The Board of Trustees of
Wayne County Community College District

In planning and performing our audit of the financial statements of Wayne County Community College District (the “District”) for the year ended June 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the District’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

However, as discussed below, during our audit we became aware of certain matters that are opportunities for strengthening internal control and operating efficiency. This letter does not affect our report dated November 12, 2014, on the financial statements of the District.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various members of the District's management, and we will be pleased to discuss these matters in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

**Property and Equipment**

During our audit we noted that the depreciation schedules that were provided included a breakdown of total assets, current year depreciation expense and accumulated depreciation. The current year depreciation expense amount agreed with the general ledger while the total assets and accumulated depreciation totals did not. Fully depreciated assets had been removed from depreciation schedules, but not from the general ledger. We recommend that the District maintain other reconciling schedules to support the general ledger balances.

**Management Response:**

Management concurs with the audit recommendation. All fixed asset data including asset detail, depreciation expense and accumulated depreciation is recorded accurately in Banner, however the District did not have a separate listing of fully depreciated assets on hand for review. The listing of fully depreciated assets was subsequently generated and will become a part of standard audit documents.

**WCCCD Scholarship Committee**

The WCCCD Scholarship Committee (the "Committee") is a separate tax exempt organization that was established for the purpose of receiving funds for the sole benefit of students of the District. The majority of the Committee's board of directors is comprised of District personnel and the District provides supporting services to the Committee. The external audit team determined that the Committee is a component unit of the District, but the activity had not been included in the District's financial statements. We recommend that the Committee's financial activity be included within the District's financial statements and available for review annually within the yearend audit process.

**Management Response:**

Management concurs with the auditor’s recommendation and will subsequently have Committee information available for review and inclusion in District activity as a component unit.
**Upcoming Pronouncement**

GASB No. 68, Accounting and Financial Reporting for Pensions is effective for the year ending June 30, 2015. Under this statement, employers providing defined benefit pension plans must now recognize their unfunded pension benefit obligation as a liability for the first time and to more comprehensively and comparably measure the annual costs of pension benefits. We recommend that the District begin to review the information that will be provided by the State of Michigan for MPSERS and determine the impact the implementation of this new standard will have on the financial statements of the District.

**Management Response:**

Management concurs with the auditor’s recommendation and is currently working with Michigan community college agencies to comply with new requirements under GASB No. 68.

===================================================

The District's written responses to the items identified in this letter have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of senior management, the Board of Trustees, and others within the District and is not intended to be and should not be used by anyone other than these specified parties.

GREGORY TERRELL & COMPANY

Certified Public Accountants

November 12, 2014