Loan Program and does not record these receipts and disbursements as current funds financial activity.

Financial Operations of the University

The University's financial statements have been prepared in accordance with generally accepted accounting principles as outlined in GASB Statement No. 34, Basic Financial Statements, and Management's Discussion and Analysis For State and Local Governments, as amended by GASB Statement No. 35, Basic Financial Statements and Management's Discussion and Analysis For Public Colleges and Universities. The University follows the "business-type" activities requirements of GASB Statement No. 34.

The University's current operations are financed primarily through State appropriations, student tuition and fees, operation of self-supporting activities, Federal Government programs, local and private gifts, sponsored programs, and investment income. See APPENDIX B hereto – "AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY".

[*Table appears on the following page*.]

Combined Statements of Revenues, Expenses and Changes in Net Position
Fiscal Year Ended September 30 (Dollars in Thousands)

	2020	2021	2022 Restated*	2023	2024
Operating Revenues					
Student tuition and fees	$418,944	$414,855	$410,149	$411,136	$430,358
Less: Scholarship allowances	-127,821	-133,178	-130,401	-140,118	-165,271
Net student tuition and fees	291,123	281,677	279,748	271,018	265,087
Federal grants and contracts	101,903	104,094	115,721	116,615	123,827
State and local grants and contracts	26,605	31,172	33,897	54,635	74,421
Nongovernmental grants and contracts	98,632	112,604	121,361	112,132	114,091
Departmental activities	19,214	18,978	25,228	26,718	23,719
Auxiliary enterprises (net of scholarship allowances)	19,904	12,473	17,214	18,986	20,123
Other operating revenues	5,386	4,628	4,703	4,641	4,908
Total operating revenues	562,767	565,626	597,872	604,745	626,176
Operating Expenses					
Instruction	280,074	275,713	273,125	272,459	294,380
Research	157,448	143,083	151,053	160,097	165,552
Public service	58,877	62,578	59,960	73,732	85,211
Academic support	72,089	64,636	68,771	85,419	83,081
Student services	42,118	41,142	40,425	44,276	46,895
Institutional support	93,098	86,745	87,358	94,318	101,869
Operation and maintenance of plant	59,962	57,207	67,768	67,892	71,169
Scholarships and fellowships	24,010	29,175	52,653	13,701	13,236
Auxiliary enterprises	18,886	16,621	21,185	19,632	21,543
Depreciation	62,588	69,379	72,372	72,014	77,068
Total operating expenses	869,150	846,279	894,670	903,540	960,004
Operating loss	-306,383	-280,653	-296,798	-298,795	-333,828
Non-operating Revenues (Expenses)					
State CARES appropriation	22,751	-	-	-	-
State operating appropriation	180,663	211,422	205,532	213,640	224,393
Federal Pell grant	37,944	39,309	38,054	38,980	47,896
Federal economic relief funds	10,785	40,687	57,386	-	-
Gifts	25,823	25,310	35,273	35,844	28,066
Change in fair value of derivatives	-	-	-	-	
Investment Income	-	-	-	-	
Investment income including chage in fair value	46,509	128,131	-113,136	84,569	166,560
Interest on capital asset - related debt	-25,135	-20,564	-23,347	-22,289	-23,967
Gain (Loss) on capital assets retired	-32	-55	-10	185	-83
Other	-482	10,042	10,149	24,825	10,057
Net non-operating revenues	298,826	434,282	209,901	375,754	452,922
Income (loss) before other revenues and expenses	-7,557	153,629	-86,897	76,959	119,094
Other Revenues (Expenses)					
State capital appropriations	6,770	2,413	4,171	-	-
Capital gifts and grants	830	334	600	50,963	43
Gifts for permanent endowments	9,442	12,362	15,150	15,509	11,474
Net other revenues	17,042	15,109	19,921	66,472	11,517
Increase (decrease) in net position	9,485	168,738	-66,976	143,431	130,611
Net Position					
Beginning of year	1,061,042	1,070,527	1,239,265	1,172,289	1,315,720
End of year	1,070,527	1,239,265	1,172,289	1,315,720	1,446,331

* Restated for the Effects of the University's adaption of GASB 96, Subscription Based Information Technology Arrangements (SBITAs)

State Capital Appropriations to the University

All state universities in Michigan receive financial assistance for both operations and designated capital improvements through appropriations by the State Legislature. Such State appropriations contribute substantially to the successful maintenance and operation of the University. In addition to operating appropriations as described herein under the heading "State Operating Appropriations," the State has periodically provided capital appropriations, including a $100 million grant from the State of Michigan Department of Labor and Economic Opportunity to help design and build a School of Medicine and research facility and initial planning authorization for a maximum of $30 million (estimated at 75% of the total cost) renovation and enhancement to the Law School.

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Student Financial Aid

For 2023-24, the University, in partnership with the Michigan Achievement Scholarship, continued to offer the Wayne State Guarantee. This program covers up to five years of tuition and standard fees for all eligible Michigan residents who meet one of the following criteria: have a family income of $80,000 or less and assets of $50,000 or less or receive a Federal Pell Grant. This partnership allows the University to extend institutional financial aid to a broader cohort of students, enhancing accessibility and affordability. In fall 2024, 61% of full-time incoming first-year students paid zero tuition to attend the University.

The following table summarizes the financial aid provided to University students for the five years ending September 30, 2024. A substantial portion of funds provided are derived from sources outside the University. All programs furnished by the federal government and the State are subject to appropriation and funding by the respective legislatures.

Financial Aid
Fiscal Year Ended September 30,
(Dollars in Thousands)

	2020	2021	2022	2023	2024
Scholarships & Fellowships					
University Grants	$96,577	$97,608	$102,621	$93,277	$98,558
State Grants	1,210	874	1,126	7,880	19,286
Pell Grants	37,944	39,309	38,054	38,980	47,896
Other Federal Grants	9,618	15,019	31,974	3,499	2,108
Total Grants	$145,349	$152,810	$173,775	$143,636	$167,848
Other Scholarships & Fellowships	$6,396	$11,026	$8,952	$10,380	$11,676
Michigan Competitive Scholarship Program	1,385	1,215	1,295	929	732
Sub-Total Other	$7,781	$12,241	$10,247	$11,309	$12,408
Total Scholarships & Fellowships*	**$153,130**	**$165,051**	**$184,022**	**$154,945**	**$180,256**
Loans					
University Loans	$370	$17	$89	$138	$120
Federal (Perkins)	-	-	-	-	-
Federal (Health Professions, Nursing and Other)	1,027	1,192	812	1,241	1,120
Non-Institutional Loans**	176,697	161,550	146,186	156,188	168,944
Total Loans	**$178,094**	**$162,759**	**$147,087**	**$157,567**	**$170,184**
Student Payroll					
College Work Study	$1,282	$715	$692	$730	$974
University Student Payroll					
(including Graduate Assistants)	22,951	16,858	18,615	19,780	22,210
Total Student Payroll	**$24,233**	**$17,573**	**$19,307**	**$20,510**	**$23,184**
Total Financial Aid	**$355,457**	**$345,383**	**$350,416**	**$333,022**	**$373,624**

* Gross Total Scholarships and Fellowships before student scholarship allowances.

** Includes Federal Guaranteed Student Loans.

Annual Fund Raising

The Division of Development and Alumni Affairs provides leadership, raises funds, and promotes alumni and donor relations to advance the goals of the University. Private support, consisting of gifts and grants from individuals, corporations, foundations, and other sources, is shown below (in thousands):

Fiscal Year Ended September 30	**Private Gifts**
2020	$36,095
2021	38,006
2022	51,023
2023	52,316
2024	39,583

The Wayne State University Foundation facilitates fundraising activities and oversees the University's endowment fund assets. The Foundation operates as a nonprofit 501(c)(3) corporation and, though independent of the University, serves as a partner in realizing the University's advancement and endowment management goals.

The University has conducted, and successfully concluded, two (2) comprehensive fundraising campaigns in its history, *Wayne First* ($500 million goal) and *Pivotal Moments* ($750 million goal). These campaigns both met their respective fundraising targets, with Pivotal Moments concluding on September 30, 2018, with more than $776 million in total commitments (new gifts and pledges). Importantly, both campaigns strengthened the University's fundraising operation and laid the groundwork for Wayne State's current comprehensive campaign.

Currently, the University is in the fourth year of the quiet phase of a new campaign with a tentative public announcement slated for the fall of 2026. The University is well on the way to publicly announcing this campaign with more than 50% of the anticipated goal raised. As of May 30, 2025, the University has secured more than $465 million in total campaign commitments, including a $50 million endowment commitment to name the College of Engineering.

Some key indicators supporting Wayne State's ability to mount another successful comprehensive campaign include:

- Wayne State has been successful in retaining its Division of Development and Alumni Affairs leadership team and most key director-level staff. This helps ensure continuity with key alumni and donor relationships necessary for future campaign success.

- The fulfillment rate of pledges made to Wayne State University remains consistently high, indicating donor loyalty. This success can be traced to the investments the Division made in new stewardship and donor relations infrastructure during *Pivotal Moments.* Those programs and activities continue and will serve the University well in the new campaign.

Key objectives of the current campaign include: raising $1 billion in private philanthropic support; empowering faculty, staff and students to partner in philanthropy efforts; advancing the pillars of the University's *Prosperity Agenda*; and growing the University's endowment in keeping with current and future strategic plan objectives.

Pooled Investments

Pooled investments are working capital and are separate and apart from endowment funds. For purposes of investment, the University pools the cash in its various funds and accounts. These investments are managed in accordance with the University Board of Governors cash management policy. During Fiscal Year 2018, the Board changed to a new outsourced chief investment officer (OCIO) investment consulting model and approved a new policy and asset allocation for the Cash Pool.

The policy sets forth the general investment guidelines of the Cash Pool. The Cash Pool is segregated into three tiers, with each tier having a separate asset allocation with targeted thresholds and/or ranges. Each tier is established with distinct objectives and eligible investments

The target asset mix of the Cash Pool is shown the table below:

Asset Class	**Tier 1**	**Tier 2**	**Tier 3**	**Total Portfolio**	**Tier 3 Policy Ranges**
Cash	100%			30%	
Fixed Income		100%	30%	56%	+/-7%
Equity			45%	9%	+/-7%
Hedge Funds			10%	2%	+/-5%
Real Assets			15%	3%	+/-5%
Target (millions)	$105	$165	Remainder		

The actual asset mix of the Cash Pool is shown in the table below:

Asset Class	**Actual as of September 30, 2024**
Cash	33%
Fixed Income	51%
Equity	11%
Hedge Funds	2%
Real Assets	3%

The value of Cash Pool investments at fiscal year-end for the last 5 years are noted below (in thousands):

Fiscal Year Ended September 30	**Pooled Investments***
2020	$419,275
2021	466,170
2022	506,562
2023	577,851
2024	643,525

*Excludes bond proceeds for construction projects and assets held for the Foundation.

Endowment and Other Invested Funds

Wayne State University currently transfers endowment funds to the Wayne State University Foundation (the "Foundation"), a non-profit corporation that manages approximately 99% of the University's endowment assets. The Foundation is a University controlled organization, and its assets are consolidated into the University's financial statements. Most endowment and other invested gift funds are restricted for specific purposes. In accordance with Board directives, endowed funds are not invested directly in companies that produce significant quantities of cigarettes or other tobacco products.

The University Board of Governors has adopted a general policy of making annual distributions of monies from the endowments to operating accounts. The University's annual distribution is equal to 5.0 percent of the three-year moving average of the market value of the endowment fund to annual distributions equal to 5.0 percent. Of this annual distribution, 4.0 percent is transferred to the beneficiary or operating program accounts and 1.0 percent is used for the administration of the University's development efforts.

The Foundation's investment policies and guidelines, as recommended by the Foundation Investment Committee and approved by the Foundation Board, establish the framework for adding new investments and rebalancing existing ones. Investments are managed by an outsourced Chief Investment Officer (OCIO) in accordance with the Foundation Board's approved investment policy statement, which is reviewed annually.

The following is a summary of market values of the endowment investments, the annual distributions to operating accounts and total gross return on investments for the past five fiscal years (in thousands).

Year Ended September 30	Market Value	Distribution to Operating Accounts	Total Gross* Return (Loss)
2020	428,941	$16,980	7.0%
2021	523,880	17,902	22.6
2022	462,210	21,986	-13.0
2023	558,773	19,196	13.9
2024	607,286	20,577	21.3

***** Net of manager and sub-manager fees.

The University's endowment ended Fiscal Year 2024 with a market value of $607 million, with a 21.3% net investment return, outperforming the policy benchmark, which returned 20.3%. The 3-year annualized investment return exceeded the benchmark at 6.3% v 4.6% for the benchmark.

Fiscal year to date unaudited endowment investment performance for the period ending ended June 30, 2025, was 8.8% (gross of consultant fees and net of manager and sub-manager fees).

Physical Plant

The following table reflects the investment, on an original cost basis, in plant, with recognition of accumulated depreciation for the periods indicated (in thousands).

Year Ended September 30	Physical Properties Fund	Accumulated Depreciation	Net Investment in Plant
2020	$2,185,684	$1,154,942	$1,030,742
2021	2,280,288	1,221,722	1,058,566
2022*	2,348,503	1,284,682	953,093
2023	2,430,356	1,338,767	1,035,361
2024	2,479,823	1,398,167	1,011,017

* Restated for the effects of the University's adaption of GASB 96, Subscription Based Information Technology Arrangements (SBITAs)

Capital Programs and Additional Financing

The University has an ongoing capital improvement program consisting of new construction and renovation of existing facilities. These projects are funded from a variety of sources, including gifts, bond proceeds, State appropriations, and University funds.

The University's Campus Plan with a 10-year planning horizon was approved in 2019. Along with a comprehensive space utilization analysis, the process resulted in the development of a number of organizing ideas and strategic goals that will guide the University in the coming years. The core of the framework ("The Wayne Framework") is consolidation within the academic core and a focus of resources and investment in order to support the University's vision and mission. The Wayne Framework was designed to better connect the University and its 13 schools and colleges with the City of Detroit to promote meaningful and continued engagement. The State Hall Renovation project kicked off the sequencing of the underlying themes of the Master Plan: consolidation and reduction of the University's building portfolio and optimization of costs. The University recently reaffirmed the Campus Plan to evaluate the long-term needs of an urban campus post-COVID-19. Demolitions will also have a significant impact on the University's capital renewal needs, enabling it to better focus its capital renewal dollars in the remaining core buildings.

The Board of Governors of the University has authorized the issuance of additional General Revenue Bonds in the amount of up to $150 million for construction of the Health Sciences Research building and for other campus infrastructure projects.

Other Indebtedness of Wayne State University

The University has bonds and notes outstanding as described in Note 6 to the audited financial statements of the University included in APPENDIX B to this Official Statement. Effective June 2025, the University renewed its line of credit facilities with two financial institutions, which provide revolving lines of credit in the aggregate maximum available amount of $50 million. Unless terminated earlier, or unless extended, the line of credit facilities will expire in April 2027 and March 2028, respectively. The purpose of these facilities is to serve as a back-up source of temporary supplemental liquidity to minimize the need to liquidate cash pool investments.

Insurance Coverage

The University's enterprise risk management program is designed to ensure that the University is protected against loss or losses, which in the aggregate would affect University property, personnel, budget, or the ability to continue its operations. The program consists of self-insurance; self-insurance facility; reinsurance; and commercial insurance programs.

The University maintains a self-insurance reserve fund to cover losses that fall within the retention levels of the various risk management programs. Commercial General Liability, Educators Legal Liability, Auto Liability and Auto Physical Damage are all core insurance coverages provided through Michigan Universities Self-Insurance Corporation (M.U.S.I.C.) a risk sharing facility created for the purpose of collectively pooling these coverages. The M.U.S.I.C. program is a tiered structure, consisting of member retentions, M.U.S.I.C. self-insurance funds, and reinsurance/insurance company coverages. Ancillary insurance programs through M.U.S.I.C. include group purchases for non-owned aircraft; foreign liability; special risk; medical malpractice; and environmental liability exposures.

Property coverage is provided on an "all risks," replacement cost basis for all University buildings and contents, including business interruption and boiler and machinery coverage.

The WSU School of Medicine is not included in the M.U.S.I.C. program, but the School of Medicine purchases professional and commercial general liability insurance policies for those post-graduate medical residents that are sole sponsored by the University. The University does not carry medical malpractice insurance for the School of Medicine because the University does not provide clinical services apart from several diagnostic testing laboratory services provided as part of the teaching and research functions of the University. Faculty, post-graduates, and students in the WSU School of Medicine who provide clinical services do so through affiliation with a physician practice group, the Detroit Medical Center institutions, or other affiliated medical institutions.

The University is an approved self-insurer for worker's compensation within the State of Michigan. To protect the University financially, each year the University purchases an excess worker's compensation insurance policy to protect the University from those State of Michigan claims that are high-cost or catastrophic in nature. The policy's premium and retention are determined annually. Reporting a claim to the excess carrier occurs when there is a determination that there is a chance that a claim will pierce the policy's retention. As the University has employees working out of state, workers compensation insurance policies are purchased annually for each state that WSU has employees working, to provide first dollar coverage for those injuries sustained by employees who are employed outside of the State of MI.

Retirement Plans

The University contributes a specified percentage of employee wages to a defined contribution plan and has no liability beyond its own contribution. Benefits-eligible employees of the University working thirty hours a week or more and attaining a stated age are eligible to participate in this program. The funds in the plan are administered by Fidelity and Teachers Insurance and Annuity Association (TIAA). The defined contribution plan provides mutual funds and both fixed and variable annuities. The University is presently current on all amounts due with respect to contributions on behalf of employees. The University does not provide employer-paid health care benefits for retirees.

The University offers a postemployment benefit of a fixed payout life insurance policy to its retirees. The University's annual postemployment benefit is actuarially determined in accordance with GASB Statement No. 75. The University's total OPEB accrued liability was \$9.3 million and \$9.1 million as of September 30, 2024 and 2023, respectively. There are no OPEB assets set-aside to fund the liability amount disclosed.

State Operating Appropriations

All public universities in Michigan receive financial support for operations through annual appropriations by the Michigan Legislature. Operating appropriations are included in the Higher Education section of the School Aid Act, which is amended each year as part of the State of Michigan's annual budget process. In FY 2024 tuition and fees and State appropriations represented 91% of the resources available to fund the University's General Fund operations. State operating appropriations comprised approximately 19% of the University's total net revenue for fiscal year 2023-24.

Total State operating appropriations to public universities peaked at $1.9 billion in State fiscal year 2001-02 and began declining in fiscal year 2002-03. Over the ensuing decade, as a result of the State's economic challenges, there were significant reductions in operating appropriations to the State's public universities. The University anticipated these reductions in State appropriations in previous years and planned accordingly. Tuition rate increases and expenditure reductions balanced the cuts in State appropriations for the University.

State operating appropriations to public universities began to increase in State fiscal year 2012-13. At the same time, the State introduced a new methodology for allocating increases in operating appropriations among individual state universities. For several decades until State fiscal year 2012-13, nearly all of the State's appropriations to individual universities were based on uniform increases or decreases on a percentage basis for each university over or under the University's prior year base appropriation. From State fiscal year 2012-13 through State fiscal year 2019-20, budgeted year-over-year increases in operating appropriations were allocated to individual universities, in whole or in part, on the basis of performance funding metrics. The performance funding formula was not used to allocate year-over-year increases since State fiscal year 2019-20, and was formally repealed in the State fiscal year 2023-24 higher education budget. Since State fiscal year 2013-14, as a condition to the receipt of annual increases in operating appropriations, public universities have been required to restrain increases in tuition and fee rates for resident undergraduate students to levels established annually as part of the higher education budget process.

For State fiscal year 2024-25, the State higher education budget provides a total operating appropriation to public universities of approximately $1.7 billion, which includes a 1.5% across-the-board increase in on-going operations, and 1% in one-time operations appropriations to the State's public universities. As a condition to receiving the across-the-board operating appropriation increase in State fiscal year 2024-25, universities were required to limit resident undergraduate tuition and mandatory fee increases to 4.5% or $703, whichever is greater, compared to fiscal year 2023-24.

The table below lists the base operating appropriations to the University for State fiscal years 2022-23 through 2024-25.

State Operating Appropriations
(in millions)

Fiscal Year	Operating Appropriation	Percent Increase
2023	$213.6	4.0%
2024	224.4	5.0
2025	227.3	1.5

Future State revenue shortfalls or increased spending pressures in other areas, or a combination of the two, may adversely affect state operating appropriations to the University.

Factors and Events that Could Impact University Finances

There are a number of factors, both known and unknown, that could potentially impact the University and the University's financial position. Such factors include, but are not limited to: changing demographics that affect student populations attending the University; changes in technology and its possible impact on learning modalities and environments; pandemics, such as the recent COVID-19 pandemic, and the effect that they may have on student populations and operating costs; the levels of State funding support provided to the University; geopolitical factors that may affect international student demand and populations; and the level of research funding provided by governmental agencies and private sector entities, including potential federal legislative or executive actions. The future fiscal and operational impacts of any such factor, or a combination of one or more of these factors, on the University and its finances are difficult to predict but could be material.

In particular, federal policies and associated executive actions on the federal debt ceiling, taxes, foreign trade and tariffs, immigration, climate change, research, federal contracts, diversity equity and inclusion, clean energy, and other policy issues can shift dramatically as a result of federal administrative change. Such changes can result in significant shifts in the level of funding for various federally funded programs and policy priorities, leading to unpredictability in federal funding.

The University is monitoring potential federal legislative actions and initiatives under the current administration that could adversely impact the operations and/or financial condition of the University. Such possible actions include, but are not limited to: regulatory changes to programs administered by federal agencies; cuts to federal spending on research and other programs; reduced funding for financial aid programs; limitations on, or elimination of, diversity, equity and inclusion programs; and immigration policies that impact international student enrollment.

For example, on February 7, 2025, the National Institutes of Health ("NIH") issued supplemental policy guidance imposing a standard indirect cost rate of 15% across all NIH grants for indirect costs in lieu of the separately negotiated rate historically used to calculate indirect costs of each grant. The NIH's supplemental policy guidance has been challenged in court and is currently halted under an injunction pending further proceedings. Since then, alternative models have been proposed by a Joint Association Group (JAG) of stakeholders and are under discussion with Congress and the Federal administration. The University's current NIH negotiated research facilities and administrative cost recovery rate is 54% of Modified Total Direct Costs. Funding from the NIH has accounted for approximately 30% of the University's total extramural funding over the past five years.

As of July 31, 2025 the University had received notice of the termination of approximately 38 federal grant awards with an estimated loss of federal funding totaling $10.3 million.

While the financial impact on the University resulting from the totality of potential developments at the federal level cannot be definitively quantified at this time, any such developments may, directly or indirectly, have a material adverse effect on the current and future financial condition and operating performance of the University.

Cybersecurity

The University is focused on security, risk reduction, and digital trust across its community. The Chief Information Security Officer leads a university-wide program to protect the confidentiality, integrity, and availability of information assets. The program is designed to prevent unauthorized access, loss, damage, disclosure, or changes to data while also supporting the academic IT environment's need for open information sharing.

The University did not experience any significant or reportable cybersecurity incidents in the past year. It has response policies in place for potential incidents and carries cyber insurance.

Cyber threats like malware, phishing, hacking, and ransomware are becoming more complex. While complete protection can't be guaranteed, the University's cybersecurity program is based on the National Institute of Standards and Technology, NIST, standards that are reviewed and audited on an annual basis to ensure resiliency.

Legal Claims

The University is party to various pending legal actions and proceedings arising in the normal course of business. In the opinion of management of the University, the outcome of such matters is not currently expected to a have a material adverse impact on the financial position of the University.

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APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY

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2024 FINANCIAL REPORT

WAYNE STATE
UNIVERSITY

Executive Officers

Kimberly A. Espy, Ph.D.
President

Laurie M. Lauzon Clabo, Ph.D., RN, FAAN
Provost and Executive Vice President for Academic Affairs

David Ripple
Vice President for Development and Alumni Affairs

Bethany Gielczyk
Senior Vice President for Finance and Business Affairs, Chief Financial Officer, and Treasurer

Ezemenari Obasi
Vice President for Research

Michael Poterala
Vice President and General Counsel

Patrick O. Lindsey
Vice President for Government and Community Affairs

Julie H. Miller
University Secretary and Executive Officer to the Board of Governors

Ned Staebler
Vice President for Economic Development

Melissa Smiley
Chief of Staff and University Relations Officer

Board of Governors

Bryan C. Barnhill II

Michael J. Busuito

Mark Gaffney

Marilyn Kelly

Anil Kumar

Terry Lynn Land

Danielle Atkinson

Shirley Stancato, chair

Kimberly A. Espy, Ph.D., *ex officio*

Finance Administrators

Bethany Gielczyk
Senior Vice President for Finance and Business Affairs, Chief Financial Officer, and Treasurer

Tamaka M. Butler
Assistant Vice President and Controller

Bradley Dick
Senior Vice President, Deputy Chief Business Officer

Colleen Cilia
Director of Accounting

Tony L. Miller
Director of Accounting

Aleta Savage
Associate Vice President for Sponsored Program Administration

Wayne State University

Financial Report
September 30, 2024

Wayne State University

Contents

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Independent Auditor's Report

To the Board of Governors
Wayne State University

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of Wayne State University (the "University") as of and for the years ended September 30, 2024 and 2023 and the related notes to the financial statements, which collectively comprise Wayne 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 respective financial position of the business-type activities and the discretely presented component unit of the University as of September 30, 2024 and 2023 and the respective 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). 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.

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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Governors
Wayne State University

In performing audits in accordance with GAAS, 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 schedule of changes in the University's total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Board of Governors
Wayne State University

Additional Information

Management is responsible for the accompanying lists of executive officers, board of governors, and finance administrators, which are presented for the purpose of additional analysis and are 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.

Plante & Moran, PLLC

February 20, 2025

Introduction

The following discussion and analysis provides an overview of the financial position of Wayne State University (the "University") at September 30, 2024 and the results of its operations and cash flows for the year then ended. Comparative information is provided as of and for the year ended September 30, 2023. This discussion has been prepared by management and should be read in conjunction with the accompanying financial statements and related notes to facilitate and enhance the reader's understanding of the 2024 financial report.

Wayne State University is a nationally recognized public research university with urban roots and a global reputation. The main campus, located in Detroit's University Cultural Center, includes more than 370 undergraduate, graduate, doctoral, certificate, and professional programs offered through the University's schools and colleges. The University ranks among the top public universities in the nation and has the most diverse student body of any university in Michigan. As the 10th largest employer in the city of Detroit, as ranked by the 2024 Crain's Business Survey of Detroit's Largest Employers, the University has a significant impact on the local economy and contributes to the state and nation as well through its research and public service programs.

Excellence in research is essential to the University's mission. Based on the 2023 National Science Foundation Research and Development Expenditures Survey, the University ranked 118th among all universities and 78th among public universities in research and development expenditures. A substantial portion of the University's research is conducted at the School of Medicine, the nation's largest single-campus medical school. The 2023 National Science Foundation Research and Development Expenditures Survey ranked the University 60th in the health sciences category. Based on the 2022 Carnegie classification of higher education, Wayne State University ranked within the top 3.7 percent of the nation's universities and colleges with the Carnegie classification of R1 (very high research activity). Wayne State University, Michigan State University, and the University of Michigan, the state's three largest research universities, are partners in the University Research Corridor (URC). The URC is an alliance among these three universities to spark regional economic development through invention, innovation, and technology transfer, by educating a work force prepared for the "knowledge economy," and by attracting smart and talented people to Michigan.

Using this Report

The University's financial report includes three financial statements: the statement of net position; the statement of revenue, expenses, and changes in net position; and the statement of cash flows. The report also includes notes to the financial statements, which are an integral component of the report, and required supplementary information (RSI). These financial statements, accompanying notes, and RSI are prepared in accordance with the principles of the Governmental Accounting Standards Board (GASB). Consistent with the GASB principles, the Wayne State University Foundation (the "Foundation"), as a controlled corporate organization, is a discretely presented component unit (DCU) of the University. The Foundation's statement of financial position and statement of activities and changes in net position are discretely presented in the University's financial statements. The management's discussion and analysis refers to the University only (excluding the Foundation), unless otherwise noted. Additional supplementary information, which provides the statement of net position and operating information for the various funds of the University, is also included in the report.

Overall Financial Highlights

The University's financial position at September 30, 2024 includes assets and deferred outflows of resources of approximately $2.01 billion and liabilities and deferred inflows of resources of $1.16 billion. Net position, which represents the residual interest in the University's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted, was $0.85 billion as of September 30, 2024.

Financial Position

The summary table below shows the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at September 30 for the past three fiscal years:

	2024	2023	2022
		(in millions)	
Total assets	$ 1,997.3	$ 1,985.7	$ 1,928.4
Deferred outflows of resources	9.0	11.9	13.0
Total liabilities	885.3	907.7	944.9
Deferred inflows of resources	270.8	278.1	276.9
Net position	850.2	811.8	719.6

Specific discussion and analysis of the changes in the components of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position categories are provided on pages 6-10.

Operations

A summary of revenue and expenses, including the operating, nonoperating, and other categories for the years ended September 30, 2024, 2023, and 2022 are as follows:

	2024	2023	2022
Revenue:		(in millions)	
Operating revenues	$ 626.2	$ 604.7	$ 597.8
Nonoperating revenues	396.3	362.3	309.9
Other	-	51.0	4.8
Total revenues	**$ 1,022.5**	**$ 1,018.0**	**$ 912.5**
Expenses:			
Operating expenses	$ 960.0	$ 903.5	$ 894.7
Nonoperating expenses	24.1	22.3	23.3
Total expenses	**$ 984.1**	**$ 925.8**	**$ 918.0**

During fiscal year 2024, total revenue increased $4.5 million (0.4 percent) compared to 2023, while total expenses increased $58.3 million (6.3 percent). During fiscal year 2023, total revenue increased $105.5 million (11.6 percent) compared to 2022, while total expenses increased $7.8 million (0.8 percent). Specific discussion and analysis of the changes in the components of the revenue and expense categories are provided on pages 11-17.

Statement of Net Position

The statement of net position presents the financial position of the University at the end of each fiscal year and includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the University. Net position is one key indicator of the current financial position of the University, while the change in net position is a key indicator of how the current year's operations affected the overall financial condition of the University. Assets, deferred outflows of resources, deferred inflows of resources, and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost less accumulated depreciation and amortization. A summarized comparison of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at 2024, 2023, and 2022 are as follows:

	2024	2023	2022
		(in millions)	
Current assets	$ 811.4	$ 775.9	$ 684.4
Noncurrent assets:			
Investments	46.2	56.4	122.3
Capital assets - Net of depreciation	1,081.7	1,091.6	1,063.8
Other	58.0	61.8	57.9
Total assets	1,997.3	1,985.7	1,928.4
Deferred outflows of resources	9.0	11.9	13.0
Current liabilities	330.2	327.2	334.2
Noncurrent liabilities:			
Long-term debt - Net of current portion	515.9	541.1	567.9
Other	39.2	39.4	42.8
Total liabilities	885.3	907.7	944.9
Deferred inflows of resources	270.8	278.1	276.9
Total net position	**$ 850.2**	**$ 811.8**	**$ 719.6**

Current Assets and Liabilities

Current assets comprise primarily cash and cash equivalents, current investments, and receivables. In 2024, current assets increased $35.5 million (4.6 percent) to $811.4 million compared to $775.9 million at September 30, 2023. The increase in current assets is attributable principally to a net increase in cash and cash equivalents and current investments of $23.4 million, an increase in net current receivables of $8.9 million, and an increase in other assets of $3.2 million. Changes in cash and cash equivalents and current investments are the result of the University's overall operating performance and timing. The increase in net current receivables resulted largely from an increase in grant and contract receivables attributable principally to the timing of certain State program payments. Prepaid expenses and deposits increased $3.0 million, in 2024 compared to 2023, while inventories increased $0.2 million between the two years.

In 2023, current assets increased $91.5 million (13.4 percent) to $775.9 million compared to $684.4 million at September 30, 2022. This consisted of increases in net cash and cash equivalents and current investments of $87.2 million, prepaid expenses and other assets of $2.8 million, and other assets of $1.4 million. In 2023, current investments include approximately $50.0 million in unspent capital grant funds received from the State of Michigan to partially fund the design and construction of a facility dedicated to medical education, health sciences research, and community health in the City of Detroit (discussed more fully on page 15).

Current liabilities comprise amounts payable within one year and consist primarily of accounts payable, accrued liabilities, and unearned revenue. In 2024, total current liabilities increased by $3.0 million (0.9 percent) to $330.2 million compared to $327.2 million at September 30, 2023. This includes an increase in unearned revenue of $15.8 million, partially offset by decreases in accounts payable and accrued liabilities and other current liabilities of $12.2 million and $0.6 million, respectively. Unearned revenue primarily consists of 75 percent of student tuition and fees for the current fall term received or due prior to October 1. The increase in unearned revenue primarily reflects a 4.5 percent increase in fall 2024 tuition and fee rates for full-time undergraduate and graduate students, as well as a shift in the timing of financial aid disbursements for the School of Medicine's fall term. In 2024, these disbursements occurred before October 1, whereas in 2023, the disbursements occurred subsequent to fiscal year-end. The decrease in accounts payable and accrued liabilities was principally due to the timing of disbursements for certain program funds ($10.2 million) that the University collected in an agency capacity in 2024 but disbursed to program members or participants subsequent to September 30.

In 2023, total current liabilities decreased by $7.0 million (2.1 percent) to $327.2 million compared to $334.2 million at September 30, 2022. The decrease was driven by a reduction in accounts payable and accrued liabilities of $21.0 million, partially offset by increases in unearned revenue and other current liabilities of $12.8 million and $1.2 million, respectively. The decrease in accounts payable and accrued liabilities was principally due to the timing of disbursements for certain program funds ($18.7 million) collected by the University in an agency capacity in 2022 that were disbursed to program members or participants subsequent to September 30. The increase in unearned revenue was attributable principally to fall 2023 tuition and fee rate increases for full-time undergraduate and graduate students of 3.5 percent.

The University's current ratio (current assets divided by current liabilities), a measure of liquidity, was 2.5 as of September 30, 2024, 2.4 as of September 30, 2023, and 2.0 as of September 30, 2022.

Deferred Outflow of Resources

Deferred outflow of resources totaled $9.0 million in 2024, $11.9 million in 2023, and $13.0 million in 2022. In 2024, the deferred outflows include $0.4 million for OPEB related amounts and $8.6 million related to losses recognized in the defeasance of debt. In 2023, the deferred outflows include $0.9 million for OPEB related amounts and $11.0 million related to losses recognized in the defeasance of debt.

Deferred Inflow of Resources

Deferred inflow of resources totaled $270.8 million in 2024, compared to $278.1 million in 2023 and $276.9 million in 2022, respectively. The 2024 amount includes $221.4 million related to the service concession arrangement (more fully discussed in Note 15), $40.4 million related to lease agreements in which the University serves as the lessor, $5.8 million related to the defeasance of debt, $2.6 million for OPEB-related amounts, and $0.5 million related to an irrevocable split-interest agreement. The 2023 amount includes $227.3 million related to the service concession arrangement (more fully discussed in Note 15), $43.6 million related to lease agreements in which the University serves as the lessor, $3.5 million related to the defeasance of debt, $3.2 million for OPEB-related amounts, and $0.5 million related to an irrevocable split-interest agreement.

Noncurrent Assets and Liabilities

Noncurrent Assets

Noncurrent assets comprise primarily investments, capital assets, and noncurrent receivables. Notable changes from 2023 to 2024 in noncurrent assets include a decrease in investments of $10.2 million and net capital assets of $9.9 million.

Investments

Noncurrent investments are comprised primarily of the Endowment Fund and Plant Fund investments. The Endowment Fund investments consist of gift annuity, life income funds, and endowments not managed by the Foundation. Investments in the Plant Fund consist primarily of invested bond proceeds and related earnings, which are restricted for capital projects. The invested bond proceeds and the majority of these endowment fund investments are managed by the University.

The composition of noncurrent investments at September 30, 2024, 2023, and 2022 are as follows:

	2024	2023	2022
		(in millions)	
Endowment Fund	$ 9.8	$ 8.1	$ 7.8
Plant Fund - Restricted invested bond proceeds	36.0	47.3	113.0
Other restricted investments	0.4	1.0	1.5
Total noncurrent investments	**$ 46.2**	**$ 56.4**	**$ 122.3**

The invested bond proceeds component of noncurrent investments decreased $11.3 million and $65.7 million in 2024 and 2023, respectively, as funds were spent for planned capital projects.

Foundation Investments

The Foundation manages approximately 99 percent of the University's endowment funds. The composition of the Foundation's noncurrent investments at September 30, 2024, 2023, and 2022 are as follows:

	2024	2023	2022
		(in millions)	
Endowment Fund investments	**$ 595.8**	**$ 501.0**	**$ 445.7**

In 2024, the Foundation Endowment Fund investments increased $94.8 million (18.9 percent) to $595.8 million. The 2024 increase is principally because of a net investment gain ($103.1 million) and new gifts ($11.8 million), offset partially by net distributions to the University ($22.7 million),

In 2023, the Foundation Endowment Fund investments increased $55.3 million (12.4 percent) to $501.0 million. The 2023 increase is principally because of a net investment gain ($56.0 million) and new gifts ($15.7 million), offset partially by net distributions to the University ($20.4 million),

Capital Assets

One factor critical to enhancing the quality of the University's academic and research programs and residential life is the development and renewal of its capital assets. The University continues to modernize its older teaching, research, and administrative buildings as well as construct new facilities.

Capital additions during 2024 totaled $67.6 million, compared to $99.8 million in 2023 and $70.9 million in 2022. The 2024 capital additions include expenditures for the Hilberry Gateway Performance Complex expansion, construction, and renovation project ($8.6 million), the Art Building HVAC improvement project ($8.3 million), the Matthaei HVAC and electrical upgrade project ($3.4 million), as well as renovations and upgrades to many other university buildings.

The 2023 capital additions include expenditures for the State Hall renovation project ($59.0 million), the Hilberry Gateway Performance Complex expansion, construction, and renovation project ($4.7 million), the Art Building HVAC improvement project ($2.85 million), as well as renovations and upgrades to many other university buildings.

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

Noncurrent Liabilities

Notable changes in the noncurrent liability section of the statement of net position from 2023 to 2024 include decreases in long-term debt (net of the current portion) of $25.2 million and other noncurrent liabilities of $0.2 million.

Long-term Debt

Total long-term debt (including the current portion) totaled $542.7 million, $567.7 million, and $593.7 million, at September 30, 2024, 2023, and 2022, respectively.

For 2024, total long-term debt decreased $25.0 million. The decline primarily represented principal payments made during the year and the net impact of the partial advance refunding of the University's Series 2015A bonds (more fully discussed below).

For 2023, total long-term debt decreased $26.0 million. The decline primarily represented principal payments made during the year and the net impact of the partial advance refunding of the University's Series 2013A bonds.

When economically feasible, the University considers defeasance or refunding of prior debt issuances to reduce borrowing costs. In September 2024, the University issued tax-exempt Series 2024A bonds to partially refund the 2015A bonds par amount of $31,885,000. This refunding resulted in an economic gain of $2,068,122 and total debt service payments decreased by $2,117,981 (more fully discussed in Note 6 to the financial statements). In September 2023, the University issued tax-exempt Series 2023A bonds to partially refund the 2013A bonds par amount $42,550,000. This refunding resulted in an economic gain of $3,604,749 and total debt service payments decreased by $3,789,093.

Net Position

Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources, and liabilities. The University's net position at September 30, 2024, 2023, and 2022 is summarized as follows:

	2024	2023	2022
		(in millions)	
Net investment in capital assets	$ 358.9	$ 353.8	$ 363.3
Restricted:			
Nonexpendable	8.8	8.7	8.8
Expendable	149.0	144.8	88.0
Unrestricted	333.5	304.5	259.5
Total net position	**$ 850.2**	**$ 811.8**	**$ 719.6**

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

- **Net Investment in Capital Assets** - The University's investment in capital assets, net of accumulated depreciation and amortization, and outstanding principal balances of debt issued for the acquisition, construction, or improvement of those assets. Changes from year-to-year result from capital additions, issuance and payments of long-term debt, retirement of assets, and depreciation and amortization expense.

- **Restricted:**
  - **Nonexpendable** - The corpus portion of gifts to the University's permanent true endowment funds, certain University funds, which have been specifically allocated and restricted pursuant to specific agreements with individuals or entities, and the University's required funding match for federal student loans and donor-restricted University loans.

  - **Expendable** - Gifts and sponsored and governmental grants and contracts, which are subject to externally imposed restrictions governing their use (scholarships, academic and research programs, and capital projects). This category of net position also includes undistributed accretion from investments of permanent true endowments and funds functioning as endowments with externally imposed restrictions.

    The restricted nonexpendable funds and the funds functioning as endowments included in the restricted expendable components of net position are directly affected by the performance of the University's long-term investments and its spending policy. Restricted expendable net position was $149.0 million at September 30, 2024, compared to $144.8 million and $88.0 million at September 30, 2023 and 2022, respectively. The increase of $4.2 million in 2024 follows a significant increase of $56.8 million in 2023, which was principally attributable to unspent capital grant funds received from the State of Michigan to partially finance the design and construction of a facility dedicated to medical education, health sciences research, and community health in the City of Detroit.

- **Unrestricted** - Funds which are not subject to externally imposed restrictions; however, most of the University's unrestricted net position is designated by the board of governors and/or management for various academic, research and administrative programs, and capital projects. Unrestricted net position was $333.5 million at September 30, 2024, compared to $304.5 million at September 30, 2023 and $259.5 million in 2022.

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the operating results of the University, as well as the nonoperating revenues and expenses.

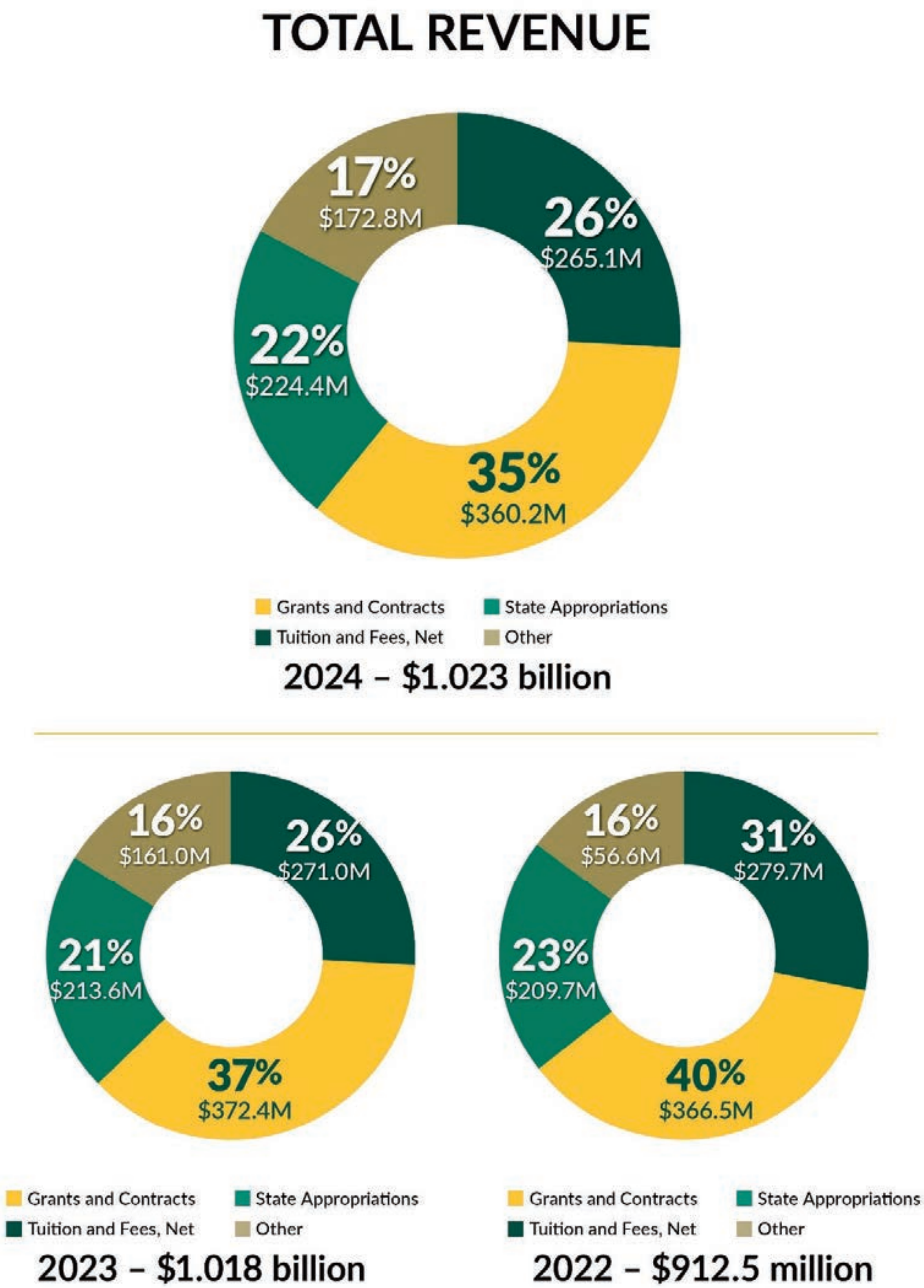
Revenues

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

Summarized operating, nonoperating, and other revenues for the years ended September 30, 2024, 2023, and 2022 are presented below:

	2024	2023	2022
		(in millions)	
Operating Revenues			
Student tuition and fees - Gross	$ 430.4	$ 411.1	$ 410.1
Less scholarship allowances	(165.3)	(140.1)	(130.4)
Net student tuition and fees	265.1	271.0	279.7
Grants and contracts	312.3	283.4	271.0
Departmental activities, auxiliary enterprises, and other	48.8	50.3	47.1
Total operating revenues	626.2	604.7	597.8
Nonoperating Revenues			
State operating appropriation	224.4	213.6	205.5
Federal Pell grants	47.9	39.0	38.1
Federal economic relief funds	-	-	57.4
Gifts	27.7	35.6	34.6
Investment income:			
Income and realized gains	19.8	18.0	15.7
Unrealized (loss) gain	43.0	10.9	(59.6)
Change in fair value of derivatives	0.7	(0.3)	(0.8)
Net distributions from the Foundation	22.7	20.4	8.9
Other	10.1	25.1	10.1
Total nonoperating revenues	396.3	362.3	309.9
Other			
State capital appropriation	-	-	4.2
Capital gifts and grants	-	51.0	0.6
Total other	-	51.0	4.8
Total revenues	**$ 1,022.5**	**$ 1,018.0**	**$ 912.5**

The charts below graphically depict total revenue by source for the years ended September 30, 2024, 2023, and 2022:



Primary Revenue Sources

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

Operating Revenues

Operating revenue totaled $626.2 million in 2024, compared to $604.7 million in 2023 and $597.8 million in 2022, respectively. The 2024 increase in total operating revenues of $21.5 million (3.6 percent) was attributable to several offsetting factors:

Student Tuition and Fees - In fiscal year 2024, gross student tuition and fees increased $19.3 million and scholarship allowances increased by $25.2 million, resulting in a decrease in net student tuition and fees of $5.9 million. The increase in gross student tuition and fees was attributable principally to the fall 2023 tuition rate increases for undergraduate and graduate students of 3.5 percent.

The 2023 increase in gross student tuition and fees was attributable principally to a decline in student credit hours, partially offset by fall 2022 tuition rate increases for undergraduate and graduate students of 4.5 percent.

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

The University continues to provide a substantial amount of financial aid to mitigate the impact of tuition rate increases. In 2024, 2023, and 2022, the University provided total scholarships and fellowships of $180.2 million, $154.9 million, and $184.1 million, respectively. For 2024, the $25.3 million increase represents a 16.3 percent increase in financial aid. The increase in 2024 was primarily driven by a $10.8 million increase in Michigan Achievement Scholarships, which were awarded for a full academic year in 2024 compared to one semester in 2023. Additionally, Federal Pell awards increased by $8.9 million (more fully discussed in the nonoperating section), along with a $5.6 million overall increase in other scholarships. The decrease in 2023 was largely attributable to a $28.7 million reduction in student financial aid grants paid from the federal economic relief funds. The changes in 2023 and 2022, respectively, represent a percentage decrease of 15.9 percent and an increase of 12.9 percent.

Grants and Contracts - Grants and contracts revenues increased $28.9 million (10.2 percent) to $312.3 million in 2024, compared to $283.4 million and $271.0 million in 2023 and 2022, respectively. The 2024 increase consisted of increases in federal grants and contracts of $7.2 million, state and local grants and contracts of $19.8 million, and nongovernmental grants and contracts of $1.9 million. The 2024 increase in federal grants and contracts was attributable principally to an increase in grant activity from the National Institutes of Health, Centers for Disease Control and Prevention, and the National Heart, Lung, and Blood Institute. The increase in state and local grants and contracts revenue was primarily due to an overall increase in Michigan Department of Health and Human Services grant revenue (approximately $6.7 million) and state financial aid programs ($11.2 million), largely due to the expansion of the Michigan Achievement Scholarships (more fully discussed above). Additionally, revenue from the Wayne County Medical Examiner's Office (MEO) increased by $1.2 million, further contributing to the overall growth.

The 2023 increase consisted of increases in federal grants and contracts of $0.9 million, state and local grants and contracts of $20.7 million, offset partially by a decrease in nongovernmental grants and contracts of $9.2 million. The 2023 increase in state and local grants and contracts revenue resulted from an overall increase in the Department of Health and Human Services grant revenue of $6.5 million and state financial aid programs of $2.3 million, combined with $10.2 million in activity from the Wayne County Medical Examiner's Office (MEO), which was new in fiscal year 2023. The decrease in nongovernmental grants and contracts revenue was driven by a decrease in School of Medicine salary reimbursement revenue ($16.0 million), offset partially by an increase in KCI clinical trials grants and contracts revenue ($6.0 million) in 2023.

Departmental Activities, Auxiliary Enterprises, and Other - Departmental activities, auxiliary enterprises, and other revenue decreased $1.5 million (3.0 percent) to $48.8 million in 2024, compared to $50.3 million and $47.1 million in 2023 and 2022, respectively. The 2024 decrease consisted of a reduction in departmental activities revenue of $3.0 million, partially offset by increases in auxiliary enterprises revenue and other revenue of $1.1 million and $0.4 million, respectively. The 2023 increase consisted of a rise in auxiliary enterprises and departmental activities of $1.7 million and $1.5 million, respectively.

Nonoperating and Other Revenues

Nonoperating and other revenues were $396.3 million in 2024, compared to $413.3 million in 2023 and $314.7 million in 2022, respectively. Factors affecting this change are as follows:

Nonoperating Revenues

- The State operating appropriation is the University's primary source of nonoperating revenue. The state operating appropriation, increased $10.8 million (5.1 percent) to $224.4 million in 2024, compared to $213.6 million and $205.5 million in 2023 and 2022, respectively.
- Federal Pell grant revenue and the related expense increased by $8.9 million during 2024. This growth was primarily due to regulatory changes that raised the maximum Pell award for the 2023-24 academic year, which was in effect for the full fiscal year in 2024, as compared to only part of fiscal year 2023. Additionally, a change in federal methodology, which increased eligibility for the 2024-25 academic year, resulted in an increase in the number of students awarded Pell in Fall 2024.
- The fund components of investment income included in nonoperating revenues for the past three years are as follows:

Investment Income
(including realized and unrealized income)

	2024	2023	2022
		(in millions)	
Net investment income:			
Income and realized gains	$ 19.8	$ 18.0	$ 15.7
Unrealized (loss) gain	43.0	10.9	(59.6)
Change in fair value of derivatives	0.7	(0.3)	(0.8)
Total net investment income, including the change in fair value of derivatives	**$ 63.5**	**$ 28.6**	**$ (44.7)**

Investment income is attributable principally to cash pool investments. In 2024, there was an increase in net investment income of $34.9 million which was driven largely by the increase in the unrealized market value of $32.1 million. In 2023, there was an increase in net investment income of $73.3 million, which was driven largely by the growth in the unrealized market value of $70.5 million.

Other Revenues

- Total other revenues were $0.0 million, 51.0 million, and $4.8 million for the years ended September 30, 2024, 2023, and 2022, respectively. Other revenues decreased $51.0 million in 2024 compared with 2023, principally because of the $50 million State capital grant received in 2023. During fiscal year 2023, the University was awarded a $100 million grant from the State of Michigan to partially fund the design and construction of a facility dedicated to medical education, health sciences research, and community health in the City of Detroit. The $100.0 million grant was appropriated by the State in Public Act 166 of 2022, Section 1094n. As of September 30, 2023, the University met the eligibility requirements for 50.0 percent of the grant award. The remaining award amount will be recognized as revenue when the applicable eligibility requirements are met. As of September 30, 2024, the eligibility requirements were not met.

Expenses

Operating and nonoperating expenses for the years ended September 30, 2024, 2023, and 2022 are summarized below:

	2024	2023	2022
		(in millions)	
Operating expenses	$ 960.0	$ 903.5	$ 894.7
Nonoperating expenses:			
Interest	24.1	22.3	23.3
Total nonoperating expenses	24.1	22.3	23.3
Total expenses	**$ 984.1**	**$ 925.8**	**$ 918.0**

Operating expenses by both functional and natural classification for the years ended September 30, 2024, 2023, and 2022 are as follows:

	2024		2023		2022	
	Dollars	Percentage of Total Operating Expenses	Dollars	Percentage of Total Operating Expenses	Dollars	Percentage of Total Operating Expenses
			(in millions)			
Natural Classification						
Compensation and benefits	$ 638.0	66.5%	$ 599.8	66.4%	$ 581.2	65.0%
Supplies, services, and other	231.7	24.1%	218.0	24.1%	188.4	21.0%
Depreciation and amortization	77.1	8.0%	72.0	8.0%	72.4	8.1%
Scholarships and fellowships (1)	13.2	1.4%	13.7	1.5%	52.7	5.9%
Total	**$ 960.0**	**100%**	**$ 903.5**	**100%**	**$ 894.7**	**100%**
Functional Classification						
Instruction	$ 294.4	30.7%	$ 272.5	30.2%	$ 273.1	30.5%
Research	165.5	17.2%	160.1	17.7%	151.0	16.9%
Public service	85.2	8.9%	73.7	8.1%	60.0	6.7%
Academic support	83.1	8.7%	85.4	9.5%	68.8	7.7%
Student services	46.9	4.9%	44.3	4.9%	40.4	4.5%
Institutional support	101.9	10.6%	94.3	10.4%	87.3	9.8%
Operation and maintenance of plant	71.2	7.4%	67.9	7.5%	67.8	7.6%
Scholarships and fellowships (1)	13.2	1.4%	13.7	1.5%	52.7	5.9%
Auxiliary enterprises	21.5	2.2%	19.6	2.2%	21.2	2.4%
Depreciation and amortization	77.1	8.0%	72.0	8.0%	72.4	8.0%
Total	**$ 960.0**	**100%**	**$ 903.5**	**100%**	**$ 894.7**	**100%**

(1) Excludes "scholarship allowances" applied directly to students' tuition and room and board (see pages 11, 13, and 16).

Operating Expenses

Compensation and benefit expenses increased by $38.2 million (6.4 percent) in 2024 to $638.0 million compared to $599.8 million and $581.2 million in 2023 and 2022, respectively. The increase in 2024 was driven largely by inflationary growth in salary and benefit costs, including contractual adjustments and one-time bonuses for certain represented employee groups, and merit increases for non-represented employees. The increase in 2023 was driven largely by inflationary increases in salary and benefit costs including a one-time 2.5 percent lump sum bonus paid to non-represented employees and salary costs related to the Wayne County Medical Examiner's Office (MEO) which was new in fiscal year 2023.

Supplies, services, and other expenses increased $13.7 million (6.3 percent) in 2024 to $231.7 million compared to $218.0 million and $188.4 million in 2023 and 2022, respectively. The increase in 2024 was primarily driven by higher costs across multiple expense categories including contracted services, sub-recipient grant and contract expenses, utilities, and patient services. The 2023 increase is generally attributable to an overall return to normal business activities, combined with costs related to the MEO, which was new in fiscal year 2023.

Total scholarships and fellowships granted in 2024 increased $25.3 million (16.3 percent) to $180.2 million, compared to $154.9 million in 2023. As previously mentioned, the increase was primarily due to higher Michigan Achievement Scholarship awards ($10.8 million), a rise in Federal Pell awards ($8.9 million), and an overall increase in university scholarships and other financial aid ($5.6 million) in 2024 compared to 2023. Total scholarships and fellowships granted in 2023 decreased $29.2 million (15.9 percent) to $154.9 million, compared to $184.1 million in 2022. The decrease was largely attributable to a $28.7 million decrease in student financial aid grants paid from the federal economic relief funds in 2023 compared to 2022.

Total scholarships and fellowships granted have two components. The scholarships and fellowships reflected on the table on page 15 of $13.2 million, $13.7 million, and $52.7 million are disbursed directly to students and are reported as operating expenses in 2024, 2023, and 2022, respectively. The remaining amounts for 2024, 2023, and 2022 of $167.0 million, $141.2 million, and $131.4 million, respectively, are applied directly to the students' accounts receivable balances. These amounts are netted against student tuition and fees, or room and board in the Auxiliary Activities Fund, as "scholarship allowances" in the statement of revenue, expenses, and changes in net position on page 20.

Another way to analyze this same pool of operating expenses is by function.

In this regard, expenses for instruction increased $21.9 million (8.0 percent) to $294.4 million in 2024, compared to $272.5 million and $273.1 million in 2023, and 2022, respectively. The 2024 increase includes increases in compensation-related expenses of $14.3 million and direct expenses of $7.6 million.

Research expenses increased $5.4 million (3.4 percent) in 2024 to $165.5 million, compared to $160.1 million and $151.0 million in 2023 and 2022, respectively. The 2024 increase was driven largely by an increase in compensation-related expenses. The 2023 increase includes an increase in direct expenses of $10.1 million, partially offset by a decrease in compensation-related expenses of $1.0 million.

Academic support expenses decreased $2.3 million (2.7 percent) to $83.1 million in 2024, compared to $85.4 million and $68.8 million in 2023 and 2022, respectively. The 2023 increase was driven largely by additional funding provided to support service centers and certain auxiliary operations.

Public service expenses increased $11.5 million (15.6 percent) to $85.2 million in 2024, compared to $73.7 million and $60.0 million in 2023 and 2022, respectively. The 2024 increase was primarily driven by growth in the Michigan Department of Health and Human Services grant activity and a rise in costs related to the MEO. The 2023 increase was driven largely by the costs related to the MEO, which was new in fiscal year 2023.

Nonoperating Expenses

Interest expenses totaled $24.1 million, $22.3 million, and $23.3 million in 2024, 2023, and 2022, respectively.

Statement of Cash Flows

The statement of cash flows provides information about the University's cash receipts and cash disbursements during the fiscal year. Unlike the statement of revenues, expenses, and changes in net position, which reports revenue when it is earned and expenses when they are incurred regardless of when cash is received or disbursed; the statement of cash flows reports actual cash received and disbursed during the period. The focus of the statement of cash flows is on the resulting increase or decrease in cash and cash equivalents. The statement of cash flows assists the users in assessing the University's ability to meet its obligations as they come due and the needs for external financing.

A comparative summary of the statement of cash flows for the years ended September 30, 2024, 2023, and 2022 (as restated) is as follows:

	2024	2023	2022
		(in millions)	
Cash and cash equivalents (used in) provided by:			
Operating activities	$ (239.6)	$ (234.8)	$ (247.2)
Noncapital financing activities	311.0	313.2	360.3
Capital and related financing activities	(118.8)	(85.2)	(102.4)
Investing activities	9.3	(10.0)	35.5
Net increase (decrease) in cash and cash equivalents	(38.1)	(16.8)	46.2
Cash and cash equivalents - Beginning of year	188.6	205.4	159.2
Cash and cash equivalents - End of year	**$ 150.5**	**$ 188.6**	**$ 205.4**

Cash flows used in operating activities reflect tuition and fees, grants and contracts, and auxiliary and departmental activities. Major uses include payment of wages, employee benefits, supplies, utilities, and scholarships. The most significant source of cash flows provided by noncapital financing activities is the state operating appropriation, which totaled $224.4 million in 2024 compared to $213.6 million in 2023 and $213.5 million in 2022. Cash flows from capital and related financing activities represent Plant Fund and related long-term debt activities and capital gifts. Cash flows from investing activities include uses of cash to purchase investments, increases in cash and cash equivalents as a result of selling investments, and income earned on cash and cash equivalents. Investing activities also include cash proceeds from the sale of bond-related investments to finance construction expenditures.

Economic Factors That Will Affect the Future

Wayne State University continues to navigate an evolving economic landscape that may impact its financial position in the coming years. Several key factors are expected to influence the University’s operations and financial performance:

State Funding – The level of state appropriations remains a critical factor in the University’s financial stability. While recent state budgets have provided moderate increases in higher education funding, ongoing economic uncertainties and potential shifts in legislative priorities could impact future appropriations.

Enrollment Trends and Demographics – The University’s financial health is closely tied to student enrollment levels, which are influenced by demographic shifts, competition among higher education institutions, and evolving student preferences. While efforts to enhance recruitment and retention continue, broader trends in declining birth rates and changes in student demand for specific programs could pose challenges.

Tuition and Affordability – As tuition and fee rates are a significant revenue source, balancing affordability with the need for revenue growth remains a key consideration. The University continues to evaluate tuition pricing strategies while expanding financial aid opportunities to support access and affordability for students.

Research and Innovation – Wayne State’s position as a major research institution depends on its ability to attract external funding and maintain competitive research facilities. Continued investment in research infrastructure and partnerships with industry, government, and private entities will be critical for sustaining research growth. However, potential shifts in federal funding priorities, including the risk of disinvestment in research initiatives, could affect the University’s ability to sustain the financial viability of federally funded research. These proposed changes could strain institutional resources and necessitate alternative funding strategies to support research infrastructure and operations. The University will continue to monitor federal policy developments and explore strategies to mitigate potential funding shortfalls.

Facilities and Deferred Maintenance – The University faces ongoing capital needs related to infrastructure improvements and deferred maintenance. Securing funding for these projects, whether through increased operational support, state appropriations, bond financing, or donor contributions, will be essential for maintaining campus facilities and supporting academic programs.

The University will continue positioning itself to address its challenges and opportunities guided by its five-year strategic plan, “*Our Moment in Time”*. The strategic plan sets forth five strategic focus areas:

- **Research and Discovery**: An unrelenting quest
- **Teaching, Learning and Student Success**: The heart of our University
- **Outreach and Engagement**: Our inextricable ties with our community
- **Diversity, Equity, and Inclusion**: An unwavering commitment
- **Financial Sustainability and Operational Excellence**: The building blocks for a strong future

Statement of Net Position

	September 30, 2024			September 30, 2023		
	University	Wayne State University Foundation (DCU)	Total	University	Wayne State University Foundation (DCU)	Total
			(in thousands)			
Assets						
Current Assets						
Cash and cash equivalents	$ 150,528	$ -	$ 150,528	$ 188,639	$ 2,858	$ 191,497
Investments	477,691	-	477,691	390,827	-	390,827
Restricted investments	4,839	-	4,839	30,221	-	30,221
Current receivables - Net (Note 4)	123,092	316	123,408	114,178	266	114,444
Inventories	1,343	-	1,343	1,126	-	1,126
Prepaid expenses and deposits	53,935	-	53,935	50,946	-	50,946
Total current assets	811,428	316	811,744	775,937	3,124	779,061
Noncurrent Assets						
Endowment investments	9,781	595,844	605,625	8,078	500,981	509,059
Restricted investments	36,399	-	36,399	48,324	-	48,324
Noncurrent receivables - Net (Note 4)	57,881	131	58,012	61,737	69	61,806
Derivative instruments (Note 7)	200	-	200	-	-	-
Capital assets - Net (Note 5)	1,081,656	-	1,081,656	1,091,589	-	1,091,589
Total noncurrent assets	1,185,917	595,975	1,781,892	1,209,728	501,050	1,710,778
Total assets	1,997,345	596,291	2,593,636	1,985,665	504,174	2,489,839
Deferred Outflows of Resources	9,042	-	9,042	11,890	-	11,890
Liabilities						
Current Liabilities						
Accounts payable and accrued liabilities	109,224	151	109,375	121,391	224	121,615
Unearned revenue	187,024	-	187,024	171,164	-	171,164
Deposits	7,174	-	7,174	7,974	-	7,974
Long-term debt - Current portion (Note 6)	26,831	-	26,831	26,633	-	26,633
Total current liabilities	330,253	151	330,404	327,162	224	327,386
Noncurrent Liabilities						
Federal portion of student loan funds	15,017	-	15,017	15,630	-	15,630
Accrued employee benefits and other liabilities	24,213	-	24,213	23,294	-	23,294
Derivative instruments (Note 7)	-	-	-	505	-	505
Long-term debt - Net of current portion (Note 6)	515,867	-	515,867	541,054	-	541,054
Total noncurrent liabilities	555,097	-	555,097	580,483	-	580,483
Total liabilities	885,350	151	885,501	907,645	224	907,869
Deferred Inflows of Resources (Note 1)	270,846	-	270,846	278,140	-	278,140
Net Position						
Net investment in capital assets	358,866	-	358,866	353,797	-	353,797
Restricted nonexpendable:						
Scholarships, research, academic support, and other	2,312	293,036	295,348	2,058	281,661	283,719
Loans	6,534	-	6,534	6,628	-	6,628
Restricted expendable:						
Scholarships, research, academic support, and other	140,989	277,908	418,897	84,276	201,886	286,162
Capital projects	7,965	-	7,965	60,481	-	60,481
Unrestricted	333,525	25,196	358,721	304,530	20,403	324,933
Total net position	**$ 850,191**	**$ 596,140**	**$ 1,446,331**	**$ 811,770**	**$ 503,950**	**$ 1,315,720**

See Notes to Financial Statements.

Wayne State University

Statement of Revenues, Expenses, and Changes in Net Position

	Year Ended September 30, 2024			Year Ended September 30, 2023		
	University	Wayne State University Foundation (DCU)	Total	University	Wayne State University Foundation (DCU)	Total
			(in thousands)			
Operating Revenues						
Student tuition and fees	$ 430,358	$ -	$ 430,358	$ 411,136	$ -	$ 411,136
Less scholarship allowances	(165,271)	-	(165,271)	(140,118)	-	(140,118)
Net student tuition and fees	265,087	-	265,087	271,018	-	271,018
Federal grants and contracts	123,827	-	123,827	116,615	-	116,615
State and local grants and contracts	74,421	-	74,421	54,635	-	54,635
Nongovernmental grants and contracts	114,091	-	114,091	112,132	-	112,132
Departmental activities	23,719	-	23,719	26,718	-	26,718
Auxiliary enterprises - Net of scholarship allowances of $1,749 in 2024 and $1,127 in 2023	20,123	-	20,123	18,986	-	18,986
Other operating revenues	4,908	-	4,908	4,641	-	4,641
Total operating revenues	626,176	-	626,176	604,745	-	604,745
Operating Expenses (Note 11)						
Instruction	294,380	-	294,380	272,459	-	272,459
Research	165,552	-	165,552	160,097	-	160,097
Public service	85,211	-	85,211	73,732	-	73,732
Academic support	83,081	-	83,081	85,419	-	85,419
Student services	46,895	-	46,895	44,276	-	44,276
Institutional support	101,869	-	101,869	94,318	-	94,318
Operation and maintenance of plant	71,169	-	71,169	67,892	-	67,892
Scholarships and fellowships	13,236	-	13,236	13,701	-	13,701
Auxiliary enterprises	21,543	-	21,543	19,632	-	19,632
Depreciation and amortization expense	77,068	-	77,068	72,014	-	72,014
Total operating expenses	960,004	-	960,004	903,540	-	903,540
Operating Loss	(333,828)	-	(333,828)	(298,795)	-	(298,795)
Nonoperating Revenues (Expenses)						
State operating appropriation	224,393	-	224,393	213,640	-	213,640
Federal Pell grants	47,896	-	47,896	38,980	-	38,980
Gifts	27,738	328	28,066	35,636	208	35,844
Investment income including change in fair value of derivatives of $705 in 2024 and $(252) in 2023	63,469	103,091	166,560	28,593	55,976	84,569
Net distributions from the Foundation	22,703	(22,703)	-	20,441	(20,441)	-
Interest on capital asset - Related debt	(23,967)	-	(23,967)	(22,289)	-	(22,289)
Gain (Loss) on capital assets retired	(83)	-	(83)	185	-	185
Other	10,057	-	10,057	24,825	-	24,825
Net nonoperating revenues	372,206	80,716	452,922	340,011	35,743	375,754
Income Before Other	38,378	80,716	119,094	41,216	35,743	76,959
Other						
Capital gifts and grants	43	-	43	50,963	-	50,963
Gifts for permanent endowments	-	11,474	11,474	-	15,509	15,509
Total other	43	11,474	11,517	50,963	15,509	66,472
Change in Net Position	38,421	92,190	130,611	92,179	51,252	143,431
Net Position						
Beginning of year	811,770	503,950	1,315,720	719,591	452,698	1,172,289
End of year	**$ 850,191**	**$ 596,140**	**$ 1,446,331**	**$ 811,770**	**$ 503,950**	**$ 1,315,720**

Statement of Cash Flows

	Year Ended September 30 2024	2023
	University (in thousands)	
Cash Flows from Operating Activities		
Tuition and fees - Net	$ 280,458	$ 272,689
Grants and contracts	302,597	287,422
Auxiliary enterprises	20,263	18,429
Departmental activities	24,443	26,503
Loans issued to students	(1,036)	(1,187)
Collection of loans from students	3,551	3,164
Scholarships and fellow ships	(14,696)	(13,788)
Payments to suppliers	(229,317)	(240,454)
Payments to employees and benefit providers	(632,250)	(599,308)
Direct lending, scholarship, and other receipts	177,893	185,654
Direct lending, scholarship, and other disbursements	(176,400)	(178,523)
Other receipts	4,933	4,626
Net cash used in operating activities	(239,561)	(234,773)
Cash Flows from Noncapital Financing Activities		
State operating appropriation	224,393	213,640
Federal Pell grants	47,896	38,980
Gifts	26,709	36,060
Net distributions from the Foundation	16,120	20,441
Other	(4,164)	4,037
Net cash provided by noncapital financing activities	310,954	313,158
Cash Flows from Capital and Related Financing Activities		
Capital gifts and grants	87	50,448
Expenditures for capital assets	(72,446)	(91,681)
Principal paid on capital debt	(25,703)	(24,725)
Interest paid on capital debt	(21,125)	(22,027)
Other	427	2,816
Net cash used in capital and related financing activities	(118,760)	(85,169)
Cash Flows from Investing Activities		
Investment income - Net	6,500	4,234
Proceeds from sales and maturities of investments	4,826	35,938
Purchase of investments	(2,070)	(50,138)
Net cash (used in) provided by investing activities	9,256	(9,966)
Net (Decrease) Increase in Cash and Cash Equivalents	(38,111)	(16,750)
Cash and Cash Equivalents - Beginning of year	188,639	205,389
Cash and Cash Equivalents - End of year	**$ 150,528**	**$ 188,639**
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	$ (333,828)	$ (298,795)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation and amortization expense	77,068	72,014
Changes in assets and liabilities:		
Receivables - Net	(4,756)	(6,106)
Prepaid expenses and inventories	(1,567)	(3,857)
Accounts payable and accrued liabilities	5,612	1,280
Deposits	(1,604)	451
Unearned income	15,860	12,314
Deferred inflow of resources	978	1,201
Accrued employee benefits and other liabilities	2,676	(13,275)
Net cash used in operating activities	**$ (239,561)**	**$ (234,773)**
Noncash Transactions		
Property acquired under lease and subscription-based information technology arrangements	$ 4,927	$ 3,511
Unrealized (loss) gain	42,961	10,813
Proceeds from issuance of bonds	36,039	46,654
Payments related to partial refunding of bonds	(35,692)	(46,279)

See Notes to Financial Statements.

Note 1 - Basis of Presentation and Significant Accounting Policies

Overview

Wayne State University (the "University") is a state-supported institution with a fall 2024 enrollment of approximately 24,000 students. The financial statements include the individual schools, colleges, and departments of the University (the primary government) and the controlled organization, which is a discretely presented component unit (DCU). The controlled organization of the University is the Wayne State University Foundation (the "Foundation"), which manages approximately 99 percent of the University's endowment funds. The Foundation is a legally separate, tax-exempt entity, which meets the criteria set forth for component units under GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units,* as amended by GASB No. 61. The Foundation provides financial support for the objectives, purposes, and programs of the University. The University controls the timing and amount of its receipts from the Foundation and the resources (and income thereon), which the Foundation holds and invests are dedicated to benefit the University. Because the resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit (DCU) of the University and its statement of net position and statement of revenues, expenses, and changes in net position are discretely presented in the University's financial statements. The Foundation does not issue its own financial statements.

While the University is a political subdivision of the State of Michigan, it is not a component unit of the State of Michigan, as defined by the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity,* as amended by GASB No. 61. The University is classified as a state instrumentality under Internal Revenue Code Section 115 and is also classified as an educational organization under Internal Revenue Code Section 501(c)(3) and is generally exempt from federal and state income taxes. Certain activities of the University may be subject to taxation as unrelated business income under Internal Revenue Code Sections 511 to 514.

Basis of Presentation

The financial statements have been prepared in accordance with generally accepted accounting principles in the United States as prescribed by the Governmental Accounting Standards Board (GASB). The University reports as a special purpose government engaged primarily in business-type activities (BTA), as defined by the GASB using the economic resources measurement focus, on the accrual basis. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods and services.

Summary of Significant Accounting Policies

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

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

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

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

Cash and Cash Equivalents - Cash and cash equivalents include highly liquid, short-term investments (90 days or less) that bear little if no market risk and includes the liquidity pool component of the University's cash pool. Small allocations to cash and cash equivalents are also held in the liquidity reserve pool and the diversified pool components of the cash pool, and the Foundation's endowments. Any cash balances held in these funds at the date of these financial statements are due to timing of reinvesting the proceeds in the fund.

Investments - Investments in marketable securities are recorded at market value as established by the major securities markets. Purchases and sales of investments are accounted for on the trade date basis. Realized and unrealized gains and losses are reported as investment income. Nonmarketable investments are valued based on the most recent available data. Investments include the liquidity reserve pool and the diversified pool components of the cash pool and the Foundation's endowments. Investments also include invested bond proceeds and related earnings.

For donor-restricted endowments, the Uniform Prudent Management of Institutional Funds Acts, as adopted in Michigan on September 15, 2009, permits the board of governors to spend, as they deem prudent. The annual distribution rate is 5.00 percent. Of the annual distribution, 4.00 percent will be transferred to the beneficiary or operating program accounts and 1.00 percent will be used for administration of the University's development efforts. The Foundation follows the spending policy established by the University.

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

Derivative Instruments - Derivative instruments consist of interest rate swap agreements and are stated at fair value based on the proprietary pricing model.

Compensated Absences - Certain University employees earn vacation and sick leave benefits based, in part, on length of service. After the completion of the probation period, vacation pay is fully vested when earned. Upon separation from service, employees are paid accumulated vacation and sick pay based upon the nature of separation (death, retirement, or termination). Certain limitations have been placed on the hours of vacation and sick leave that employees may accumulate and carry over for payment at death, retirement, or termination. Unused hours exceeding these limitations are forfeited. For the year-ended September 30, 2024, the beginning balance, increases, decreases, and ending balance are $32,425,000, $21,545,000, $18,299,000, and $35,671,000, respectively. For the year-ended September 30, 2023, the beginning balance, increases, decreases, and ending balance are $32,411,000, $19,917,000, $19,903,000, and $32,425,000, respectively. The current portion of compensated absences is $26,881,000 and $24,087,000 at September 30, 2024 and 2023, respectively.

Inventories - Inventories are stated at the lower of cost or market, determined by the first-in, first-out method.

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

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

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

Leases - The University is a lessee for noncancelable leases of building space. The University recognizes a lease liability and an intangible right-of-use lease asset (lease asset) on the statement of net position. The University recognizes lease assets and liabilities with an initial value of $200,000 or more.

At the commencement of a lease, the University initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the University determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The University uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the University generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the University is reasonably certain to exercise.

The University monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The University is a lessor for noncancelable leases of land, building space, and equipment. The University recognizes a lease receivable and a deferred inflow of resources in the statement of net position.

At the commencement of a lease, the University initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the University determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

The University uses the actual rate charged to lessees as the discount rate for leases.

Key estimates and judgments include how the University determines the discount rate it uses to discount

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

The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The University monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription Based Information Technology Arrangements (SBITAs) - The University obtains the right to use vendors' information technology software through various long-term contracts. The University recognizes a subscription liability and an intangible right-of-use subscription asset (the "subscription asset") on the statement of net position. The University recognizes subscription assets and liabilities with an initial value of $250,000 or more.

At the commencement of a subscription, the University initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus initial implementation costs. Subsequently, the subscription asset is depreciated on a straight-line basis over its useful life.

Key estimates and judgments related to subscriptions include how the University determines the discount rate it uses to discount the expected subscription payments to present value and the subscription term.

The University uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the University generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.

The subscription term includes the noncancelable period of the subscription.

The University monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets, and subscription liabilities are reported with long-term debt on the statement of net position.

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 so will not be recognized as an outflow of resources (expense) until then. The University reports deferred outflows of resources of $396,000 for OPEB-related amounts discussed in Note 12 and $8,646,000 related to the losses recognized in debt defeasance as of September 30, 2024. The University reports deferred outflows of resources of $858,000 for OPEB-related amounts discussed in Note 12 and $11,032,000 related to the losses recognized in debt defeasance as of September 30, 2023.

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

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

The University reports deferred inflows of resources of $2,636,000 for OPEB-related amounts discussed in Note 12, $5,840,000 related to the defeasance of debt, $221,430,000 related to the service concession arrangement discussed in Note 15, $40,449,000 related to lease agreements in which the University serves as the lessor, and $491,000 related to an irrevocable split-interest agreement at September 30, 2024.The University reports deferred inflows of resources of $3,173,000 for OPEB-related amounts discussed in Note 12, $3,466,000 related to the defeasance of debt, $227,344,000 related to the service concession arrangement discussed in Note 15, $43,666,000 related to lease agreements in which the University serves as the lessor, and $491,000 related to an irrevocable split-interest agreement at September 30, 2023.

Net Position - Consistent with GASB principles, the University reports its net position in four categories as follows:

- **Net Investment in Capital Assets** - The University's investment in capital assets, net of accumulated depreciation and amortization, and outstanding principal balances of debt issued for the acquisition, construction, or improvement of those assets. Deferred inflows of resources associated with the aforementioned are also included in this component of net position. Changes from year-to-year result from capital additions, issuance and payments of long-term debt, retirement of assets, amortization of deferred inflows of resources and depreciation expense.
- **Restricted Nonexpendable** - The corpus portion of gifts to the University's permanent true endowment funds, certain university funds which have been specifically allocated and restricted pursuant to specific agreements with individuals or entities, and the University's required funding match for federal student loans and donor-restricted university loans.
- **Restricted Expendable** - Gifts and sponsored and governmental grants and contracts, which are subject to externally imposed restrictions governing their use (scholarships, academic and research programs, and capital projects). This category of net position also includes undistributed accretion from investments of permanent true endowments and funds functioning as endowments with externally imposed restrictions.
- **Unrestricted** - Funds which are not subject to externally imposed restrictions; however, most of the University's unrestricted net position is designated by the board of governors and/or management for various academic, research, and administrative programs and capital projects.

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.

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

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

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

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

The University disbursed approximately $189,927,000 and $172,214,000 in 2024 and 2023, respectively, for student loans through the U.S. Department of Education federal direct lending and federal guaranteed student loan programs. These disbursements and the related receipts are not included as revenue or expenditures in the accompanying statement of revenues, expenses, and changes in net position. The disbursements and related receipts are reflected in the operating activities section of the statement of cash flows.

Note 2 - Cash and Investments

University cash and investments, by classification and investment type, at September 30, 2024 and 2023 are as follows (in thousands):

Classification	2024	2023
Cash and cash equivalents, current	$ 150,528	$ 188,639
Investments:		
Investments, current	477,691	390,827
Restricted investments, current	4,839	30,221
Endowment Fund, noncurrent	9,781	8,078
Restricted investments, noncurrent	36,399	48,324
Total investments	528,710	477,450
Total cash and investments	$ 679,238	$ 666,089

Type	2024	2023
Cash and cash equivalents	$ 127,163	$ 167,317
Fixed income	421,282	387,040
Equity securities	70,009	56,198
Hedge funds	15,112	12,941
Real assets	22,179	18,181
Other	23,493	24,412
Total cash and investments	$ 679,238	$ 666,089

The University's cash pool, which consists of cash, cash equivalents, and current investments, provided a return of 10.2 percent and 4.6 percent for the fiscal years ended September 30, 2024 and 2023, respectively. Restricted investments include invested bond proceeds and related earnings, which are restricted for capital projects, totaling $40,834,000 and other restricted investments of $404,000 as of September 30, 2024. As of September 30, 2023, restricted investments include invested bond proceeds and related earnings, which are restricted for capital projects, totaling $77,480,000 and other restricted investments of $1,065,000.

Note 2 - Cash and Investments (Continued)

Investment Policies

Cash and cash equivalents and bond proceed investments are managed in accordance with the board of governors' cash management policy. This policy sets a general target allocation for its investments as follows:

Asset Class	Liquidity Pool	Liquidity Reserve Pool	Diversified	Total Portfolio	Range (Diversified Pool)	Actual at September 30, 2024
Cash	100%	0%	0%	30%		33%
Fixed Income	0%	100%	30%	56%	+/- 7%	51%
Equities	0%	0%	45%	9%	+/- 7%	11%
Hedge Funds	0%	0%	10%	2%	+/- 5%	2%
Real Assets	0%	0%	15%	3%	+/- 5%	3%

The University's cash pool investment policy permits investments in money market funds, U.S. government and government agency obligations, municipal obligations, certificates of deposit, commercial paper, corporate debt and securitized investments, certain additional securitized investments and fixed-income funds with intermediate duration, multi-strategy, and short-term high-yield strategies. In addition, cash pool investments comprise equities, hedge funds, and real assets.

The cash pool's three tiers (liquidity pool, liquidity reserve pool, and diversified pool) have different time horizons and liquidity needs; therefore, they have different permissible asset classes, credit quality, and maturity/interest rate risk characteristics. These risks are considered as part of the overall risk versus investment return characteristics of the aggregate investment portfolio when establishing its asset allocation and selecting its investment managers. Investments are managed in accordance with the investment policy and are monitored according to the risk versus investment return characteristics as compared to applicable benchmarks in the investment industry.

Custodial Credit Risk

For amounts deposited in commercial banks, 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 governing custodial credit risk. At September 30, 2024 and 2023, the carrying amount of these deposits totaled $125,787,000 and $172,232,000, respectively. Of these amounts, $125,037,000 and $171,482,000 were uninsured and not collateralized at September 30, 2024 and 2023, respectively.

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University may not be able to recover the value of its investments that are in the possession of an outside party. The counterparty is the firm that sells investments to or buys them from the University. Cash management investment policies do not limit the value of investments that may be held by an outside party. Investments in external investment pools and open-ended mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. The University's counterparties held $2,474,000 and $2,174,000 of its portfolio at September 30, 2024 and 2023, respectively. These investments are either held in the name of the University or a nominee's name for the benefit of the University and would not be subject to any general creditor claims.

Note 2 - Cash and Investments (Continued)

Credit Risk

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. Nationally Recognized Statistical Rating Organizations (NRSRO), such as Moody's and Standard & Poor's, assign credit ratings to security issuers and issues that indicate a measure of potential credit risk to investors. As discussed previously, specific credit standards are applied to each of the three tiers of the Cash Pool based on their ability to take risk, which is tied to their time horizon and liquidity needs. The minimum credit quality for the Liquidity Pool is A-/A3 for bank deposits, money market funds shall have at least two of the three NRSRO's A1/P1/F1, and short-term bond funds must have an average credit rating of A or better. The Liquidity Reserve Pool must have a credit rating of BBB-/Baa3 or better. The Diversified Pool must have an average credit rating of B-/B3 or better. For both years, the University was in compliance with its credit risk policy.

Fixed-income investments classified by credit ratings at September 30, 2024 and 2023 were as follows (in thousands):

	2024 Credit Rating (in thousands)					
Investment Type	AAA	AA	A	BBB	Below BB	Total
Money market mutual funds	$ 60,729	$ -	$ -	$ -	$ -	$ 60,729
Fixed-income institutional bond funds	-	66,546	204,463	35,745	53,799	360,553
Investments by rating	$ 60,729	$ 66,546	$ 204,463	$ 35,745	$ 53,799	$ 421,282

	2023 Credit Rating (in thousands)					
Investment Type	AAA	AA	A	BBB	Below BB	Total
Money market mutual funds	$ 60,681	$ -	$ -	$ -	$ -	$ 60,681
Fixed-income institutional bond funds	-	60,703	188,710	29,467	47,479	326,359
Investments by rating	$ 60,681	$ 60,703	$ 188,710	$ 29,467	$ 47,479	$ 387,040

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer of fixed-income securities. The cash management policy provides that investment pool funds be sufficiently diversified. For the liquidity and liquidity reserve pools, investment in the securities of a single issuer shall not be in excess of 5 percent of the total market value of the assets under management at the time of purchase (excluding U.S. Treasury and agency obligations and commingled funds). For the diversified pool, concentration of credit risk is managed in accordance with the fund managers' policies.

The University is in compliance with the concentration limits set forth in the cash pool investment policy.

As of September 30, 2024 and 2023, the University's liquidity and liquidity reserve pools did not have investments with a particular issuer which equaled or exceeded 5 percent.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The maximum maturity duration for the liquidity pool is one year. The maximum average duration for the liquidity reserve pool is five years. The diversified pool has no duration restriction.

Note 2 - Cash and Investments (Continued)

For both years, the University was in compliance with the maturity/duration limit set forth in the cash pool investment policy.

The University held the following types of fixed-income investments and maturities at September 30, 2024 and 2023 (in thousands):

	2024 Maturities (in Years)			
Investment Type	Less Than 1	1-5	6-10	Total
Money market mutual funds (1)	$ 60,729	$ -	$ -	$ 60,729
Fixed-income institutional bond funds (1)	33,140	252,636	74,777	360,553
Total fixed-income investments	$ 93,869	$ 252,636	$ 74,777	$ 421,282

	2023 Maturities (in Years)			
Investment Type	Less Than 1	1-5	6-10	Total
Money market mutual funds (1)	$ 60,681	$ -	$ -	$ 60,681
Fixed-income institutional bond funds (1)	32,642	227,041	66,676	326,359
Total fixed-income investments	$ 93,323	$ 227,041	$ 66,676	$ 387,040

(1) The maturities indicated for these funds are the average of the overall pool.

Foreign Currency Risk

Foreign currency risk represents the risk that changes in exchange rates will adversely affect the fair value of an investment. The University's cash management policy does not specifically limit foreign currency exposure.

Note 3 - Foundation Investments

The Foundation's investments, by statement of net position classification and investment type, at September 30, 2024 and 2023 are as follows (in thousands):

Type	2024	2023
Fixed income	$ 101,557	$ 92,149
Equity securities	307,772	262,368
Other investment instrument types not included above:		
Limited partnerships	186,515	146,464
Total investments	$ 595,844	$ 500,981

The Foundation's investments had investment performance of 20.3 and 13.9 percent for the years ended September 30, 2024 and 2023, respectively.

Note 3 - Foundation Investments (Continued)

Investment Policy

The Foundation investments are managed in accordance with the Statement of Investment Policy (Foundation Investment Policy) as approved by the Foundation's board of directors. The policy sets a target allocation and ranges for its investments as follows:

Investment Instrument	Target	Range	Actual at September 30, 2024
Global equities	38%	37%-57%	53%
Fixed-income securities	20%	6%-47%	18%
Real assets	10%	1%-25%	10%
Private markets	22%	2%-22%	10%
Diversifying strategies	10%	0%-15%	9%

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

Other investment instrument types in the Foundation's endowment fund comprise limited partnership investments, hedge fund managers, and private markets investment managers who invest in U.S. and international equities and fixed-income instruments. Due to the pooled nature of these investments, the related amounts are not included in the disclosures that follow. Additionally, certain managers utilize derivatives to manage investment risks to increase their portfolio liquidity and flexibility and to increase investment return within the level of risk defined in the manager's investment guidelines.

Custodial Credit Risk

Custodial credit risk for investments was discussed previously in Note 2 - Cash and Investments. The Foundation's investment policies do not limit the value of investments that may be held by an outside party. The Foundation's counterparties held $6,657,000 and $53,731,000 of its portfolio at September 30, 2024 and 2023, respectively. These investments are held in a nominee's name for the benefit of the Foundation and would not be subject to any general creditor claims.

Credit Risk

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

Note 3 - Foundation Investments (Continued)

Fixed-income investments classified by credit ratings at September 30, 2024 and 2023 were as follows (in thousands):

	2024 Credit Rating					
Investment Type	AAA	AA	BB	B	Not Rated	Total
Money market mutual funds [1]	$ 6,657	$ -	$ -	$ -	$ -	$ 6,657
Fixed-income investments [1]	6,232	88,668	-	-	-	94,900
Direct loan fund [1]	-	-	-	-	-	-
Investments by rating	$ 12,889	$ 88,668	$ -	$ -	$ -	$ 101,557

	2023 Credit Rating					
Investment Type	AAA	AA	BB	B	Not Rated	Total
Money market mutual funds [1]	$ 8,491	$ -	$ -	$ -	$ -	$ 8,491
Fixed-income investments [1]	5,117	49,288	29,253	-	-	83,658
Direct loan fund [1]	-	-	-	-	-	-
Investments by rating	$ 13,608	$ 49,288	$ 29,253	$ -	$ -	$ 92,149

(1) The credit ratings indicated for these funds are the average of the overall pool.

Concentration of Credit Risk

As discussed previously, the Foundation's investment policy does not specifically limit the concentration of credit risk. As of September 30, 2024 and 2023, the Foundation's investment portfolio did not have investments with a particular issuer that equaled or exceeded 5 percent.

Interest Rate Risk

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

The Foundation held the following types of fixed-income investments and maturities at September 30, 2024 and 2023 (in thousands):

	2024 Maturities (in Years)				
Investment Type	Less Than 1	1-5	6-10	More Than 10	Total
Money market mutual funds	$ 6,657	$ -	$ -	$ -	$ 6,657
Fixed-income investments [1]	-	34,873	60,027		94,900
Direct loan fund [1]	-	-	-	-	-
Total fixed-income investments	$ 6,657	$ 34,873	$ 60,027	$ -	$ 101,557

	2023 Maturities (in Years)				
Investment Type	Less Than 1	1-5	6-10	More Than 10	Total
Money market mutual funds	$ 8,491	$ -	$ -	$ -	$ 8,491
Fixed-income investments [1]	-	-	83,658		83,658
Direct loan fund [1]	-	-	-	-	-
Total fixed-income investments	$ 8,491	$ -	$ 83,658	$ -	$ 92,149

(1) The maturities indicated for these funds are the average of the overall pool.

Note 3 - Foundation Investments (Continued)

Foreign Currency Risk

As discussed previously, the Foundation's investment policy does not specifically limit foreign currency risk.

Investment Commitments

The Foundation had approximately $135,107,000 and $138,016,000 of investment commitments outstanding at September 30, 2024 and 2023, respectively.

Note 4 - University Receivables

At September 30, 2024 and 2023, receivables consisted of the following (in thousands):

	2024	2023
Grants and contracts receivable	$ 49,362	$ 37,607
Pledged gifts receivable	6,396	5,458
Student notes receivable	13,792	15,363
Student accounts receivable	59,487	60,789
Lease receivable	39,707	41,892
Other	41,371	35,660
Total	210,115	196,769
Less:		
Provision for loss on receivables	(28,791)	(20,557)
Unamortized discount to present value on pledged gifts receivable	(351)	(297)
Total	180,973	175,915
Less net current portion of receivables	(123,092)	(114,178)
Net noncurrent receivables	$ 57,881	$ 61,737

Payments on pledged gifts receivable at September 30, 2024 are expected to occur in the following fiscal years (in thousands):

2025	$ 4,090
2026-2030	2,306
Total	$ 6,396

Student notes receivable consist of loans to students made from both federal and university resources. Principal repayment and interest rate terms on these loans vary considerably. The provision for loss on receivables does not apply to the federal portion of federal student notes receivable, since federal regulations do not require the University to provide reserves on the federal portion of uncollectible student loans. Federal loan programs are funded principally with federal advances to the University from the Perkins and various health profession loan programs. The Federal Perkins loan program expired on September 30, 2017, which ended the issuance of new loans under this program. Pending additional information from the federal government, the University will continue to service all outstanding loans in accordance with program specifications.

Note 4 - University Receivables (Continued)

The University leases land, building space, and equipment to external parties. In accordance with GASB 87, the University records lease receivables which totaled $39,707,000 and $41,892,000 at September 30, 2024 and 2023, respectively. Of the total balances, noncurrent accounts receivable was $38,070,000 and $40,150,000 at September 30, 2024 and 2023, 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 fiscal years ended September 30, 2024 and 2023, the University recognized revenues related to these lease agreements totaling $4,018,000 and $3,873,000, respectively.

Note 5 - Capital Assets

Capital asset activity for the years ended September 30, 2024 and 2023 was as follows (in thousands):

	Balance October 1, 2023	Additions	Retirements	Transfers	Balance September 30, 2024
Non-depreciated capital assets:					
Land	$ 43,919	$ -	$ (332)	$ -	$ 43,587
Construction in progress	12,309	20,385	-	(5,642)	27,052
Total - Nondepreciable assets	56,228	20,385	(332)	(5,642)	70,639
Depreciable capital assets:					
Land improvements	34,393	87	-	263	34,743
Buildings	1,872,702	12,326	-	5,379	1,890,407
Library materials	222,927	8,669	(12)	-	231,584
Equipment and softw are	220,679	20,970	(16,750)	-	224,899
Right-to-use assets - SBITAs	12,654	4,987	(1,084)		16,557
Right-to-use assets - Building	10,773	221	-	-	10,994
Total - Depreciable assets	2,374,128	47,260	(17,846)	5,642	2,409,184
Less accumulated depreciation:					
Land improvements	24,635	831	-	-	25,466
Buildings	939,529	51,864	-	-	991,393
Library materials	181,256	7,415	(1)	-	188,670
Equipment and softw are	182,221	10,688	(16,583)	-	176,326
Right-to-use assets - SBITAs	4,483	4,057	(1,084)		7,456
Right-to-use assets - Building	6,643	2,213	-	-	8,856
Total accumulated depreciation	1,338,767	77,068	(17,668)	-	1,398,167
Total depreciable capital assets, Net	1,035,361	(29,808)	(178)	5,642	1,011,017
Net capital assets	$ 1,091,589	$ (9,423)	$ (510)	$ -	$ 1,081,656

Note 5 - Capital Assets (Continued)

	Balance October 1, 2022	Additions	Retirements	Transfers	Balance September 30, 2023
Non-depreciated capital assets:					
Land	$ 43,933	$ -	$ (14)	$ -	$ 43,919
Construction in progress	66,795	8,836	-	(63,322)	12,309
Total - Nondepreciable assets	110,728	8,836	(14)	(63,322)	56,228
Depreciable capital assets:					
Land improvements	33,417	97	(2)	881	34,393
Buildings	1,756,448	65,952	(12,139)	62,441	1,872,702
Library materials	213,805	9,124	(2)	-	222,927
Equipment and softw are	210,290	12,278	(1,889)	-	220,679
Right-to-use assets - SBITAs	9,396	3,511	(253)		12,654
Right-to-use assets - Building	14,419	-	(3,646)	-	10,773
Total - Depreciable assets	2,237,775	90,962	(17,931)	63,322	2,374,128
Less accumulated depreciation:					
Land improvements	23,689	948	(2)	-	24,635
Buildings	902,841	48,827	(12,139)	-	939,529
Library materials	174,096	7,160	-	-	181,256
Equipment and softw are	174,402	9,708	(1,889)	-	182,221
Right-to-use assets - SBITAs	1,971	2,765	(253)	-	4,483
Right-to-use assets - Building	7,683	2,606	(3,646)	-	6,643
Total accumulated depreciation	1,284,682	72,014	(17,929)	-	1,338,767
Total depreciable capital assets, Net	953,093	18,948	(2)	63,322	1,035,361
Net capital assets	$ 1,063,821	$ 27,784	$ (16)	$ -	$ 1,091,589

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

Several buildings on campus were financed in part by State Building Authority (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.

The University has entered into various Subscription-Based Information Technology Arrangements (SBITAs) to allow access to external software for set terms. In accordance with GASB 96, the University records right-to-use assets and subscription liabilities (see Note 6) based on the present value of expected payments over the term of the respective agreements.

Note 6 - Long-term Debt

Long-term debt activity for the years ended September 30, 2024 and 2023 was as follows (in thousands):

2024

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
General Revenue Bonds, Series 2024A, with interest ranging from 3.0% to 5.0%, maturing November 15, 2036	$ -	$ 31,885	$ -	$ 31,885	$ -
General Revenue Bonds, Series 2023, with interest ranging from 4.0% to 5.0%, maturing November 15, 2040	42,550	-	-	42,550	575
General Revenue Bonds, Series 2020, with interest ranging from 3.392% to 3.492%, maturing November 15, 2050	109,645	-	2,715	106,930	2,750
General Revenue and Refunding Bonds, Series 2019A, with interest ranging from 3.375% to 5.0%, maturing November 15, 2039	56,075	-	3,310	52,765	3,470
General Revenue and Refunding Bonds, Series 2019B, with interest ranging from 3.32% to 3.47%, maturing November 15, 2049	25,685	-	-	25,685	-
General Revenue and Refunding Bonds, Series 2018A, with interest ranging from 3.375% to 5.0%, maturing on November 15, 2049	114,225	-	2,265	111,960	2,375
General Revenue and Refunding Bonds, Series 2016A, with interest ranging from 2.5% to 5.0%, maturing on November 15, 2037	77,815	-	6,180	71,635	6,185
General Revenue and Refunding Bonds, Series 2016B, with interest ranging from 1.5% to 4.0%, maturing on November 15, 2037	8,310	-	490	7,820	285
General Revenue and Refunding Bonds, Series 2015A, with interest ranging from 3.0% to 5.0%, maturing on November 15, 2036	39,470	-	37,315	2,155	2,155
General Revenue Bonds, Series 2013A, with interest ranging from 3.0% to 5.0%, maturing on November 15, 2044	25,100	-	1,975	23,125	-
Taxable General Revenue Bonds, Series 2007B, with interest at 6.01%, maturing on November 15, 2030	4,220	-	-	4,220	530
Financed purchase payable, with interest at 3.8%, expiring on March 11, 2038 and 2.9% expiring on April 13, 2023	15,309	-	801	14,508	831
Right-to-use SBITA liability	6,765	4,693	3,618	7,840	2,661
Right-to-use lease liability	4,385	234	2,305	2,314	2,198
Various notes payable with varying interest rates maturing through 2024	13	546	-	559	157
Gross long-term debt	529,567	37,358	60,974	505,951	24,172
Plus unamortized bond premium - Net	38,120	4,294	5,667	36,747	2,659
Total long-term debt	$ 567,687	$ 41,652	$ 66,641	$ 542,698	$ 26,831

Note 6 - Long-term Debt (Continued)

2023	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
General Revenue Bonds, Series 2023, with interest ranging from 4.0% to 5.0%, maturing November 15, 2040	$ -	$ 42,550	$ -	$ 42,550	$ -
General Revenue Bonds, Series 2020, with interest ranging from 3.392% to 3.492%, maturing November 15, 2050	112,330	-	2,685	109,645	2,715
General Revenue and Refunding Bonds, Series 2019A, with interest ranging from 3.375% to 5.0%, maturing November 15, 2039	59,225	-	3,150	56,075	3,310
General Revenue and Refunding Bonds, Series 2019B, with interest ranging from 3.32% to 3.47%, maturing November 15, 2049	25,685	-	-	25,685	-
General Revenue and Refunding Bonds, Series 2018A, with interest ranging from 3.375% to 5.0%, maturing on November 15, 2049	116,375	-	2,150	114,225	2,265
General Revenue and Refunding Bonds, Series 2016A, with interest ranging from 2.5% to 5.0%, maturing on November 15, 2037	83,695	-	5,880	77,815	6,180
General Revenue and Refunding Bonds, Series 2016B, with interest ranging from 1.5% to 4.0%, maturing on November 15, 2037	8,790	-	480	8,310	490
General Revenue and Refunding Bonds, Series 2015A, with interest ranging from 3.0% to 5.0%, maturing on November 15, 2036	41,420	-	1,950	39,470	2,045
General Revenue Bonds, Series 2013A, with interest ranging from 3.0% to 5.0%, maturing on November 15, 2044	72,625	-	47,525	25,100	1,975
Taxable General Revenue Bonds, Series 2007B, with interest at 6.01%, maturing on November 15, 2030	4,220	-	-	4,220	-
Financed purchase, with interest at 3.8%, expiring on March 11, 2038 and 2.9% expiring on April 13, 2023	16,253	-	944	15,309	801
Right-to-use SBITA liability	6,852	3,511	3,598	6,765	2,254
Right-to-use lease liability	7,009	-	2,624	4,385	2,263
Various notes payable with varying interest rates maturing through 2024	36	-	23	13	13
Gross long-term debt	554,515	46,061	71,009	529,567	24,311
Plus unamortized bond premium - Net	39,231	4,262	5,373	38,120	2,322
Total long-term debt	$ 593,746	$ 50,323	$ 76,382	$ 567,687	$ 26,633

When economically feasible, the University considers defeasance or refunding of prior debt issuances to reduce borrowing costs. In September 2024, the University issued tax-exempt Series 2024A to partially refund the 2015A bonds par amount of $31,885,000. This refunding resulted in an economic gain of $2,068,122 and total debt service payments decreased by $2,117,981.

In September 2023, the University issued tax-exempt Series 2023A to partially refund the 2013A bonds par amount $42,550,000. This refunding resulted in an economic gain of $3,604,749 and total debt service payments decreased by $3,789,093.

Note 6 - Long-term Debt (Continued)

On March 19, 2012, the University entered into a financed purchase agreement for a medical office building. The finance period commenced on March 12, 2013 with an initial term of 25 years. The financed purchase is included in long-term debt and the related asset is included in buildings with cost of $22,000,000 and accumulated depreciation of approximately $6,369,000 and $5,819,000 as of September 30, 2024 and 2023, respectively.

Principal and interest maturities on long-term debt at September 30, 2024 are as follows (in thousands):

	Bond and Various Notes Payable		Right-to-Use Liability		Financed Purchase	
Fiscal Years	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 18,482	$ 19,344	$ 4,859	$ 277	$ 831	$ 551
2026	17,507	19,038	2,611	154	863	520
2027	21,822	18,155	1,478	75	896	487
2028	22,516	17,162	1,183	9	938	453
2029	23,452	16,145	21	1	981	417
2030-2034	106,995	66,069	2	-	5,518	1,498
2035-2039	99,640	43,195	-	-	4,481	390
2040-2044	81,400	25,142	-	-	-	-
2045-2049	75,440	9,326	-	-	-	-
2050-2054	14,035	450	-	-	-	-
Total	$ 481,289	$ 234,026	$ 10,154	$ 516	$ 14,508	$ 4,316

Interest paid on long-term debt was $20,752,000 and $21,606,000 in 2024 and 2023, respectively.

Effective March 2019, the University renewed and increased its lines of credit facilities with two financial institutions to $50.0 million total. The facilities had three-year terms with a maturity date of March 2022. The University extended the terms on both lines to March 2025. Borrowing rates are .40 percent in excess of one-month Bloomberg Short-Term Bank Yield and .50 percent in excess of one-month Secured Overnight Financing Rate. As of September 30, 2024 and 2023, there were no borrowings outstanding under the line of credit facilities.

Note 7 - Derivative Instruments

Interest Rate Swaps

As of September 30, 2014, the University held two interest rate instruments that were associated with the Series 2006 bonds. In February 2015, most of the Series 2006 bonds were advance refunded with proceeds from the Series 2015A bonds. In November 2016, the balance of the Series 2006 bonds was paid. As a result, both interest rate instruments became associated with the Series 2015A bonds. In September 2024, most of the Series 2015A bonds were defeased with proceeds from the 2024A bonds. Accordingly, the interest rate instruments are now associated with the 2024A bonds.

The University initially entered into these swap agreements at the same time and for the same amount as the issuance of the Series 2006 bonds, with the intent of lowering its borrowing cost by creating a cash flow hedge at a net interest rate that is lower than the fixed rate on the debt that was issued. The swap agreements are not effective hedges. They were ineffective swap agreements because they did not have consistent critical terms. In accordance with GASB Statement No. 53, an interest rate swap is considered an effective cash flow hedge if the swap payments received substantially offset the payments made on the associated debt, and then such changes in fair value are deferred. An interest rate swap that is not considered an effective cash flow hedge, in accordance with the provisions of this statement, is deemed to

Note 7 - Derivative Instruments (Continued)

be an investment derivative instrument, and changes in fair value are recorded as a component of the change in net investment income (loss) in the statement of revenues, expenses, and changes in net position.

The fair value balances and notional amounts of the derivative instruments outstanding at September 30, 2024 and 2023, classified by type and the change in fair value, are shown below (in thousands):

	Change in Fair Value		Fair Value at September 30, 2024		
Investment Derivative Instrument	Classification	Amount	Classification	Amount	Notional
Series 2024A# - Pay-variable, receive variable/fixed annuity	Net investment income (loss)	$ 705	Asset	$ 200	$ 31,800

	Change in Fair Value		Fair Value at September 30, 2023		
Investment Derivative Instrument	Classification	Amount	Classification	Amount	Notional
Series 2015A# - Pay-variable, receive variable/fixed annuity	Net investment income (loss)	$ (252)	Liability	$ (505)	$ 33,510

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

Terms for the year ended September 30, 2024 was as follows:

Associated Bond Issue	Effective Date	Type	Objective	Pay Terms	Receive Terms	Maturity Date	Counterparty Credit Rating*
Series 2024A (2 swaps)	9/5/2024	Pay variable, receive variable plus fixed annuity	Cash flow hedge for associated bond issue	SIFMA	67% SOFR plus 40.73 bps	11/15/2036	AA-/A

Terms for the year ended September 30, 2023 was as follows:

Associated Bond Issue	Effective Date	Type	Objective	Pay Terms	Receive Terms	Maturity Date	Counterparty Credit Rating*
Series 2015A (2 swaps)	2/5/2015	Pay variable, receive variable plus fixed annuity	Cash flow hedge for associated bond issue	SIFMA	67% SOFR plus 40.73 bps	11/15/2036	AA-/A

* Effective March 1, 2012, one of the original counterparties transferred by novation all the rights, liabilities, duties, and obligations to a new counterparty.

LIBOR – London Interbank Offered Rate
SOFR – Secured Overnight Financing Rate
SIFMA – Securities Industry and Financial Markets Association
bps - basis points

Associated Risk - The associated risks of the outstanding swaps as of September 30, 2024 and 2023 were as follows:

The swaps are tax basis swaps, which were executed with the objective of reducing the financing cost of the Series 2006 bonds and their related refunding bonds, the series 2015A bonds. Changes in interest rates as well as the SIFMA/LIBOR ratio (as of July 2023, SIFMA/SOFR) cause the fair value of these swaps

Note 7 - Derivative Instruments (Continued)

to rise and fall with financial market conditions. Due to changes in these market factors since inception, these swaps had a positive fair value at September 30, 2024 and a negative fair value at September 30, 2023.

Credit Risk - As of September 30, 2024 and 2023, the University was exposed to some credit risk from swap counterparties because the existing swaps had a positive fair value of $200,000 in 2024 and a negative fair value of $505,000 in 2003. The University executes swap transactions with various counterparties. At September 30, 2024, there were two outstanding swaps with two counterparties. The first counterparty held one swap that represented approximately 70 percent of the notional amount of swaps outstanding. This counterparty is rated "AA-" by Standard & Poor's (downgraded from AA+ in May 2016) and "Aa2" by Moody's. A second counterparty held one swap that represented approximately 30 percent of the notional amount of the swaps outstanding. This counterparty was rated "A+" by Fitch, "A" by Standard & Poor's (downgraded from A+ in December 2011), and "A2" by Moody’s.

Basis Risk - The swaps expose the University to basis risk. This is the risk that arises when the variable interest rates of a derivative instrument and a hedged item are based upon different interest rate reference indices. For the basis swaps, the University is exposed to the risk that the SIFMA interest rate, which it pays to the counterparties, will be more than the amount that it receives from the counterparties, which is based upon 67 percent of LIBOR plus an additional fixed annuity amount of 40.73 basis points (0.4073 percent). As of July 2023, LIBOR was discontinued and replaced by the SOFR (Secured Overnight Financing Rate). The University did not re-negotiate a new contract and instead accepted the fallback language within the existing contract.

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

The use of derivative financial instruments reduces certain investment risks and generally adds value to the portfolio. The instruments themselves, however, do involve some investment and counterparty risk not fully reflected in the financial statements.

Note 8 - Defined Contribution Retirement Plan

The University offers pension benefits for substantially all of its full-time employees through a defined contribution 403(b) plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment results. Employees are eligible to participate after they reach 26 years of age. Eligible employees that contribute at least 1 percent of their salary will receive a university matching contribution equal to two times their contribution up to a maximum university contribution of 10 percent. The University’s contribution is not vested until the employee has completed two years of service. University contributions to the plan for the years ended September 30, 2024 and 2023 were approximately $35,482,000 and $34,134,000, respectively.

The University also offers a 457(b)-retirement savings plan to substantially all of its full-time employees which is fully funded by employee contributions. The University does not contribute to this plan.

Note 9 - Commitments

Construction Commitments

Approximately $18,500,000 was committed to current University construction projects at September 30, 2024. This amount includes approximately $3,668,000 for the Health Sciences Building, $2,464,000 for the Matthaei HVAC and electrical upgrade project, $1,893,000 for the Art Building HVAC improvement project, and various smaller construction projects. Commitments will be funded through a combination of resources, including external long-term financing, gifts, investment income, and various other University sources.

Note 10 - Contingencies

Insurance Program

In conjunction with the conduct of its operations, the University is exposed to various risks of loss and legal actions. To mitigate such risks, the University participates with 10 other Michigan public universities in the Michigan Universities Self-Insurance Corporation (MUSIC). This corporation provides comprehensive general liability, errors and omissions, property and vehicle liability, and excess liability insurance. The University participates in all of the aforementioned insurance programs except property insurance. The University maintains property insurance with FM Global. MUSIC loss coverages are structured on a three-layer basis with each member retaining a portion of its losses, MUSIC covering the second layer, and commercial carriers covering the third. Comprehensive general liability coverage is provided on an occurrence basis, errors and omissions coverage is provided on a claims-made basis, and property coverage is provided on a blanket basis. Each MUSIC member university is responsible for its regular anticipated losses, determined actuarially, for both general liability and errors and omissions. The aggregate retention amounts for each member are actuarially determined annually. MUSIC provides coverage for claims in excess of these retentions. By agreements with MUSIC, in the event the insurance reserves established by MUSIC are insufficient to meet its second-tier obligations, each of the participating universities shares this obligation. Participating universities are subject to additional assessments if the obligations and expenses (claims) of MUSIC exceed the combined periodic payments and accumulated operational reserves for any given year. The maximum possible additional assessment for the University for the year ended September 30, 2024, is approximately $3,710,000. The University has not been subjected to additional assessments since the formation of MUSIC in 1987.

The University is self-insured for certain employee benefits. Claim expenditures and liabilities are recorded when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. This would include an estimate of any significant claims that have been incurred but not reported. The University's recorded reserves for its self-insured workers' compensation, dental, and certain medical insurance programs at September 30, 2024 and 2023, totaled approximately $3,879,000 and $3,770,000, respectively. Specific excess (umbrella) coverage has been purchased by the University for its self-insured workers' compensation and medical insurance programs. For those risks that the University has purchased commercial insurance, settled claims have not exceeded the commercial coverage in any of the past three years.

Pending Litigation

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

Note 10 - Contingencies (Continued)

Derivative Instruments

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

At September 30, 2024, the aggregate positive fair value of all hedging derivative instruments with these collateral posting provisions was $200,000. At September 30, 2023, the aggregate negative fair value of all hedging derivative instruments with these collateral posting provisions was $505,000. There were no posting requirements because the University maintained credit ratings above the thresholds.

Note 11 - Natural Classification of Expenses

Operating expenses by natural classification for the years ended September 30, 2024 and 2023 are summarized as follows (in thousands):

	2024	2023
Compensation and benefits	$ 637,952	$ 599,801
Supplies, services, and other	231,748	218,024
Depreciation and amortization	77,068	72,014
Scholarships and fellowships	13,236	13,701
Total operating expenses	$ 960,004	$ 903,540

Note 12 - Postemployment Benefits Other Than Pensions

The University offers a postemployment benefit of a fixed payout life insurance policy to its retirees. The University's annual postemployment benefits is actuarially determined in accordance with GASB Statement No. 75. For the year ended September 30, 2024, the University's reported OPEB liability was estimated based on an actuarial valuation date of October 1, 2022 and measurement date of September 30, 2023. For the year ended September 30, 2023, the University's reported OPEB liability was estimated based on an actuarial valuation date of October 1, 2021 and measurement date of September 30, 2022. Update procedures were used to roll forward the total OPEB liability to the measurement date in fiscal year 2024 and 2023.

The total OPEB accrued liability, which has been recorded as accrued employee benefits on the statement of net position, was $9,269,000 and $9,094,000 at September 30, 2024 and 2023, respectively. The discount rates used in determining the total reported OPEB liability were 4.09 and 4.02 percent for fiscal year 2024 and 2023, respectively. The total OPEB expense in fiscal year 2024 and 2023 was $101,000 and $(156,000), respectively. There are no OPEB assets set-aside to fund the liability amount disclosed.

Note 12 - Postemployment Benefits Other Than Pensions (Continued)

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

Note 13 - Related Party Transaction

The University guaranteed an operating line of credit of $2.25 million and a term loan of $6.0 million for the Research and Technology Park in the City of Detroit, Inc., a 501(c)(3) organization. During fiscal year 2016, the University paid the outstanding balances on the Research and Technology Park debt, which eliminated the guarantee, in exchange for a mortgage loan payable to the University in the amount of $5,820,000. During fiscal year 2019, the mortgage loan was refinanced and the University provided additional funding of $1,000,000. The outstanding mortgage receivable amount of $5,036,000 and $5,263,000 as of September 30, 2024 and 2023, respectively, is included in current and noncurrent receivables in the statement of net position.

In October 2019, the University entered into a loan and security agreement with a university affiliate in which the University agreed to provide certain financing to support the affiliate organization exit bankruptcy. The financing support includes a term loan of $7,320,000 and a revolving loan (tranche A and tranche B) not to exceed $7,759,165 with interest rates ranging from zero to 4.0 percent and a maturity date of September 30, 2034. The outstanding loan receivable was approximately $6,577,0000 and $6,862,000 as of September 30, 2024 and 2023, respectively. The University established a corresponding allowance which reduced the net value of the outstanding loans to zero.

Note 14 - Fair Value

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 below.

In instances whereby 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 14 - Fair Value (Continued)

The University has the following recurring fair value measurements as of September 30, 2024 and 2023 (in thousands):

Investments by Fair Value Level	Fair Market Measurements Using: Level 1	Level 2	Level 3	Total Fair Value at September 30, 2024
Fixed-income securities:				
U.S. government securities	$ -	$ -	$ -	$ -
Corporate bond funds	184,780	175,773	-	360,553
Money market mutual funds	60,729	-	-	60,729
Total fixed-income investments	245,509	175,773	-	421,282
Equity securities:				
U.S.	-	30,530	-	30,530
Non-U.S.	-	39,479	-	39,479
Total equity securities	-	70,009	-	70,009
Real Assets:				
Liquid Real Assets	-	22,179	-	22,179
Total real assets	-	22,179	-	22,179
Other assets:				
Real estate	-	-	11,154	11,154
Beneficial interest in charitable remainder trust	-	-	12,339	12,339
Total other assets	-	-	23,493	23,493
Investments measured by fair value level	$ 245,509	$ 267,961	$ 23,493	536,963
Investments Measured at Net Asset Value (NAV) or Equivalent				
Multistrategy hedge funds				15,112
Total investments measured at NAV				15,112
Total investments measured at fair value				$ 552,075
Hedging Derivative Instruments				
Interest rate swaps		$ 200		

Note 14 - Fair Value (Continued)

Investments by Fair Value Level	Fair Market Measurements Using: Level 1	Level 2	Level 3	Total Fair Value at September 30, 2023
Fixed-income securities:				
U.S. government securities	$ -	$ 6,563	$ -	$ 6,563
Corporate bond funds	170,751	149,045	-	319,796
Money market mutual funds	60,681	-	-	60,681
Total fixed-income investments	231,432	155,608	-	387,040
Equity securities:				
U.S.	-	23,157	-	23,157
Non-U.S.	-	33,041	-	33,041
Total equity securities	-	56,198	-	56,198
Real Assets:				
Liquid Real Assets	-	18,181	-	18,181
Total real assets	-	18,181	-	18,181
Other assets:				
Real estate	-		13,773	13,773
Beneficial interest in charitable remainder trust	-	-	10,639	10,639
Total other assets	-	-	24,412	24,412
Investments measured by fair value level	$ 231,432	$ 229,987	$ 24,412	485,831
Investments Measured at Net Asset Value (NAV) or Equivalent				
Equity securities				-
Multistrategy hedge funds				12,941
Total investments measured at NAV				12,941
Total investments measured at fair value				$ 498,772
Hedging Derivative Instruments				
Interest rate swaps		$ (505)		

Note 14 - Fair Value (Continued)

The Foundation has the following recurring fair value measurements as of September 30, 2024 and 2023 (in thousands):

	Fair Market Measurements Using:			
Investments by Fair Value Level	Level 1	Level 2	Level 3	Total Fair Value at September 30, 2024
Fixed-income securities:				
U.S. government securities	$ -	$ -	$ -	$ -
Money market mutual funds	6,657	-	-	6,657
Total fixed-income investments	6,657	-	-	6,657
Equity securities:				
U.S.	-	-	-	-
Non-U.S.	-	-	-	-
Total equity securities	-	-	-	-
Exchange traded funds:				
Exchange traded funds	-	-	-	-
Total exchange traded funds	-	-	-	-
Investments measured by fair value level	$ 6,657	$ -	$ -	6,657
Investments Measured at Net Asset Value (NAV) or Equivalent				
Equity and fixed-income securities				402,672
Credit and loan private investments				5,132
Equity private investments				98,080
Real assets comingled funds and private investments				83,303
Total investments measured at NAV				589,187
Total investments measured at fair value				$ 595,844

Note 14 - Fair Value (Continued)

Investments by Fair Value Level	Fair Market Measurements Using: Level 1	Level 2	Level 3	Total Fair Value at September 30, 2023
Fixed-income securities:				
U.S. government securities	$ -	$ -	$ -	$ -
Money market mutual funds	8,491	-	-	8,491
Total fixed-income investments	8,491	-	-	8,491
Equity securities:				
U.S.	-	-	-	-
Non-U.S.	-	-	-	-
Total equity securities	-	-	-	-
Exchange traded funds:				
Exchange traded funds	-	-	-	-
Total exchange traded funds	-	-	-	-
Investments measured by fair value level	$ 8,491	$ -	$ -	8,491
Investments Measured at Net Asset Value (NAV) or Equivalent				
Equity and fixed-income securities				346,026
Credit and loan private investments				3,178
Equity private investments				80,210
Real assets comingled funds and private investments				63,076
Total investments measured at NAV				492,490
Total investments measured at fair value				$ 500,981

The fair value of the University's and the Foundation's fixed-income and equity securities classified in Level 1 at September 30, 2024 and 2023 were valued using prices quoted in active markets for those securities.

The fair value of the University's fixed-income securities and equity securities classified in Level 2 at September 30, 2024 and 2023 were valued using other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

The fair value of the University's other assets classified in Level 3 at September 30, 2024 and 2023 were valued using otherwise unobservable inputs. The University's beneficial interest in the charitable remainder trust was valued based on the trust asset details.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented in the table that follows.

Investments in Entities that Calculate Net Asset Value per Share

The University and the Foundation hold shares or interests in investment companies whereby the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

Note 14 - Fair Value (Continued)

At September 30, 2024 and 2023, the University's fair value, unfunded commitments, and redemption policies of those investments is as follows (in thousands):

	Total Fair Value at September 30		Outstanding Commitments at September 30,	Redemption Policy at
	2024	2023	2024	September 30, 2024
Equity and fixed-income securities	$ -	$ -	$ -	Primarily daily/monthly
Multistrategy hedge funds	15,112	12,941	-	Redemption notice of tw o calendar months
Total investments measured at the NAV	$ 15,112	$ 12,941	$ -	

At September 30, 2024 and 2023, the Foundation's fair value, unfunded commitments, and redemption policies of those investments is as follows (in thousands):

	Total Fair Value at September 30		Outstanding Commitments at September 30,	Redemption Policy at
	2024	2023	2024	September 30, 2024
Equity and fixed-income securities	$ 402,672	$ 346,026	$ -	Primarily monthly w ith a maximum of 30 days notice
Credit and loan private investments	5,132	3,178	10,235	Redemptions are not permitted
Equity private investments	98,080	80,210	46,553	Redemptions are not permitted
Commodities private investments	83,303	63,076	78,318	Maximum of quartely w ith 90 days notice
Total investments measured at the NAV	$ 589,187	$ 492,490	$ 135,106	

The University's and the Foundation's equity and fixed-income investments include limited partnership investments and commingled investment funds that invest primarily in publicly traded domestic and publicly traded international long only equity investments and domestic fixed-income securities and instruments. These are investments in long only publicly listed equity securities. The fair values of the investments in this class have been estimated using the net asset value per share of the investments. A majority of these investments can typically be liquidated on a monthly basis, with a 30-day notification period.

The Foundation's September 30, 2024 and 2023 credit and loan private investments include investments in private limited partnership investments that invest in domestic and European loan funds. The fair values of these investments have been estimated using the net asset values of the investments. The remaining investment period of these investments is less than five years. The nature of these investments involves capital calls and distributions being made throughout the investment period based upon the activity of the underlying investments. Because no public market exists for selling these types of investments, they are viewed as long-term investments in nature with funds being committed over the life of the investment.

The Foundation's September 30, 2024 and 2023 multi-strategy hedge funds class includes investments in hedge funds that pursue a variety of strategies to diversify risks and reduce volatility. The strategies may include equity long/short strategies, equity market-neutral strategies, fixed-income relative value, credit long/short, and global macro strategies, risk parity strategies, short bias, even driven, and fixed-income

Note 14 - Fair Value (Continued)

arbitrage positions. The fair values of the multi-strategy hedge funds investments have been estimated using the net asset value per share of the investments. The redemption policy is quarterly, with a 90-day notification period. The University's small hedge fund investment in this class is held within a trust in which the University is a minority beneficiary. Therefore, the University cannot request redemptions.

The Foundation's September 30, 2024 and 2023 equity private investments include investments in private equity funds that invest in venture capital, growth equity, buyout funds, and direct lending strategies. 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. The investment period for the equity private investment is between three and twenty years. The nature of these investments involves capital calls being made throughout the investment period, as well as income distributions being received as underlying investments are bought and sold. Because no public market exists for selling these types of investments, they are viewed as long-term in nature with funds being committed over the life of the investment.

The Foundation's September 30, 2024 and 2023 real assets investments include investments in comingled funds and private investments that invest in inflation-linked fixed-income instruments, commodity derivative instruments, and real estate funds. 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. The Foundation's real assets investments have a variety of redemption policies and notification periods, the most restrictive of which permit quarterly redemptions with a 90-day notification period.

Note 15 - Service Concession Arrangement

On November 30, 2017, the University entered into a Service Concessionaire Agreement (SCA) with Corvias Campus Living-WSU, LLC (Corvias), whereby Corvias will manage, maintain, and operate housing resources on campus for a 40-year term, which ends in November 2057. As part of the SCA, the University retains ownership of the housing projects and the ability, with certain limitations, to modify and approve rates, and specify or limit to whom services may be provided.

In accordance with the SCA, Corvias constructed and renovated housing projects on campus. The budget for the housing projects was $151,350,000, and all projects were planned for completion by 2020. The total cumulative consideration provided by Corvias was recorded as deferred inflows of resources. The University amortized $6,357,000 and $6,647,000 of the deferred inflow in 2024 and 2023, respectively, leaving a remaining deferred inflow of resources balance of $221,430,000 and $227,344,000 at September 30, 2024 and 2023, respectively.

Note 16 - Future Accounting Pronouncements

In June 2022, the Governmental Accounting Standards Board issued GASB Statement No. 101, Compensated Absences, which updates the recognition and measurement guidance for compensated absences under a unified model. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the University financial statements for the year ending September 30, 2025.

Required Supplementary Information

Schedule of Changes in the University's Total OPEB Liability and Related Ratios September 30, 2024

The historical reconciliation of the total reported liability for postemployment benefits obligations for the year ended September 30 is summarized as follows:

	2024	2023	2022	2021	2020	2019	2018
Service cost	$ 336,000	$ 427,000	$ 718,000	$ 725,000	$ 194,000	$ 215,000	$ 380,000
Interest cost	378,000	257,000	252,000	273,000	323,000	296,000	254,000
Effect of plan changes	-	-	730,000	-	-	-	-
Difference between expected and actual plan experience	(447,000)	(616,000)	(1,203,000)	(542,000)	(318,000)	(393,000)	(385,000)
Changes in assumptions	(61,000)	(1,889,000)	(221,000)	679,000	1,847,000	(510,000)	(627,000)
Benefit payments	(31,000)	(25,000)	(20,000)	(19,000)	(8,000)	(10,000)	(11,000)
Net changes	$ 175,000	$ (1,846,000)	$ 256,000	$ 1,116,000	$ 2,038,000	$ (402,000)	$ (389,000)
Total liability - Beginning of year	$ 9,094,000	$ 10,940,000	$ 10,684,000	$ 9,568,000	$ 7,530,000	$ 7,932,000	$ 8,321,000
Total liability - End of year	$ 9,269,000	$ 9,094,000	$ 10,940,000	$ 10,684,000	$ 9,568,000	$ 7,530,000	$ 7,932,000
Covered employee payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Total liability as a percentage of covered employee payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Discount rates used in determining the total reported liability for postemployment benefits obligations were 4.09, 4.02, 2.26, 2.21, 2.66, 4.18, and 3.64 percent at the measurement dates of September 30, 2024, 2023, 2022, 2021, 2020, 2019, and 2018, respectively. Effective for the September 30, 2022 measurement date, the plan was amended to allow for a special early retirement window offering a different life insurance payout amount for participants who retired during a specified period which increased the liability by approximately $730,000. No assets are accumulated in a trust to pay related other postemployment benefits.

Supplementary Information

Wayne State University

Combining Statement of Net Position (Deficit)
September 30, 2024
(with comparative total for the year ended September 30, 2023)
(in thousands)

	2024													2023
	General Fund	Designated Fund	Auxiliary Activities Fund	Independent Operations Fund	Expendable Restricted Fund	Subtotal Current Funds	Plant Fund	Student Loan Fund	Endowment and Similar Funds	Agency Fund	University Total	Wayne State University Foundation Total	Total	Total
Assets														
Current Assets														
Cash, cash equivalents, and	$ 277,042	$ 102,968	$ 7,099	$ (875)	$ 138,943	$ 525,177	$ 76,989	$ 12,783	$ 1,661	$ 16,448	$ 633,058	$ -	$ 633,058	$ 612,545
Current receivables - Net	51,580	18,662	4,012	726	38,147	113,127	1,960	114	3	7,888	123,092	316	123,408	114,444
Inventories	1,154	-	189	-	-	1,343	-	-	-	-	1,343	-	1,343	1,126
Prepaid expenses and deposits	52,536	188	469	9	449	53,651	4	-	-	280	53,935	-	53,935	50,946
Total current assets	382,312	121,818	11,769	(140)	177,539	693,298	78,953	12,897	1,664	24,616	811,428	316	811,744	779,061
Noncurrent Assets														
Investments	-	-	404	-		404	35,995	-	9,781	-	46,180	595,844	642,024	557,383
Noncurrent receivables - Net	-	5,135	-	4	1,023	6,162	38,350	13,369	-	-	57,881	131	58,012	61,806
Derivative instruments	-	-	-	-	-	-	200	-	-	-	200	-	200	-
Capital assets - Net	-	-	-	-	-	-	1,081,656	-	-	-	1,081,656	-	1,081,656	1,091,589
Total noncurrent assets	-	5,135	404	4	1,023	6,566	1,156,201	13,369	9,781	-	1,185,917	595,975	1,781,892	1,710,778
Total assets	382,312	126,953	12,173	(136)	178,562	699,864	1,235,154	26,266	11,445	24,616	1,997,345	596,291	2,593,636	2,489,839
Deferred Outflows of Resources	396	-	-	-	-	396	8,646	-	-	-	9,042	-	9,042	11,890
Liabilities														
Current Liabilities														
Accounts payable and accrued liabilities	52,027	2,577	3,904	182	10,846	69,536	19,509	-	408	19,771	109,224	151	109,375	121,615
Unearned revenue	145,379	8,416	2,506	-	30,670	186,971	53	-	-	-	187,024	-	187,024	171,164
Deposits	2,061	202	63	-	3	2,329	-	-	-	4,845	7,174	-	7,174	7,974
Long-term debt - Current portion	-	-	-	-	-	-	26,831	-	-	-	26,831	-	26,831	26,633
Total current liabilities	199,467	11,195	6,473	182	41,519	258,836	46,393	-	408	24,616	330,253	151	330,404	327,386
Noncurrent Liabilities														
Federal portion of student loan funds	-	-	-	-	-	-	-	15,017	-	-	15,017	-	15,017	15,630
Accrued employee benefits and other liabilities	18,271	-	1,653	-	-	19,924	-	-	4,289	-	24,213	-	24,213	23,294
Long-term debt - Net of current portion	-	-	-	-	-	-	515,867	-	-	-	515,867	-	515,867	541,054
Deriavative instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	505
Total noncurrent liabilities	18,271	-	1,653	-	-	19,924	515,867	15,017	4,289	-	555,097	-	555,097	580,483
Total liabilities	217,738	11,195	8,126	182	41,519	278,760	562,260	15,017	4,697	24,616	885,350	151	885,501	907,869
Deferred Inflow of Resources	2,636	-	10,011	-	-	12,647	257,709	-	490	-	270,846	-	270,846	278,140
Net Position (Deficit)														
Net investment in capital assets	-	-	-	-	-	-	358,866	-	-	-	358,866	-	358,866	353,797
Restricted:														
Nonexpendable	-	-	-	-	-	-	-	6,534	2,312	-	8,846	293,036	301,882	290,347
Expendable	-	-	-	-	137,043	137,043	7,965	-	3,946	-	148,954	277,908	426,862	346,643
Unrestricted	162,334	115,758	(5,964)	(318)	-	271,810	57,000	4,715	-	-	333,525	25,196	358,721	324,933
Total net position (deficit)	**$ 162,334**	**$ 115,758**	**$ (5,964)**	**$ (318)**	**$ 137,043**	**$ 408,853**	**$ 423,831**	**$ 11,249**	**$ 6,258**	**$ -**	**$ 850,191**	**$ 596,140**	**$ 1,446,331**	**$ 1,315,720**

Combining Statement of Revenues, Expenses, Transfers, and Changes in Net Position (Deficit)
Year Ended September 30, 2024
(with comparative totals for the year ended September 30, 2023)
(in thousands)

	Year Ended September 30													
	2024													2023
	General Fund	Designated Fund	Auxiliary Activities Fund	Independent Operations Fund	Expendable Restricted Fund	Subtotal Current Funds	Plant Fund	Student Loan Fund	Endowment and Similar Funds	Adjustments	University Total	Wayne State University Foundation Total	Total	Total
Operating Revenues														
Student tuition and fees	$ 420,458	$ -	$ 9,755	$ -	$ -	$ 430,213	$ 145	$ -	$ -	$ -	$ 430,358	$ -	$ 430,358	$ 411,136
Less scholarship allowances	-	-	-	-	-	-	-	-	-	(165,271)	(165,271)	-	(165,271)	(140,118)
Net student tuition and fees	420,458	-	9,755	-	-	430,213	145	-	-	(165,271)	265,087	-	265,087	271,018
Federal grants and contracts	-	-	-	-	123,827	123,827	-	-	-	-	123,827	-	123,827	116,615
State and local grants and contracts	-	-	-	-	74,421	74,421	-	-	-	-	74,421	-	74,421	54,635
Nongovernmental grants and contracts	4,500	56,925	-	-	52,666	114,091	-	-	-	-	114,091	-	114,091	112,132
Departmental activities	11,995	9,186	-	1,319	1,511	24,011	(292)	-	-	-	23,719	-	23,719	26,718
Auxiliary enterprises - Net of scholarship allowances of $1,749 in 2024 and $1,127 in 2023	-	-	21,872	-	-	21,872	-	-	-	(1,749)	20,123	-	20,123	18,986
Recovery of indirect costs of sponsored programs	43,454	-	-	-	(43,454)	-	-	-	-	-	-	-	-	-
Other operating revenues	4,859	-	-	-	-	4,859	-	49	-	-	4,908	-	4,908	4,641
Total operating revenues	485,266	66,111	31,627	1,319	208,971	793,294	(147)	49	-	(167,020)	626,176	-	626,176	604,745
Operating Expenses														
Instruction	244,414	33,361	-	-	19,936	297,711	-	-	-	(3,331)	294,380	-	294,380	272,459
Research	54,121	3,901	-	-	117,864	175,886	-	-	-	(10,334)	165,552	-	165,552	160,097
Public service	3,236	15,751	-	4,746	62,346	86,079	-	-	-	(868)	85,211	-	85,211	73,732
Academic support	87,676	5,992	-	-	2,192	95,860	-	-	-	(12,779)	83,081	-	83,081	85,419
Student services	44,382	2,206	-	-	367	46,955	-	-	-	(60)	46,895	-	46,895	44,276
Institutional support	98,430	6,640	-	-	194	105,264	-	-	-	(3,395)	101,869	-	101,869	94,318
Operation and maintenance of plant	62,045	1,107	-	-	538	63,690	10,113	-	-	(2,634)	71,169	-	71,169	67,892
Scholarships and fellowships	98,513	45	-	-	81,698	180,256	-	-	-	(167,020)	13,236	-	13,236	13,701
Auxiliary enterprises	-	-	21,771	-	-	21,771	-	-	-	(228)	21,543	-	21,543	19,632
Depreciation	-	-	-	-	-	-	77,068	-	-	-	77,068	-	77,068	72,014
Capital additions - Net	-	-	-	-	-	-	(33,629)	-	-	33,629	-	-	-	-
Transfers out (in):														
Debt service	31,430	542	6,592	-	-	38,564	(38,564)	-	-	-	-	-	-	-
Loan matching	73	-	-	-	-	73	-	(73)	-	-	-	-	-	-
Plant improvement and extension	16,702	13,124	2,857	-	547	33,230	(33,230)	-	-	-	-	-	-	-
Other	(8,208)	8,356	-	-	(149)	(1)	-	1	-	-	-	-	-	-
Total operating expenses	732,814	91,025	31,220	4,746	285,533	1,145,338	(18,242)	(72)	-	(167,020)	960,004	-	960,004	903,540
Operating (Loss) Income	(247,548)	(24,914)	407	(3,427)	(76,562)	(352,044)	18,095	121	-	-	(333,828)	-	(333,828)	(298,795)

Wayne State University

Combining Statement of Revenues, Expenses, Transfers, and Changes in Net Position (Deficit) (Continued)
Year Ended September 30, 2024
(with comparative totals for the year ended September 30, 2023)
(in thousands)

	Year Ended September 30												
	2024												2023
	General Fund	Designated Fund	Auxiliary Activities Fund	Independent Operations Fund	Expendable Restricted Fund	Subtotal Current Funds	Plant Fund	Student Loan Fund	Endowment and Similar Funds	Adjustments	University Total	Wayne State University Foundation Total	Total	Total
Nonoperating Revenues (Expenses)														
State operating appropriation	$ 224,077	$ -	$ -	$ -	$ 316	$ 224,393	$ -	$ -	$ -	$ -	$ 224,393	$ -	$ 224,393	$ 213,640
Federal Pell grant	-	-	-	-	47,896	47,896	-	-	-	-	47,896	-	47,896	38,980
Gifts	-	12,866	40	2,550	11,130	26,586	-	2	1,150	-	27,738	328	28,066	35,844
Investment income (loss):														
Change in fair value of derivatives	-	-	-	-	-	-	705	-	-	-	705	-	705	(252)
Endowment and similar funds	-	-	-	-	137	137	-	-	(137)	-	-	-	-	-
Other	8,185	52,821	18	-	2,769	63,793	(1,867)	247	591	-	62,764	103,091	165,855	84,821
Net distributions from the Foundation	4,990	(1,895)	-	7	19,138	22,240	47	9	407	-	22,703	(22,703)	-	-
Interest on capital asset - Related debt	-	-	-	-	-	-	(23,967)	-	-	-	(23,967)	-	(23,967)	(22,289)
Gain (loss) on capital assets retired	-	-	-	-	-	-	(83)	-	-	-	(83)	-	(83)	185
Other	-	-	-	-	-	-	11,213	(114)	(1,042)	-	10,057	-	10,057	24,825
Net nonoperating revenues (expenses)	237,252	63,792	58	2,557	81,386	385,045	(13,952)	144	969	-	372,206	80,716	452,922	375,754
Income (Loss) Before Other	(10,296)	38,878	465	(870)	4,824	33,001	4,143	265	969	-	38,378	80,716	119,094	76,959
Other														
Capital gifts and grants	-	-	-	-	-	-	43	-	-	-	43	-	43	50,963
Gifts for permanent endowments	-	-	-	-	-	-	-	-	-	-	-	11,474	11,474	15,509
Total other	-	-	-	-	-	-	43	-	-	-	43	11,474	11,517	66,472
Increase (Decrease) in Net Position	(10,296)	38,878	465	(870)	4,824	33,001	4,186	265	969	-	38,421	92,190	130,611	143,431
Net Position (Deficit) - Beginning of year	172,630	76,880	(6,429)	552	132,219	375,852	419,645	10,984	5,289	-	811,770	503,950	1,315,720	1,172,289
Net Position (Deficit) - End of year	**$ 162,334**	**$ 115,758**	**$ (5,964)**	**$ (318)**	**$ 137,043**	**$ 408,853**	**$ 423,831**	**$ 11,249**	**$ 6,258**	**$ -**	**$ 850,191**	**$ 596,140**	**$ 1,446,331**	**$ 1,315,720**

Combining Statement of Net Position (Deficit)
Year Ended September 30, 2023
(in thousands)

	2023												
	General Fund	Designated Fund	Auxiliary Activities Fund	Independent Operations Fund	Expendable Restricted Fund	Subtotal Current Funds	Plant Fund	Student Loan Fund	Endowment and Similar Funds	Agency Fund	University Total	Wayne State University Foundation Total	Total
Assets													
Current Assets													
Cash, cash equivalents, and investments	$ 265,191	$ 68,040	$ 6,199	$ (45)	$ 139,414	$ 478,799	$ 91,101	$ 11,504	$ 1,615	$ 26,668	$ 609,687	$ 2,858	$ 612,545
Current receivables - Net	52,923	12,404	4,309	717	34,204	104,557	2,084	138	-	7,399	114,178	266	114,444
Inventories	940	-	186	-	-	1,126	-	-	-	-	1,126	-	1,126
Prepaid expenses and deposits	51,104	303	559	1	342	52,309	(1,637)	-	-	274	50,946	-	50,946
Total current assets	370,158	80,747	11,253	673	173,960	636,791	91,548	11,642	1,615	34,341	775,937	3,124	779,061
Noncurrent Assets													
Investments	-	-	1,065	-		1,065	47,259	-	8,078	-	56,402	500,981	557,383
Noncurrent receivables - Net	-	5,276	-	30	1,021	6,327	40,438	14,972	-	-	61,737	69	61,806
Derivative instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital assets - Net	-	-	-	-	-	-	1,091,589	-	-	-	1,091,589	-	1,091,589
Total noncurrent assets	-	5,276	1,065	30	1,021	7,392	1,179,286	14,972	8,078	-	1,209,728	501,050	1,710,778
Total assets	370,158	86,023	12,318	703	174,981	644,183	1,270,834	26,614	9,693	34,341	1,985,665	504,174	2,489,839
Deferred Outflows of Resources	858	-	-	-	-	858	11,032	-	-	-	11,890	-	11,890
Liabilities													
Current Liabilities													
Accounts payable and accrued liabilities	43,921	2,649	3,823	151	12,022	62,566	29,813	-	320	28,692	121,391	224	121,615
Unearned revenue	131,721	6,292	2,361	-	30,736	171,110	54	-	-	-	171,164	-	171,164
Deposits	2,056	202	63	-	4	2,325	-	-	-	5,649	7,974	-	7,974
Long-term debt - Current portion	-	-	-	-	-	-	26,633	-	-	-	26,633	-	26,633
Total current liabilities	177,698	9,143	6,247	151	42,762	236,001	56,500	-	320	34,341	327,162	224	327,386
Noncurrent Liabilities													
Federal portion of student loan funds	-	-	-	-	-	-	-	15,630	-	-	15,630	-	15,630
Accrued employee benefits and other liabilities	17,515	-	2,186	-	-	19,701	-	-	3,593	-	23,294	-	23,294
Long-term debt - Net of current portion	-	-	-	-	-	-	541,054	-	-	-	541,054	-	541,054
Deriavative instruments	-	-	-	-	-	-	505	-	-	-	505	-	505
Total noncurrent liabilities	17,515	-	2,186	-	-	19,701	541,559	15,630	3,593	-	580,483	-	580,483
Total liabilities	195,213	9,143	8,433	151	42,762	255,702	598,059	15,630	3,913	34,341	907,645	224	907,869
Deferred Inflow of Resources	3,173	-	10,314	-	-	13,487	264,162	-	491	-	278,140	-	278,140
Net Position (Deficit)													
Net investment in capital assets	-	-	-	-	-	-	353,797	-	-	-	353,797	-	353,797
Restricted:													
Nonexpendable	-	-	-	-	-	-	-	6,628	2,058	-	8,686	281,661	290,347
Expendable	-	-	-	-	132,219	132,219	9,307	-	3,231	-	144,757	201,886	346,643
Unrestricted	172,630	76,880	(6,429)	552	-	243,633	56,541	4,356	-	-	304,530	20,403	324,933
Total net position (deficit)	**$ 172,630**	**$ 76,880**	**$ (6,429)**	**$ 552**	**$ 132,219**	**$ 375,852**	**$ 419,645**	**$ 10,984**	**$ 5,289**	**$ -**	**$ 811,770**	**$ 503,950**	**$ 1,315,720**

Combining Statement of Revenues, Expenses, Transfers, and Changes in Net Position (Deficit)
Year Ended September 30, 2023
(in thousands)

Year Ended September 30

2023

	General Fund	Designated Fund	Auxiliary Activities Fund	Independent Operations Fund	Expendable Restricted Fund	Subtotal Current Funds	Plant Fund	Student Loan Fund	Endowment and Similar Funds	Adjustments	University Total	Wayne State University Foundation Total	Total
Operating Revenues													
Student tuition and fees	$ 401,493	$ -	$ 9,502	$ -	$ -	$ 410,995	$ 141	$ -	$ -	$ -	$ 411,136	$ -	$ 411,136
Less scholarship allowances	-	-	-	-	-	-	-	-	-	(140,118)	(140,118)	-	(140,118)
Net student tuition and fees	401,493	-	9,502	-	-	410,995	141	-	-	(140,118)	271,018	-	271,018
Federal grants and contracts	-	-	-	-	116,615	116,615	-	-	-	-	116,615	-	116,615
State and local grants and contracts	-	-	-	-	54,635	54,635	-	-	-	-	54,635	-	54,635
Nongovernmental grants and contracts	3,370	59,521	-	-	49,241	112,132	-	-	-	-	112,132	-	112,132
Departmental activities	11,853	11,551	-	1,985	1,551	26,940	(222)	-	-	-	26,718	-	26,718
Auxiliary enterprises - Net of scholarship allowances of $1,127 in 2023 and $968 in 2022	-	-	20,113	-	-	20,113	-	-	-	(1,127)	18,986	-	18,986
Recovery of indirect costs of sponsored programs	41,532	-	-	-	(41,532)	-	-	-	-	-	-	-	-
Other operating revenues	4,609	-	-	-	-	4,609	-	32	-	-	4,641	-	4,641
Total operating revenues	462,857	71,072	29,615	1,985	180,510	746,039	(81)	32	-	(141,245)	604,745	-	604,745
Operating Expenses													
Instruction	227,295	30,270	-	-	17,579	275,144	-	-	-	(2,685)	272,459	-	272,459
Research	47,462	3,442	-	-	113,837	164,741	-	-	-	(4,644)	160,097	-	160,097
Public service	2,013	15,005	-	4,511	52,702	74,231	-	-	-	(499)	73,732	-	73,732
Academic support	87,978	8,666	-	-	1,432	98,076	-	-	-	(12,657)	85,419	-	85,419
Student services	42,199	1,837	-	-	303	44,339	-	-	-	(63)	44,276	-	44,276
Institutional support	90,154	5,357	-	-	100	95,611	-	-	-	(1,293)	94,318	-	94,318
Operation and maintenance of plant	60,776	684	-	-	352	61,812	8,826	-	-	(2,746)	67,892	-	67,892
Scholarships and fellowships	92,900	377	-	-	61,669	154,946	-	-	-	(141,245)	13,701	-	13,701
Auxiliary enterprises	-	-	19,731	-	-	19,731	-	-	-	(99)	19,632	-	19,632
Depreciation	-	-	-	-	-	-	72,014	-	-	-	72,014	-	72,014
Capital additions - Net	-	-	-	-	-	-	(24,686)	-	-	24,686	-	-	-
Transfers out (in):													
Debt service	32,430	542	6,592	-	-	39,564	(39,564)	-	-	-	-	-	-
Loan matching	101	-	-	-	-	101	-	(101)	-	-	-	-	-
Plant improvement and extension	8,829	518	2,269	-	599	12,215	(12,215)	-	-	-	-	-	-
Other	(7,071)	7,229	-	-	(170)	(12)	-	12	-	-	-	-	-
Total operating expenses	685,066	73,927	28,592	4,511	248,403	1,040,499	4,375	(89)	-	(141,245)	903,540	-	903,540
Operating (Loss) Income	(222,209)	(2,855)	1,023	(2,526)	(67,893)	(294,460)	(4,456)	121	-	-	(298,795)	-	(298,795)

Combining Statement of Revenues, Expenses, Transfers, and Changes in Net Position (Deficit) (Continued)
Year Ended September 30, 2023
(in thousands)

	Year Ended September 30												
	2023												
	General Fund	Designated Fund	Auxiliary Activities Fund	Independent Operations Fund	Expendable Restricted Fund	Subtotal Current Funds	Plant Fund	Student Loan Fund	Endowment and Similar Funds	Adjustments	University Total	Wayne State University Foundation Total	Total
Nonoperating Revenues (Expenses)													
State operating appropriation	$ 213,376	$ -	$ -	$ -	$ 264	$ 213,640	$ -	$ -	$ -	$ -	$ 213,640	$ -	$ 213,640
Federal Pell grant	-	-	-	-	38,980	38,980	-	-	-	-	38,980	-	38,980
Federal economic relief funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Gifts	-	15,555	42	2,297	17,013	34,907	-	4	725	-	35,636	208	35,844
Investment income (loss):													
Change in fair value of derivatives	-	-	-	-	-	-	(252)	-	-	-	(252)	-	(252)
Endowment and similar funds	-	-	-	-	84	84	-	-	(84)	-	-	-	-
Other	9,328	17,097	12	(1)	1,302	27,738	435	228	444	-	28,845	55,976	84,821
Net distributions from the Foundation	4,654	458	-	7	15,851	20,970	46	9	(584)	-	20,441	(20,441)	-
Interest on capital asset - Related debt	-	-	-	-	-	-	(22,289)	-	-	-	(22,289)	-	(22,289)
Gain (loss) on capital assets retired	-	-	-	-	-	-	185	-	-	-	185	-	185
Other	-	-	-	-	-	-	25,894	(90)	(979)	-	24,825	-	24,825
Net nonoperating revenues (expenses)	227,358	33,110	54	2,303	73,494	336,319	4,019	151	(478)	-	340,011	35,743	375,754
Income (Loss) Before Other	5,149	30,255	1,077	(223)	5,601	41,859	(437)	272	(478)	-	41,216	35,743	76,959
Other													
State capital appropriation	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital gifts and grants	-	-	-	-	50,000	50,000	963	-	-	-	50,963	-	50,963
Gifts for permanent endowments	-	-	-	-	-	-	-	-	-	-	-	15,509	15,509
Total other	-	-	-	-	50,000	50,000	963	-	-	-	50,963	15,509	66,472
Increase (Decrease) in Net Position	5,149	30,255	1,077	(223)	55,601	91,859	526	272	(478)	-	92,179	51,252	143,431
Net Position (Deficit) - Beginning of year	167,481	46,625	(7,506)	775	76,618	283,993	419,119	10,712	5,767	-	719,591	452,698	1,172,289
Net Position (Deficit) - End of year	**$ 172,630**	**$ 76,880**	**$ (6,429)**	**$ 552**	**$ 132,219**	**$ 375,852**	**$ 419,645**	**$ 10,984**	**$ 5,289**	**$ -**	**$ 811,770**	**$ 503,950**	**$ 1,315,720**

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APPENDIX C

FORM OF BOND COUNSEL OPINION

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Form of Approving Opinion of Bond Counsel

Board of Governors of Wayne State University
Detroit, Michigan

We have acted as bond counsel to the Board of Governors of Wayne State University, a body corporate created by and existing under the Constitution of Michigan of 1963 (the "Issuer"), in connection with the issuance by the Issuer of its General Revenue Bonds, Series 2025A in the aggregate principal amount of $65,515,000 (the "Bonds"). In such capacity, we have examined the transcript of proceedings relating to the issuance of the Bonds and such other proceedings, certifications and documents, and such matters of law, as we have deemed necessary to render this opinion.

The Bonds are issued pursuant to a resolution adopted by the Issuer on April 25, 2025 (the "Resolution") and a Trust Indenture, dated as of September 1, 2025 (the "Trust Indenture"), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), for the purposes described in the Trust Indenture. Capitalized terms used herein and not defined have the meanings set forth in the Trust Indenture.

The Bonds are dated as provided in the Trust Indenture and are issuable only as fully-registered Bonds in the denominations specified in the Trust Indenture. The Bonds bear interest payable on the dates and at the rates, and mature on the dates, as provided in the Trust Indenture. The Bonds are subject to redemption prior to maturity on the conditions, in the manner and at the times and prices specified in the Trust Indenture.

The Bonds are payable from and secured by a pledge of General Revenues, as defined in the Trust Indenture, from which the Issuer is required to pay into the Bond Fund established under the Trust Indenture for the retirement of the Bonds amounts sufficient to pay the principal or redemption price of, and interest on, the Bonds, as the same become due and payable. The Bonds are also secured by a lien on the moneys and funds from time to time on deposit in the Bond Fund. The pledge of General Revenues for the payment of the principal or redemption price of, and interest on, the Bonds, certain outstanding obligations secured as to the General Revenues on a parity basis with the Bonds, and any additional obligations of equal standing issued under the conditions and limitations specified in the Trust Indenture, constitutes a first lien and charge on General Revenues.

As to questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us.

Based on the foregoing, and in reliance thereon, and subject to the qualifications set forth herein, we are of the opinion that, under existing law:

1. The Issuer is a constitutional body corporate established under the provisions of Article VIII, Section 5 of the Constitution of Michigan of 1963 with full power to enter into the Trust Indenture and to issue and deliver the Bonds.

2. The Resolution has been duly authorized and adopted by the Issuer and is in full force and effect.

3. The Trust Indenture has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by, and enforceability against, the Trustee, constitutes the legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms.

4. The Bonds have been duly authorized and executed and are valid and binding special obligations of the Issuer according to their tenor, payable from and secured by a lien on General Revenues, on a parity basis with the lien thereon securing certain outstanding obligations of the Issuer, and the funds on deposit in the Bond Fund established under the Trust Indenture, all as specified and described in the Trust Indenture, and as hereinbefore described.

5. The interest on the Bonds (a) is excludable from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax. Further, the Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan, except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. The opinions set forth in this paragraph are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal and State of Michigan income tax purposes. Failure to comply with such requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Issuer has covenanted in the Trust Indenture to comply with all such requirements within its control.

We express no opinion regarding other federal or state tax consequences relating to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The foregoing opinions are qualified to the extent that the enforceability of the rights and remedies of the Trustee and the holders of the Bonds set forth in the Trust Indenture and the Bonds may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those related to equitable subordination, and their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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CONTINUING DISCLOSURE UNDERTAKING

In connection with the issuance and delivery of the $65,515,000 Board of Governors of Wayne State University General Revenue Bonds, Series 2025A (the "Bonds") pursuant to a Trust Indenture, dated as of September 1, 2025 (the "Trust Indenture"), between the Board of Governors of Wayne State University (the "Issuer") and The Bank of New York Mellon Trust Company, N.A., as trustee, and for the benefit of the holders and Beneficial Owners of the Bonds, the Issuer hereby undertakes and agrees as follows:

(a) The following capitalized terms used herein shall have the following meanings:

"Beneficial Owner" means any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including any person holding Bonds through nominees, depositories or other intermediaries).

"EMMA" means the Electronic Municipal Market Access system of the MSRB, or such other system, internet web site, or repository hereafter prescribed by the MSRB for the submission of electronic filings pursuant to the Rule.

"Financial Obligation" means "financial obligation" as such term is defined in the Rule.

"Fiscal Year" means the twelve-month period, at the end of which the financial position of the Issuer and results of its operations for such period is determined. Currently, the Issuer's Fiscal Year begins on October 1 of each year and ends on the succeeding September 30th.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

"Official Statement" means the Official Statement of the Issuer relating to the Bonds, dated August 21, 2025.

"Rule" means Rule 15c2-12 promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as amended, as in effect on the date of this Continuing Disclosure Undertaking, including any official interpretations thereof issued either before or after the date of this Continuing Disclosure Undertaking which are applicable to this Continuing Disclosure Undertaking.

"SEC" means the United States Securities and Exchange Commission.

(b) The Issuer hereby agrees, in accordance with the provisions of the Rule, to provide or cause to be provided to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, the following annual financial information commencing with the Fiscal Year ending September 30, 2025.

(1) Updates of the tables of financial information and operating data included in the Official Statement under the headings "Summary of General

Revenues" and "Debt Service Coverage" and in APPENDIX A to the Official Statement under the headings "Student Enrollment" (student enrollment and credit hours), "Student Admissions," "Resident Tuition and Fees," "Non-Resident Tuition and Fees," "Gifts, Grants and Contracts by Source," "Financial Aid," and "Annual Fund Raising"; and

(2) Financial statements pertaining to the Issuer prepared in conformity with generally accepted accounting principles by the Issuer and audited by an individual or firm of independent certified public accountants ("Audited Financial Statements").

The updating information for the tables specified in paragraph (b)(1) above may be provided in such format as the Issuer deems appropriate, and provided further that if any of the updates referred to above no longer can be provided because the operations to which they relate have been materially changed or discontinued, a statement to that effect, provided by the Issuer to the MSRB through EMMA, along with any other annual financial information or audited financial statements required to be provided under this Continuing Disclosure Undertaking, shall satisfy this Continuing Disclosure Undertaking. To the extent available, the Issuer shall cause to be filed along with the other annual financial information or audited financial statements operating data similar to that which can no longer be provided.

The financial information and operating data described in this paragraph (b) is expected to be provided directly by the Issuer or by specific reference to documents available to the public through EMMA or filed with the SEC.

(c) The financial information and operating data described in paragraph (b)(1) above and the Audited Financial Statements described in paragraph (b)(2) above will each be available on or before the last day of the sixth month after the end of each Fiscal Year of the Issuer; provided, however, that if the Audited Financial Statements are not available by the last day of the sixth month after the end of a Fiscal Year, they shall be provided when available, but in any event within one year of the close of the Fiscal Year, and unaudited financial statements shall be filed in place of the Audited Financial Statements by the last day of the sixth month after the end of the Fiscal Year. If the Issuer changes its Fiscal Year, the Issuer shall send, or cause to be sent, notice of such change to the MSRB through EMMA.

(d) The Issuer agrees to provide or cause to be provided to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events listed in (b)(5)(i)(C) of the Rule with respect to the Bonds:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) modifications to rights of holders of the Bonds, if material;

(8) bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution, or sale of property securing repayment of the Bonds, if material;

(11) rating changes (does not include changes in outlook);

(12) bankruptcy, insolvency, receivership or similar event of the Issuer, which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

(13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or

other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; or

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(e) The Issuer covenants that its determinations of materiality for purposes of paragraph (d) above will be made in conformance with federal securities laws.

(f) The Issuer agrees to provide or cause to be provided, in a timely manner, to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, notice of a failure by the Issuer to provide the annual financial information with respect to the Issuer described in paragraph (b) above on or prior to the dates set forth in paragraph (c) above.

(g) The Issuer reserves the right to terminate its obligation to provide annual financial information and notices of material events, as set forth in paragraphs (b) and (d) above, if and when the Issuer no longer remains an obligated person with respect to the Bonds within the meaning of the Rule, including upon legal defeasance of all the Bonds.

(h) The Issuer agrees that this Continuing Disclosure Undertaking is intended to be for the benefit of the holders of the Bonds, including all Beneficial Owners of the Bonds, and shall be enforceable by any holder or Beneficial Owner of the Bonds; provided that, the right to enforce the provisions of this Continuing Disclosure Undertaking shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder and any failure by the Issuer to comply with the provisions of this Continuing Disclosure Undertaking shall not constitute a default or an event of default with respect to the Bonds or under the Trust Indenture.

(i) The provisions of this Continuing Disclosure Undertaking, including but not limited to the provisions relating to the accounting principles pursuant to which the Issuer's financial statements are prepared, may be amended as deemed appropriate by an Authorized Officer of the Issuer; provided, however, that any such amendment must be adopted procedurally and substantively in a manner consistent with the Rule, including any interpretations thereof made from time to time by the SEC, which, to the extent applicable, are incorporated herein by reference. Such interpretations currently include the requirements that (a) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer or the type of activities conducted thereby, (b) this Continuing Disclosure Undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (c) the amendment does not materially impair the interests of Bondholders, as determined by parties unaffiliated with the Issuer (such as independent legal counsel), but such interpretations may be changed in the future.

(j) If a change is made to the basis on which financial statements are prepared, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

(k) All terms not defined herein which are defined in the Trust Indenture shall have the meanings herein assigned to them in the Trust Indenture.

(l) All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(m) Any filing under this Continuing Disclosure Undertaking shall be made by electronically transmitting such filing to the MSRB through EMMA. As of the date of this Continuing Disclosure Undertaking, EMMA's disclosure service for the filing of disclosure documents is accessible at http://www.emma.msrb.org.

Dated: September 10, 2025

BOARD OF GOVERNORS OF
WAYNE STATE UNIVERSITY

By ____
Bethany Gielczyk
Its: Senior Vice President for Finance and Business Affairs, Chief Financial Officer, and Treasurer

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APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE

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The following is a summary of certain provisions of the Trust Indenture and of definitions of certain terms used therein and in this Official Statement. The following summary does not purport to be complete and accordingly is qualified by reference to the Trust Indenture and is subject in all respects to the full text of the Trust Indenture. Except as otherwise defined herein, words used in this summary which are defined in the Trust Indenture shall have the same meanings as set forth in the Trust Indenture.

Definitions of Certain Terms

"Additional Parity Bonds" means additional parity obligations of the Board, including Fixed Rate Bonds, Variable Rate Bonds, interest rate swaps or other obligations, in each case issued in accordance with the terms of the Trust Indenture and described in this APPENDIX E under the heading "Additional Indebtedness – Additional Parity Bonds."

"Additional Subordinate Obligations" means additional obligations subordinated to the Bonds and other Parity Bonds as to principal and interest repayments and issued in accordance with the terms of the Trust Indenture and described in this APPENDIX E under the heading "Additional Indebtedness – Additional Subordinate Obligations."

"Annual Debt Service" has the meaning set forth under the heading "Additional Indebtedness – Annual Debt Service" in this APPENDIX E.

"Authorized Officer" means any one of the President of the University or the Senior Vice President for Finance and Business Affairs, Chief Financial Officer and Treasurer of the University, or any other officer of the University authorized by the Board to perform any function under the Trust Indenture.

"Balloon Indebtedness" means long-term indebtedness, or short-term indebtedness, or any portion thereof which is intended to be refinanced upon or prior to its maturity with indebtedness which will be outstanding for more than one year, forty percent (40%) or more of the initial principal amount of which matures or is subject to scheduled mandatory purchase or redemption requirements in any twelve month period, and which indebtedness, or portion thereof, is designated as Balloon Indebtedness in a certificate signed by an Authorized Officer.

"Board" means the Board Governors of Wayne State University, a constitutional body corporate having general supervision of the University and control and direction of all expenditures from its funds.

"Bond" or "Bonds" means the Board's General Revenue Bonds, Series 2025A, issued pursuant to the Trust Indenture.

"Bond Fund" means the fund required to be established with the Trustee pursuant to the Trust Indenture and described in this APPENDIX E under the heading "Bond Fund."

"Bondholder" or "holder" (when used with reference to Bonds) means from time to time the registered owner of any Bond.

"Bond Index" means the "Revenue Bond Index," published most recently by The Bond Buyer, New York, New York, or, if such index is no longer available, such index for comparable thirty (30) year maturity tax-exempt revenue bonds as shall be selected by the Board.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and regulations from time to time promulgated or proposed thereunder.

"Credit Support Instrument" means an irrevocable letter of credit, line of credit, insurance policy, bond purchase agreement, guaranty or surety bond providing for payment of, or guaranteeing payment of principal and interest on, or the purchase price of, any Parity Bonds when due.

"Event of Default" means any of the events described in this APPENDIX E under the heading "Events of Default," constituting an Event of Default under the Trust Indenture.

"Fiscal Year" means the fiscal year of the University and, unless changed by action of the Board, shall be the annual period beginning on October 1 and ending on September 30.

"Fixed Rate Bonds" means bonds or other indebtedness bearing interest at a fixed rate or rates of interest.

"General Revenues" means all fees, deposits, charges, receipts and income from all or any part of the students of the University, whether activity fees, tuition, instructional fees, tuition surcharges, general fees, health fees or other special purpose fees (before allowances for scholarships); all gross income, revenues and receipts from the ownership, operation and control of the University's housing, dining and auxiliary facilities (before allowances for scholarships); all unrestricted receipts from the sales and service of educational activities; all grants, gifts, donations and pledges and receipts therefrom (before allowances for scholarships); and unrestricted investment income; but excluding all of the following: (a) any deposits required by law or contracts to be held in escrow; (b) any gifts, grants, contracts, donations or pledges restricted as to use in a manner inconsistent with payment of debt service on the Bonds, other Parity Bonds or Additional Subordinate Obligations; (c) appropriations from the State Legislature; and (d) up to an amount equal to 10% of General Revenues each Fiscal Year collected annually from the levy of a special fee hereafter established by the Board and designated by the Board to be excluded from General Revenues.

For the avoidance of doubt, General Revenues do not include the "Gross Revenues" of the University's housing facilities that are controlled and operated by Corvias Campus Living – WSU, LLC or its successors, as concessionaire (the "Concessionaire"), under that certain Service Concession Agreement for the Operation and Management of Student Housing, dated November 30, 2017 (the "Concession Agreement"), between the Board and the Concessionaire, and which "Gross Revenues" the Concessionaire has the right to receive and retain under the Concession Agreement.

"Government Obligations" means (i) direct obligations (relating to principal, interest or both) of the United States of America (including obligations issued or held in book-entry form), (ii) obligations (relating to principal, interest or both) the timely payment of which are fully guaranteed by the United States of America, including the interest portion of Resolution Funding Corporation bonds stripped by the Federal Reserve Bank of New York and held in book-entry form, (iii) certificates which evidence ownership of the right to the payment of the principal of and/or interest on obligations described in clauses (i) and (ii) provided that such obligations are held in the custody of a bank or trust company in a special account separate from the general assets of such custodian and (iv) state or municipal obligations the timely payment of the principal of and interest on which are fully provided for by the deposit in trust or escrow of cash or non-callable obligations described in the preceding clauses (i), (ii) and/or (iii).

"Interest Payment Date" means each May 15 and November 15, commencing May 15, 2026.

"Investment Income" means and includes all interest or profit, when received, earned through the investment or reinvestment of all moneys in the Bond Fund.

"Legally Available Funds" means any moneys of the University that may be legally used by the University to pay principal or redemption price of, and interest on, the Bonds, but shall not include any funds (a) currently or subsequently pledged for, or committed to present or future loans, bonds or debt service on other obligations, or other purposes to the extent so pledged or committed, or (b) the use of which would result in the Bonds herein authorized being construed as a general obligation of the University or an indebtedness of the State of Michigan under the Michigan Constitution of 1963.

"Moody's" means Moody's Investors Service, Inc., and its successors.

"Outstanding," "outstanding" or "Bonds outstanding" when used in reference to the Bonds means, as of any date, all Bonds delivered under the Trust Indenture, except (i) Bonds theretofore paid or redeemed or acquired by the Board and surrendered to the Trustee for cancellation, (ii) Bonds for which the Board shall have made provision for payment in accordance with the Trust Indenture, and (iii) Bonds in lieu of which other Bonds have been issued under the Trust Indenture.

"Parity Bonds" means the Bonds, the Prior Bonds and any Additional Parity Bonds, in each case from time to time outstanding.

"Permitted Investments" means and includes any of the following: (i) Government Obligations; (ii) Government Obligations which have been stripped by the U.S. Treasury of their unmatured interest coupons, interest coupons stripped by the U.S. Treasury from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped by the U.S. Treasury from Government Obligations; (iii) bonds, debentures, notes or other evidences of indebtedness issued by the Federal National Mortgage Association, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation, the Farm Credit System or any other government sponsored agency created by an Act of Congress of the United States substantially similar to the foregoing in its legal relationship to the United States of America, and in each case rated at the time of purchase at least "AA-" by S&P and "Aa3" by Moody's (or equivalent ratings of such Rating Services); (iv) U.S. denominated deposit accounts, certificates of deposit, banker's acceptances and other deposit products (a) of any bank, trust company, national banking association or other savings institution, including the Trustee or its affiliates, which have a rating on their short-term certificates of deposit on the date of purchase of at least "A-1" by S&P and "P-1" by Moody's (or equivalent ratings of such Rating Services) or (b) of any bank, trust company, national banking association or other savings institution, including the Trustee or its affiliates, if such deposit accounts, certificates of deposit, banker's acceptances and other deposit products are fully insured by the Federal Deposit Insurance Corporation, and which mature not more than 360 days after the date of purchase; (v) commercial paper rated at the time of purchase at least A-1 by S&P and P-1 by Moody's (or equivalent ratings of such Rating Services), and which mature not more than 270 days after the date of purchase; (vi) money market funds, including funds of the Trustee or its affiliates, rated at the time of purchase at least "AAm" by S&P and "Aa-mf" by Moody's (or equivalent ratings of such Rating Services); and (vii) shares in any mutual fund which is comprised solely of Permitted Investments as defined in clauses (i) through (v) above, including those for which the Trustee or an affiliate performs services for a fee, rated at the time of purchase at least "AA" by S&P and "Aa" by Moody's (or equivalent ratings of such Rating Services). Notwithstanding the foregoing, if, at the time of purchase of any Permitted Investments, a given Rating Service does not maintain a rating on the Bonds, the ratings of Permitted Investments by such Rating Service as described above shall not be required.

Ratings of Permitted Investments shall be determined at the time of purchase of such Permitted Investments. The Trustee shall have no responsibility to monitor the ratings of Permitted Investments.

"Prior Bonds" means, collectively, the presently outstanding General Revenue Bonds of the Board and other outstanding obligations of the Board secured by a first lien pledge of General Revenues, as more particularly described in the Trust Indenture.

"Rating Service" means Moody's, if the Bonds are rated by Moody's, and S&P, if the Bonds are rated by S&P.

"Resolution" means the resolution adopted by the Board on April 25, 2025, authorizing the issuance of the Bonds and authorizing the execution and delivery of the Bonds and the Trust Indenture.

"S&P" means S&P Global Ratings, and its successors.

"Trust Indenture" means the Trust Indenture, dated as of September 1, 2025, authorizing the issuance of the Bonds, as the same may be amended and supplemented.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., or any successor thereto.

"University" means Wayne State University.

"Variable Rate Bonds" means bonds or other indebtedness that bears interest at a variable, adjustable or floating rate.

<u>Bond Fund</u>

Establishment of Bond Fund. Under the Trust Indenture there is created and established with the Trustee the Bond Fund. Subject to any credit to which the Board may be entitled, there shall be deposited by the Board from General Revenues with the Trustee for deposit in the Bond Fund the following:

(a) On each Interest Payment Date and each other date on which principal of or interest on the Bonds is due and payable, an amount equal to the amount of principal of and interest on the Bonds which is due and payable on that Interest Payment Date or other date (less in each case any funds then on deposit in the Bond Fund for which a credit has not been previously taken).

(b) On or before the date any Bond is to be redeemed, the redemption price of all Bonds to be redeemed on such date, subject to a credit for any funds then on deposit in the Bond Fund and available to pay the redemption price of such Bonds.

Subject to the provisions of the Trust Indenture in the event of the occurrence of an Event of Default, the Trustee shall use moneys in the Bond Fund to pay the principal of and interest on the Bonds on each Interest Payment Date and each other date on which the same become due and, on the date any Bond is to be redeemed, the redemption price of all Bonds to be redeemed on such date. The Trustee, at the written direction of the Board, acting through such broker or other agent as the Board shall appoint, shall use moneys in the Bond Fund (but only to the extent that such moneys exceed the amounts required to be deposited to the Bond Fund pursuant to the Trust Indenture) for the acquisition of Bonds in the open market. Any amount remaining in the Bond Fund after the Bonds have been paid or provision made therefor under the Trust Indenture shall be returned to the Board.

Investment of Bond Fund. Moneys held in the Bond Fund, until required for use, shall be invested by the Trustee at the written direction of the Board in Permitted Investments. All Permitted Investments shall be sold or otherwise liquidated by the Trustee at the prevailing market price if and to the extent required for the purposes set forth in the Trust Indenture. Except as otherwise specifically provided in the Trust Indenture, all Permitted Investments shall be deemed a part of the Bond Fund and all interest, profits and losses shall be credited or charged to such fund. All Permitted Investments shall be valued at the lower of cost (excluding accrued interest) or market value. The Trustee shall not be liable for losses on investments made in compliance with the provisions of the Trust Indenture. In the absence of investment instructions from the Board, the Trustee shall not be responsible or liable for keeping the moneys held by it hereunder fully invested in Permitted Investments.

Sources of Payment and Security for the Bonds

Security for the Bonds. The Bonds and the Board's obligations under the Trust Indenture are not debts or general obligations of the State of Michigan, nor general obligations of the Board, but are limited obligations of the Board payable solely from General Revenues and equally and ratably secured only by the following:

(a) All moneys in the Bond Fund;

(b) General Revenues and the Board's right to receive General Revenues; and

(b) All Investment Income.

Pursuant to the Trust Indenture, the Board pledges and grants to the Trustee, for the benefit of the holders of the Bonds, a security interest in all of the foregoing, and in order to assure this security the Board covenants and agrees in the Trust Indenture that the holders of the Bonds shall have a first lien on all moneys in the Bond Fund, and that holders of the Bonds shall have a first lien on General Revenues of equal standing and priority of lien with the pledge of General Revenues for the Prior Bonds and any Additional Parity Bonds. The lien of the pledge of the General Revenues, and on the Bond Fund, shall be valid and binding from the date of issuance and delivery of the Bonds and all moneys or properties subject thereto which are thereafter received shall immediately be subject to the lien of the pledge without physical delivery or further act. The lien of the pledge of the General Revenues shall be valid and binding against all parties having claim in tort, contract or otherwise against the Board (except for the holders of the Prior Bonds and any Additional Parity Bonds) irrespective of whether such parties have notice of the lien. The lien of the pledge of the Bond Fund (including the Investment Income thereon) shall be valid and binding against all parties having claim in tort, contract or otherwise against the Board irrespective of whether such parties have notice of the lien.

General Revenues as Source of Payment of Bonds. On or before each date on which principal of and/or interest on, or the redemption price of, the Bonds is due and payable, the Board shall transfer to the Bond Fund from General Revenues moneys sufficient, together with funds then on hand in the Bond Fund and available therefor, to pay the principal of and/or interest on the Bonds due on such date, or the redemption price of the Bonds to be redeemed on such date. If on any date on which principal of and/or interest on, or the redemption price of, any Bond is due and payable, the moneys then on deposit in the Bond Fund are not sufficient to meet the requirements for the payment of the principal of and/or interest on, or the redemption price of, Bonds coming due on such date, the Board shall pay to the Trustee for deposit into the Bond Fund all General Revenues thereafter received until the amount on deposit in the Bond Fund are sufficient for the payment of such amounts; provided, however, that in making the payment over to the Trustee, General Revenues shall be divided in each Fiscal Year pro rata between the Bond Fund and any similar fund or funds for the payment of any other Parity Bonds of the Board secured by a first lien on General Revenues without regard to the existence of any reserve funds for any other Parity Bonds, based on the amount of debt service due in such Fiscal Year. Subject to the above requirements, the Board shall have and retain the full right and ability to receive, collect, expend, invest, use or otherwise hold or dispose of General Revenues as the Board deems appropriate.

Legally Available Funds as Source of Payment of Bonds. The Board reserves the right, but shall not be required, to use any Legally Available Funds for the purpose of paying principal or interest on the Bonds.

General Revenues Covenant. The Board covenants and agrees in the Trust Indenture that as long as any Bonds remain outstanding and unpaid, as to either principal or interest, it will in each Fiscal Year fix, make, adjust and collect all fees, rates, rentals and charges and other items of General Revenues in an amount sufficient to provide annually sums equal to at least (a) two hundred percent (200%) of the principal and interest owing in such Fiscal Year on the Bonds, and all or any other Parity Bonds, plus (b) one hundred percent (100%) of the amounts required to meet debt service requirements on all outstanding Additional Subordinate Obligations in such Fiscal Year, in each case with interest on any Variable Rate Bonds for each Fiscal Year to be calculated at the beginning of the Fiscal Year at the average rate during the preceding 12 months (or such shorter period during which the Variable Rate Bonds have been outstanding if shorter than 12 months). Such fees, rates, rentals, charges and other items of revenue shall be sufficient to provide such sums as are necessary, together with other available funds, including, but not limited to, appropriations and unrestricted fund balances, for the operation, administration and maintenance of the University and its facilities and programs.

Limitations on Obligations

No recourse under any obligation, covenant, stipulation or indenture contained in the Trust Indenture or in any Bond issued under the Trust Indenture or caused by the creation of any indebtedness authorized by the Trust Indenture, shall be had against the State of Michigan, or the Board or any member or officer of the Board or the University; nor shall any such obligation ever be or become a charge against the State of Michigan, nor shall the same become a lien on or secured by any property, real, personal or mixed, of the State of Michigan or the Board or the University, it being expressly understood and agreed that the Bonds and the obligations created under the Trust Indenture are secured by and payable only from General Revenues and moneys in the Bond Fund, and that no other liability whatsoever shall attach to or be incurred by the State of Michigan, the Board, or any member or officer of the Board or the University, or its successors; all other liability, except as provided in the Trust Indenture, being expressly waived.

Additional Indebtedness

Additional Parity Bonds. Subject to the limitations expressed in the Trust Indenture, as summarized below, the Board reserves the right to issue Additional Parity Bonds having equal standing and priority of lien against General Revenues with the Bonds and other then existing Parity Bonds of the Board, but having no lien on the Bond Fund.

Additional Parity Bonds may be issued as Fixed Rate Bonds, Variable Rate Bonds, other loan obligations or interest rate swaps or similar arrangements related to debt obligations for any lawful purposes of the University; provided, however, that prior to the issuance of Additional Parity Bonds, the total amount of the General Revenues for the last Fiscal Year for which an audit has been completed (but ending not earlier than 18 months prior to the date of issuance of the Additional Parity Bonds) shall be at least equal to two hundred percent (200%) of the maximum Annual Debt Service for any subsequent Fiscal Year of the Parity Bonds and the Additional Parity Bonds proposed to be issued, plus one hundred percent (100%) of the amounts required to meet debt service requirements in such last Fiscal Year on all outstanding Additional Subordinate Obligations.

For the purpose of the foregoing tests, General Revenues, as adjusted, and Annual Debt Service shall be established by a certificate of an Authorized Officer, based on the audited financial reports of the University and assumptions and estimates certified by such official to be, in his or her best professional judgment, reasonable. In addition, General Revenues may be adjusted to reflect increases in rates that have already been implemented but are not yet fully reflected in the prior year's audited financial statements.

In addition, without meeting the test set forth above, Additional Parity Bonds or Additional Subordinate Obligations, as the case may be (in any form or designation), may be issued to evidence the Board's reimbursement obligations under a Credit Support Instrument securing any Parity Bonds.

In addition, without meeting any of the foregoing tests, the Board may issue Additional Parity Bonds to refund part or all of any outstanding Parity Bonds, so long as the maximum Annual Debt Service after issuance of such Additional Parity Bonds shall not exceed the maximum Annual Debt Service on all outstanding Parity Bonds at the time of the refunding by more than ten percent (10%).

Any issue of Additional Parity Bonds shall be secured by a pledge of General Revenues, the lien of which shall be on an equal and parity basis with the lien of the pledge under the Trust Indenture, may be issued under a supplement to the Trust Indenture or a separate indenture, may have a reserve fund established to secure such Additional Parity Bonds (which may be in cash or in the form of a credit facility), may be payable from a bond fund established therefor (which shall be distinct from the Bond Fund, in which the holders of such Additional Parity Bonds shall have no claim) and may be secured by a Credit Support Instrument (in which holders of the Bonds and Parity Bonds theretofore and thereafter issued shall have no claim). Except for the pledge of General Revenues, which shall be shared by all holders of Parity Bonds, an individual series of Additional Parity Bonds may be secured by rights or property different or distinct from that which secures the Bonds and any or all other series of Parity Bonds.

Additional Subordinate Obligations. The Board may issue Additional Subordinate Obligations in the form of Fixed Rate Bonds, Variable Rate Bonds, other loan obligations or interest rate swaps or similar arrangements related to debt obligations whose lien on the General Revenues is subordinate to the lien of the Bonds and any other Parity Bonds, for any lawful purpose of the Board, so long as the principal of and interest on such Additional Subordinate Obligations is subordinate to the payment of the Bonds and any other Parity Bonds. The resolution, indenture, loan agreement, or other document pursuant to which Additional Subordinate Obligations are issued shall provide that no debt service for such Additional Subordinate Obligations shall be paid or funded from General Revenues during any period in which all amounts then required to be paid or funded with respect to the debt service on the Bonds and other Parity Bonds have not been so paid or funded.

Annual Debt Service. For the purpose of determining whether the conditions precedent for the issuance of Additional Parity Bonds as provided in the Trust Indenture have been satisfied, the term "Annual Debt Service" on the Bonds and any other Parity Bonds or Additional Subordinate Obligations in any single Fiscal Year shall include scheduled principal and interest due in such Fiscal Year, but shall be determined with the following assumptions and adjustments:

(a) Balloon Indebtedness shall, at the election of the Board, be deemed to be indebtedness which is payable (without regard to tenders) over a thirty (30) year term from the date of its original incurrence, with level annual debt service, at a rate of interest equal to the Bond Index at the date of calculation, as specified in a certificate of an Authorized Officer.

(b) Variable Rate Bonds shall, at the election of the Board, be deemed indebtedness which bears interest at a rate equal to the average rate during the twelve (12) month period preceding the date of calculation, as specified in a certificate of an Authorized Officer, or if not outstanding for the preceding twelve (12) month period, such rate specified in a certificate by an underwriting firm or financial advisory firm taking into account variable rate indebtedness with comparable terms, credit quality and maturities.

(c) The Board may subtract from principal due on indebtedness any debt reserves which are available and are to be applied to make such principal payment in the year such indebtedness matures or is redeemed or otherwise retired.

(d) The Board may subtract from interest due on indebtedness any capitalized interest which is available and is to be applied to make such interest payment in the year such interest comes due.

(e) If Additional Parity Bonds or Additional Subordinate Obligations are issued in one or more series, all or any part of which individually or by series or subseries, bear a variable rate, but which when taken together with other Parity Bonds or Additional Subordinate Obligations deemed related by the Board, or when taken together with an interest rate swap or similar arrangement deemed related by the Board, bear for any specified period a fixed rate, such obligations together shall be treated during such period as fixed rate obligations. Similarly, if Additional Parity Bonds or Additional Subordinate Obligations are issued in one or more series, all or any part of which individually or by series or subseries, bear a fixed rate of interest, but which, when taken together with other Parity Bonds or Additional Subordinate Obligations deemed related by the Board, or when taken together with an interest rate swap or similar arrangement deemed related by the Board, bear, for any specified period of time, a variable rate, such obligation together shall be treated for such period of time as Variable Rate Bonds. In addition, an interest rate cap or similar arrangements may be treated as establishing the maximum rate on Variable Rate Bonds. Finally, payments on interest rate swaps or similar arrangements due to be paid and received in any Fiscal Year or other twelve (12) month period may, at the option of the Board, be netted against each other for purposes of calculating Annual Debt Service.

(f) Non-scheduled termination or similar payments on interest rate swap and similar arrangements, payments due on optional redemptions, payments due on tenders of bonds for purchase or retirement (other than scheduled mandatory sinking fund payments), payments due as a result of acceleration following default and similar, non-scheduled payments which come due or may become due on any Parity Bonds or Additional Subordinate Obligations shall not be treated as debt service on Parity Bonds or Additional Subordinate Obligations for purpose of the calculation of Annual Debt Service.

Defeasance

If all the Bonds shall have become due and payable in accordance with their terms or otherwise as provided in the Trust Indenture or are to be paid at their maturity or maturities, or are to be redeemed prior to maturity (and unconditional notice of redemption or irrevocable instructions to call the Bonds for redemption shall have been given to the Trustee by the Board) and the whole amount of the principal or redemption price of and interest so due and payable upon all of the Bonds then Outstanding shall be paid or sufficient cash, or cash and non-callable Government Obligations, the principal of and the interest on which, when due and payable, will provide sufficient moneys therefor (as demonstrated in a written verification report satisfactory to the Trustee), shall be held by the Trustee or any other escrow agent in trust for the benefit of the Bondholders for such purpose under the provisions of the Trust Indenture, and sufficient funds shall also have been provided for paying all other obligations payable under the Trust Indenture by the Board (including the payment of or provision for payment to the Trustee of all sums of money due or to become due to the Trustee according to the provisions of the Trust Indenture), then and in that case the right, title and interest of the Trustee under the Trust Indenture shall thereupon cease, terminate and become void and, on demand of the Board, the Trustee shall release the Trust Indenture and shall execute such documents to evidence such release as may be reasonably requested in writing by the Board, and the Trustee shall turn over to the Board all the remaining property held by it under the Trust Indenture, and all balances remaining in all other funds and accounts created by the Trust Indenture, other than money held for the redemption or payment of the Bonds. Otherwise, the Trust Indenture shall be, continue and remain in full force and effect. In the event cash and/or non-callable Government Obligations shall be deposited with and held by the Trustee or other escrow agent as hereinabove provided, the applicable provisions of the Trust Indenture pertaining to the payment of the principal or redemption price of, and interest on, the Bonds, the registration and transfer of Bonds, the redemption of Bonds, and the Board’s tax covenants relating to the Bonds, shall be continued in force until such Bonds and other obligations have been fully paid.

Bonds or portions of Bonds for which cash or cash and non-callable Government Obligations (including principal of and interest thereon) shall be held by the Trustee or other escrow agent in trust for the holders of said Bonds or portions of Bonds sufficient to pay all principal or redemption price of, and interest on, such Bonds, to the date of maturity or prior redemption (unconditional notice of redemption, or irrevocable instructions to the Trustee to mail such notice, having been duly given by the Board) shall no longer be Outstanding under the Trust Indenture, and the holders thereof shall have no further rights thereunder or under the Bonds except the right to receive payment from the cash or cash and non-callable Government Obligations held in trust as specified above and the right to effect transfers or exchanges of Bonds as described above.

All moneys and Government Obligations held by the Trustee or other escrow agent as described above shall be held in trust and applied to the payment, when due, of the obligations payable therewith; provided, however, that any moneys so held which are determined in a certificate filed by the Board with the Trustee and the escrow agent (if any) (together with such supporting letters or opinions of independent consultants, auditors or attorneys as the Trustee may reasonably require) to be excess funds not required to pay the principal or purchase price of, and interest on, the Bonds, shall, at the direction of the Board, be released from the escrow and paid to the Board.

Events of Default

Any one or more of the following events shall be deemed an "Event of Default" under the Trust Indenture:

(a) Default in the due and punctual payment of any interest on the Bonds on any Interest Payment Date or other date on which such interest is due;

(b) Default in the due and punctual payment of any principal or redemption price of any Bond, whether at the stated maturity thereof, upon acceleration or by redemption;

(c) Default in the performance or observance of any other of the covenants, agreements or conditions on its part contained in the Trust Indenture (other than covenants otherwise specifically described herein under the heading "Events of Default"); provided, however, that: (i) no such default shall constitute an Event of Default unless, if capable of cure, it shall not have been cured within thirty (30) days following receipt of written notice thereof by the Board from the Trustee or the holders of twenty-five percent (25%) in principal amount of the Outstanding Bonds; (ii) if the default is such that it cannot be corrected within such period, but can, in the judgment of the Trustee, be corrected without material adverse effect on the holders of the Bonds, it shall not constitute an Event of Default if corrective action is instituted by the Board during such period and diligently pursued until such default is corrected; and (iii) if by reason of force majeure, the Board is unable in whole or in part to carry out any agreement on its part contained in the Trust Indenture, other than payment of principal or redemption price of, or interest on, the Bonds, the Board shall not be deemed in default during the continuance of such disability. The term "force majeure" includes the following: Acts of God, strikes, walk-outs or other employee disturbances, acts of public enemies, orders of any kind of the government of the United States of America, the state or states in which the Board is doing business, or any of their departments, agencies, political subdivisions or officials or any civil or military authority, insurrection, riots, epidemics or pandemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, wash-outs, droughts, civil disturbances, explosions, breakage or accidents to machinery, transmission pipes or canals, partial or entire failure of utilities, or similar acts or events other than financial not within the control of the Board; or

(d) Failure to make any deposits to the Bond Fund as required by the provisions of the Trust Indenture as described in this APPENDIX E under the heading "Sources of Payment and Security for the Bonds – General Revenues as Source of Payment of Bonds."

Remedy on Default and Proceeds Therefrom

Remedies. Upon the occurrence and continuation of an Event of Default, the Trustee may proceed to protect or enforce the rights of the Trustee and the Holders of the Bonds, either by mandamus to compel the Board to perform each and every covenant contained in the Trust Indenture, or by injunction to prevent the Board from taking any action in violation of said covenants.

In addition, in the event that payment of principal of and interest on any other Parity Bonds (other than the Bonds) or Additional Subordinate Obligations has been accelerated pursuant to the terms of such other Parity Bonds or Additional Subordinate Obligations upon a declaration of an event of default under such other Parity Bonds or Additional Subordinate Obligations, the Trustee may declare principal of and interest on the Bonds to be immediately due and payable and such principal and interest shall thereupon become immediately due and payable.

Bondholders May Direct Action on Default. The holders of a majority in the aggregate principal amount of Bonds outstanding shall have the right to direct in writing the method of conducting any and all proceedings under the Trust Indenture for the enforcement of the Trust Indenture, but the Trustee shall not be obligated to take any action under the Trust Indenture and said direction unless it shall be tendered indemnity satisfactory to the Trustee sufficient to pay all necessary fees, costs and expenses incident thereto and the liabilities to be incurred therein or thereby, including court costs and attorneys' fees, costs and expenses.

Limitation on Right of Bondholders to Act. No holder of any Bond shall have any right to institute any suit, action or proceeding for any remedy under the Trust Indenture or relating thereto unless (a) such holder previously shall have given to the Trustee written notice of such default and of the continuance thereof, as provided in the Trust Indenture, (b) the holders of a majority in aggregate principal amount of Bonds outstanding shall have made written request upon the Trustee and shall have afforded it a reasonable opportunity either to proceed to exercise the powers granted by the Trust Indenture or to institute such action, suit or proceedings in its own name and (c) such holders shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and have or shall have agreed to deposit their Bonds with the Trustee upon request. Such notifications, requests and offers of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the exercise of the powers and trusts of the Trust Indenture by the Trustee for the benefit of the holders of the Bonds, and to any action or cause of action, or for any other remedy thereunder or relating thereto. It is further understood and intended that no one or more holders of Bonds shall have any right in any manner whatever, by his or their action, to affect, disturb or prejudice the lien under the Trust Indenture or to enforce any rights thereunder except in the manner therein provided, and that all proceedings shall be instituted, had and maintained in the manner therein provided and for the equal benefit of all holders of all outstanding Bonds. Nothing contained in the Trust Indenture shall be construed as granting to the holder of any Bond the right to bring any action or proceeding which the Trustee is not expressly authorized to bring; provided, however, if the holders of a majority in the aggregate principal amount of Bonds outstanding shall have complied with all conditions prerequisite to the requiring of action on the part of the Trustee and said Trustee shall refuse to act, then one or more of the holders of the Bonds shall have the right to bring any action or actions as the Trustee might have instituted for and on behalf of the holders of all outstanding Bonds.

Waiver of Default. The Trustee may, and upon written request of the holders of a majority in principal amount of Bonds outstanding, shall, waive any Event of Default under the Trust Indenture, except a failure to pay principal of and interest on the Bonds when due, upon compliance by the Board with all of the covenants, conditions and provisions of the Trust Indenture, including payment in full of all amounts then due under the terms thereof and any expenses incurred by the Trustee. No such waiver shall (a) extend to or affect any subsequent or other then-existing default or (b) impair any right consequent thereon.

Application of Moneys. Any proceeds received by the Trustee pursuant to any right given or action taken under the provisions of the Trust Indenture shall, subject to the rights of holders of any other Parity Bonds to receive appropriate amounts of funds to effect the parity nature of the lien on General Revenues for the Bonds and any other Parity Bonds, be applied as follows:

(a) First to the payment of all costs of any suit or suits undertaken to enforce the provisions of the Trust Indenture, together with reasonable fees, costs and expenses, including reasonable attorneys' fees, costs and expenses, and the payment of all amounts due to the Trustee under the Trust Indenture, including repayment of any moneys advanced by the Trustee or by any of the holders of Bonds;

(b) Unless the principal on all Bonds shall have become or been declared due and payable, all such moneys then remaining shall then be applied to the payment, first of interest, in order of dates due, and then of the unpaid principal or redemption price of the Bonds, in order of dates due, with interest at the rate allowed by law on past due interest, without preference of one Bond over any other or of one installment of interest over any other installment of interest;

(c) If the principal of all the Bonds shall have become or been declared due and payable, all such moneys shall be applied to the payment of the principal of and interest then due and unpaid upon the Bonds without preference or priority as between (i) principal or interest, (ii) installments of interest or (iii) Bonds, ratably according to the amounts due respectively for principal and interest to the persons entitled thereto;

(d) The remainder, if any, shall, subject to any rights of holders of Additional Subordinate Obligations, be paid to the Board.

Supplements to the Trust Indenture

Supplements Not Requiring Consent of Bondholders. The Board and the Trustee may execute and deliver, without the consent of the Bondholders, amendments or supplements to the Trust Indenture for any one or more of the following purposes:

(a) To provide for the issuance and sale of Additional Parity Bonds;

(b) To confirm or further assure the General Revenues or to grant or pledge to the Bondholders any additional security;

(c) To add additional covenants and agreements of the Board for the purpose of further securing the payment of the Bonds;

(d) To prescribe further limitations and restrictions upon the issuance of Additional Parity Bonds by the Board;

(e) To cure any ambiguity or formal defect or omission in the Trust Indenture;

(f) To comply with the requirements of the Code in order to maintain the tax-exempt status of the interest on the Bonds for purposes of federal income taxation; and

(g) To make any change which, in the judgment of the Trustee, conclusively relying on an opinion of counsel, is not to the material prejudice of holders of the Bonds.

Supplements With Approval of Bondholders. Exclusive of supplemental indentures described under the heading "Supplements to the Trust Indenture – Supplements Not Requiring Consent of Bondholders," the holders of not less than 51% in the aggregate principal amount of the Bonds outstanding shall have the right to consent to the execution and delivery by the Board of such other supplemental or amendatory indentures as shall be deemed necessary and desirable by the Board; provided, however, that nothing contained in the Trust Indenture shall permit, or be construed as permitting, (i) an extension of the maturity of the principal of or the interest on any Bond issued under the Trust Indenture, or (ii) a reduction in the principal amount of any Bond or the rate of interest thereon, or (iii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental or amendatory indenture, without the consent of the holders of 100% of the Outstanding Bonds affected by such supplement or amendment.

If the Board shall propose to adopt a supplemental indenture requiring consent of the Bondholders, it shall cause notice of the proposed adoption of such supplemental indenture to be mailed to each registered owner at the registered address as shown on the books of the Board kept by the Trustee. Such notice shall be prepared by or on behalf of the Board and shall briefly set forth the nature of the proposed supplemental or amendatory indenture and shall state that copies thereof are on file at the designated corporate trust office of the Board for inspection by all Bondholders. If within six months following the mailing of such notice, the holders of not less than 51% in aggregate principal amount of the Bonds outstanding at the time of the mailing of such notice have consented in writing to the adoption thereof, upon the adoption of such supplemental or amendatory indenture, the Trust Indenture shall be deemed to be amended or supplemented in accordance therewith.

<u>Resignation and Removal of Trustee</u>

The Trustee may resign by giving not less than thirty (30) days' written notice to the Board, and such resignation shall take effect upon the day that a successor Trustee shall have been appointed and shall have accepted such appointment as provided in the Trust Indenture. The Trustee shall be removed by the Board if at any time so requested by an instrument or concurrent instruments in writing, filed with the Trustee and the Board, and signed by the holders of a majority in principal amount of the outstanding Bonds or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Board. The Trustee may be removed at any time by the Board, except during the existence of an Event of Default, for such cause as shall be determined in the sole discretion of the Board by filing with the Trustee an instrument to such effect signed by an Authorized Officer. Any such removal of the Trustee shall take effect upon the day that a successor Trustee shall have been appointed and shall have accepted such appointment as provided in the Trust Indenture.

If the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, the Board covenants and agrees in the Trust Indenture that it will thereupon appoint a successor Trustee, which shall be a bank or trust company duly authorized to exercise trust powers and having a capital and surplus aggregating at least $75,000,000 and which shall accept and agree to perform the trusts established under the Trust Indenture by depositing with the Board and the predecessor Trustee a written instrument of acceptance and certification that it is eligible to serve as successor Trustee under the Trust

Indenture. If no successor Trustee is appointed by the Board within sixty (60) days after the Trustee has given written notice of resignation to the Board, the resigning Trustee may petition, at the expense of the Board, a court of competent jurisdiction for the appointment of a successor in accordance with the requirements of the preceding sentence. The Board (or the successor Trustee) shall cause notice of any such appointment made by it to be mailed, postage prepaid, to all owners of Bonds at their addresses as they appear upon the bond registrar or list maintained by the Trustee for such purpose, within twenty (20) days after such appointment. The Trustee ceasing to act shall, at the written direction of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required in order to more fully and certainly vest and confirm in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under the Trust Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions therein set forth.

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APPENDIX F

BOOK-ENTRY-ONLY SYSTEM

The information set forth in this APPENDIX F is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC currently in effect. The information set forth in this APPENDIX F has been obtained from sources believed to be reliable, but neither the Board nor the Underwriter take any responsibility for the accuracy, completeness or adequacy of such information. Neither the Board nor the Underwriter will have any responsibility or liability for any aspect of the records relating to, or payments made on account of beneficial ownership interests in the Bonds held through the facilities of DTC or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

So long as Cede & Co. is the registered owner of the Bonds, as nominee for DTC, references herein and in the Trust Indenture to the Bondholders, registered owners or owners (or similar terms) of the Bonds shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds.

DTC Book-Entry-Only System

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and any redemption price of and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participant's accounts upon DTC's receipt of funds and corresponding detail information from the Board or Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and any redemption price of and interest on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Board or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

NEITHER THE BOARD NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR THE PERSONS FOR WHICH THEY ACT AS NOMINEES WITH RESPECT TO THE BONDS, OR FOR ANY PRINCIPAL OF OR INTEREST PAYMENT THEREON.

The Board and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the Bonds registered in its name for the purposes of payment of the principal or redemption price of, and interest on, the Bonds, giving any notice permitted or required to be given to registered owners under the Trust Indenture, registering the transfer of the Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. The Board and the Trustee shall not have any responsibility or obligation to any Direct or Indirect Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Direct or Indirect Participant, or any other person which is not shown on the registration books of the Board (kept by the Trustee) as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Direct or Indirect Participant; the payment by DTC or any Direct or Indirect Participant of any amount in respect of the principal or redemption price of, or interest on, the Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges adopted by the Boardr; or other action taken by DTC as registered owner.

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BOARD OF GOVERNORS OF WAYNE STATE UNIVERSITY • GENERAL REVENUE BONDS, SERIES 2025A

WAYNE STATE
UNIVERSITY

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