

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
TOGETHER WITH INDEPENDENT AUDITORS' REPORT



Wayne County Community College Culinary Arts & Hospitality Center

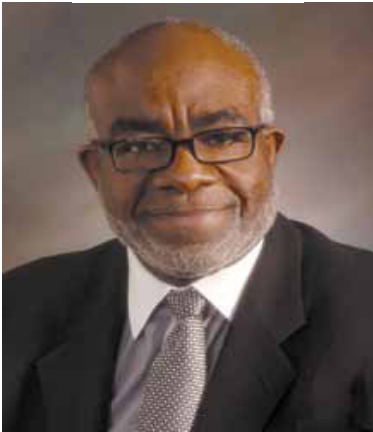
WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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CHANCELLOR'S MESSAGE



The story of resilience and growth continues at Wayne County Community College District (WCCCD). The District has, in spite of being a multi-campus District serving multiple communities, remained responsive and agile in responding to the many sudden changes in the environment including the pandemic. Our focus has and will always be on the needs of our students and their success.

The District's commitment to accountability and transparency have been central to our continued growth and success. Solid processes and policies are institutionalized and that allows for new initiatives, programs and courses to be introduced smoothly. Our strategic planning process looks not only at District-wide factors but also examines impact at the micro levels and this has ensured that our resources are used where needs are the greatest.

Our technological investments and upgrades over the recent years have enabled us in more ways than one. Knowing that technology evolves rapidly, the District has ensured that we leverage its power to induce efficiencies in operational aspects, administration as well as student experience and program delivery.

Revenue changes have also compelled us to be diligent and creative in order to make sure that we are able to save on costs without compromising on student needs or operational efficiency. Our Deferred Maintenance program is monitored weekly to ensure that our physical facilities are state-of-the-art and deliver the high-quality learning experience that we strive to provide.

Our vision and mandate are crystal clear and we are determined to move forward with the energy and resolve that will deliver results for our students. We are always aware that thousands look to us to meet their educational needs and that motivates us in deep and significant ways. We consistently remain on the path to do better everyday, because we know that we are the path to a better life for many.

Thank you,

Dr. Curtis L. Ivery
Chancellor, Wayne County Community College District

Trustees



Sharon P. Scott
Chairperson
District 9



Marla J. Edwards-Wheeler
Vice Chairperson
District 6



Scott T. Holiday
Secretary
District 4



Asm N. Rahman
Treasurer
District 2



Roy W. Edmonds
Member
District 1



Vernon C. Allen, Jr.
Member
District 3



Paulette Brown
Member
District 5

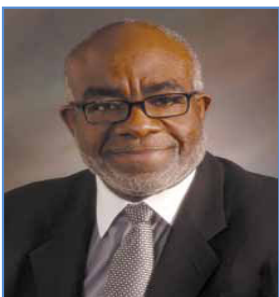


James J. Wagner
Member
District 7



Susan C. Steeby
Member
District 8

Dr. Curtis L. Ivery Chancellor



WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

This discussion and analysis of Wayne County Community College District's financial statements provide an overview of the District's financial activities for the year ended June 30, 2025. District Management has prepared the financial statements and the related footnote disclosures along with the discussion and analysis. The financial statements, footnotes and this discussion are the responsibility of District management and are prepared in accordance with Governmental Accounting Standards Board (GASB) pronouncements.

Using the Financial Report

GASB released Statement No. 39 "Determining Whether Certain Organizations are Component Units." Statement No. 39 requires that separate legal entities associated with a primary government that meet certain criteria be blended with the financial statements of the Primary Reporting Unit. In compliance with this Statement, the operations of the WCCCD Scholarship Committee were reviewed to determine if this constituted a "component" of the District. It was determined by independent auditors that the WCCCD Scholarship Committee constitutes a "component" of the District under these guidelines. As such, fiscal activity related to the WCCCD Scholarship Committee has been included in these statements.

The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, a financial reporting standard replacing the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers. It requires all participants in a multi-employer cost sharing plan to (1) record a proportionate share of the net pension liability on their balance sheet (2) record a proportionate share of pension expense as defined by GASB on their income statement and (3) include additional required note disclosures and supplemental information. The District as a member of the Michigan Public Schools Employees Retirement System (MPERS) with required reporting to the State of Michigan Office of Retirement Services (ORS) implemented GASB 68 requirements in its financial statements and is in compliance for the year ending June 30, 2025.

The Net Pension Liability is the amount of the total pension benefit that is not funded by investment assets. The net unfunded pension benefit is now a line item on the District's balance sheet. As a MPERS participating employer, the District will record the actuarial determined proportionate share of the net pension liability. MPERS has had a net pension liability since the early 2000's, worsened by market losses in 2008-2009. The District achieved our goal of prefunding the Net Pension and OPEB liabilities in FY 2020/2021.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 75 to establish new accounting and financial reporting standards that require, for the first time, that the net liability for other postemployment benefits (OPEB) be reported in financial statements for employers with retirement plans across the country, including Michigan Public School Employees Retirement System (MPERS).

It requires participants in a multi-employer cost sharing plan to (1) record a proportionate share of the net OPEB liability on their balance sheet (2) record a proportionate share of OPEB expense as defined by GASB on their income statement and include additional note disclosure and required supplemental information.

For MPERS, the only other postemployment benefit (OPEB) is retiree healthcare – specifically, the Retiree Healthcare Fund administered by ORS, which funds the premium subsidy benefit that many MPERS members have as part of their retirement plan. Healthcare contributions that members and employers make into the Retiree Healthcare Fund, fund a guaranteed benefit.

The net OPEB liability is the amount of the total OPEB benefit that is not funded by investment assets. The net liability is calculated as the plan's total OPEB liability minus the market value of the plan's assets. ORS annually determines each reporting unit's proportionate share of the liability and expense by measuring their proportionate share of the prior year net liability. The OPEB expense represents the annual cost of the retiree healthcare benefit for members with premium subsidy.

On May 20, 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. Under GASB 96, a lessee is required to recognize a subscription liability and an intangible right-to-use subscription asset. The District adopted GASB 87, as of July 1, 2022, which resulted in the recording of right-to-use subscription assets and related subscription liabilities.

The District is party to various subscription-based information technology arrangements that have been recorded under GASB No. 96 as Subscription Right of Use Assets using a discount rate of 3% and related Subscription Liability. The Subscription Right of Use Assets on June 30, 2025 and 2024 are reported in Financial Statements.

Compensated Absences: District policy permits employees to accumulate earned but unused sick and vacation time. A leave liability is recognized due to the leave attributable to service already rendered. Employees can use sick time during the employment period, and the District carries no liability at the termination of the employment.

This annual financial report includes the report of independent auditors, management's discussion and analysis, the basic financial statements which consist of the statement of net position, the statement of revenues, expenses and changes in net position, the statement of cash flows and notes to the financial statements.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

Following the basic financial statements and footnotes are two supplementary schedules; the Combining Statement of Net Position and the Combining Statement of Revenue, Expenses and Transfers and Changes in Net Position as of and for the year ended June 30, 2025.

Financial Highlights

The financial statements contained in this report represent the District's fiscal position as of June 30, 2025.

The current environment in the United States has presented unprecedented and complex challenges. In response, the District has implemented (or employed) our "New Day, New Way" campaign initiative designed to ensure continued access to students and the delivery of high-quality educational programs and services. This initiative has provided faculty, staff, and students with opportunities to explore innovative approaches to learning, engagement and success.

Our top priority remains the provision of exceptional educational experiences for our students. Through the dedication of our faculty and staff, we have maintained the continuity of instructional programs, student services and community engagement – while strategically aligning our limited resources to support long-term sustainability and institutional goals.

WCCCD received and utilized a total of \$32,823,675 in state and federal grant funds in FY 2025. The Federal Department of Education provided the largest portion of funding at \$28.2 million, the majority being in the form of student Pell aid at \$21.7 million. Presently, the continuation of certain federal grant programs is in uncertain.

WCCCD's two largest operational grants are the Connecting Minority Communities Pilot Program (CMC) and the ADN to BSN Completion Grant. The \$2.9 million CMC grant aims to promote digital literacy and inclusion for both students and anchor communities WCCCD services. The \$2.0 million ADN to BSN Completion Grant is a federally funded passthrough grant that provides WCCCD investments through upgrading facility and equipment. Additionally, providing outreach and recruitment for potential students interested in receiving a BSN degree once they have completed their ADN degree.

Historically low property tax valuations unrecovered from the 2008 economic downturn, increased by 8.8% in 2024/2025. Legislation to phase out and eliminate personal property tax resulted in an increase of approximately \$6.3 million in FY 2024/2025 over the prior year personal property tax reimbursement of \$5.4 million.

The District's financial position remains stable on June 30, 2025. The Net Position represents the residual interest in the District's assets after liabilities are deducted for the 2024/2025 fiscal year remains stable. As noted later in this analysis, this can be attributed to continued strong comprehensive financial management.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

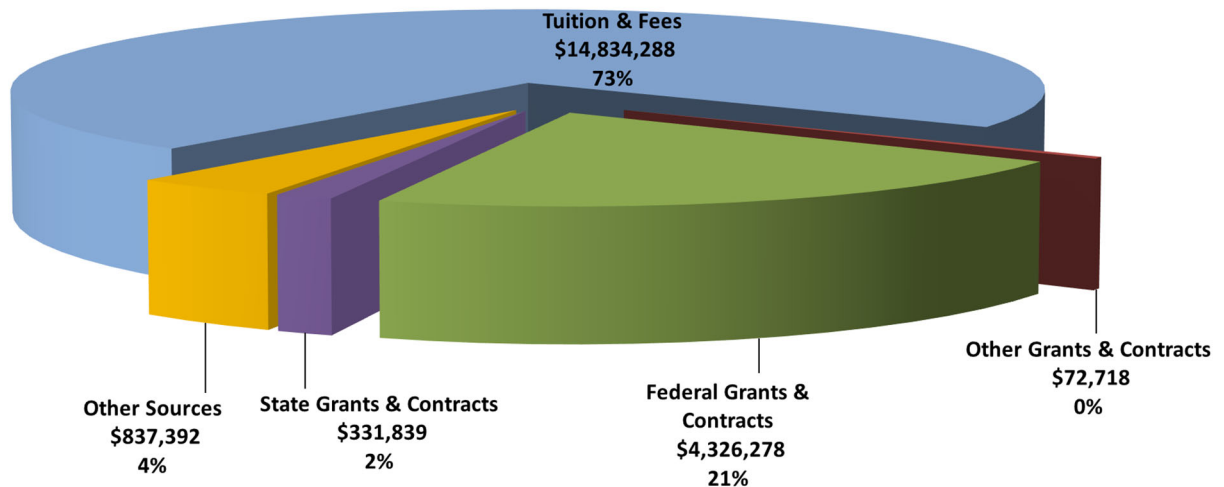
These financial statements report the value of all assets and liabilities utilizing the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. All current year revenues are recorded when that revenue has been earned and expenses are recorded when incurred regardless of when cash is received or paid. Revenues and expenses are separated into categories of operating and non-operating.

Operating Revenues

Operating revenues include all transactions that result in revenue from goods and services, such as tuition and fees, facilities, parking lots rentals, and the Curtis L. Ivery Health and Wellness Education Center membership fee.

In addition, certain federal, state and private grants are considered operating revenue if they are not for capital purposes and are considered a contract for services. Operating revenues resulted from the following activities:

Operating Revenues



- Grant and Contract revenue: Grant and Contract Revenue totaled \$4.7 million. Of this figure, the largest source was Federal Grants and Contracts at approximately \$4.3 million.
- Student Tuition and Fee revenue: In 2023/2024 year, District tuition rates were changed effective Fall 2023, (In-district \$112.00, Other Michigan Residents \$121.20, Out-of-State/International Residents \$151.80 and Other fee rates remained unchanged as all Tuition and Fee information are reported on the District website). General fund tuition revenue including financial aid scholarship elimination reported \$14.8 million in FY 2024/2025 compared to \$15.0 million in FY 2023/2024.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

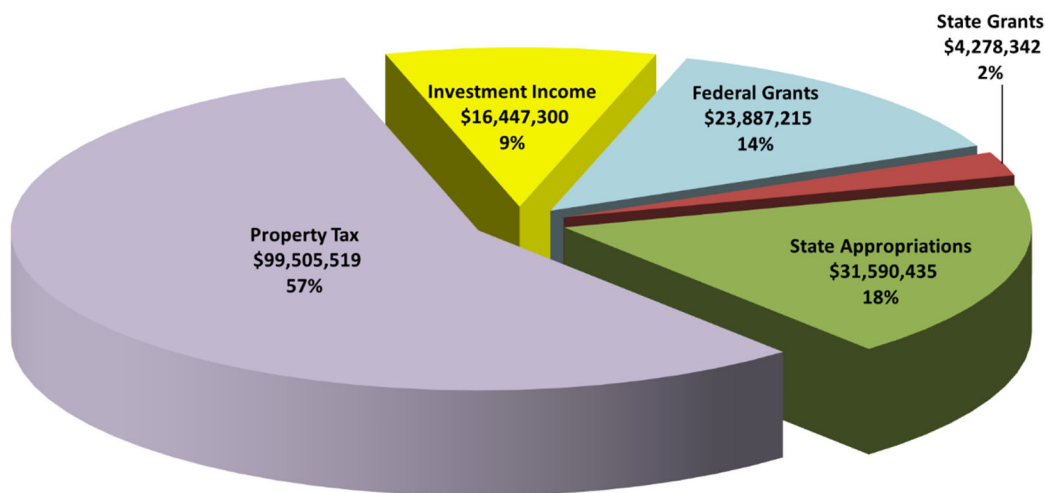
- Operating revenue from other sources includes facility rental, parking income, administration cost reimbursement and the Curtis L. Ivery Health and Wellness Education Center membership fee. These amounts accounted for \$837,392 in operating revenue as miscellaneous revenue.

Non-Operating Revenues

Non-operating revenues are all revenue sources that are not a result of District operations. They consist primarily of State appropriations, Pell and other federal and state grant revenue, property tax revenue, and investment income (including realized and unrealized gains and losses).

Major Sources of non-operating revenue were as follows:

Non-Operating Revenues



- Property taxes: \$99,505,519 in Property Tax Revenue is the result of two millage levies. In 1999 the District passed a permanent renewal of a 1.0 operating millage generating approximately \$30.7 million for the 2024/2025 fiscal year. The previous two temporary 2.25 mills were approved as a permanent millage on November 6, 2018 election. WCCCD now maintains a permanent millage authorization of 3.25 mills (adjusted as required by the Headlee amendment) taking full effect in January 2020.
- Non-Operating Federal and State Grants: Total Federal and State Grant Revenue is \$28.2 million. Of this figure, the largest source was from Federal Grants at approximately \$23.9 million. The largest sources of these federal dollars were from federal student financial aid programs such as PELL at \$21.7 million. The District experienced an increase of \$3.1 million in the use of student federal financial aid over the previous year.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

- State Appropriations: The District receives State Appropriations consisting of general operations, MPSERS UAAL, MPSERS offset and Renaissance Zone reimbursement funding. The District's general operation State appropriation was \$19,642,700 and \$19,197,900 in FY 2024/2025 and FY 2023/2024, respectively.

Unrealized gains and losses are primarily a result of market fluctuations in interest rates due to economic conditions in the United States. Unrealized gains and losses represent the fluctuation in the fair market value of investment. In FY 2023/2024, the College recorded an unrealized gain of \$3.5 million and \$4.3 million unrealized gain in FY 2024/ 2025. The net result of investment income for FY 2023/2024 is reported as \$12,285,131 compared to \$16,447,300 in FY 2024/2025.

Operating Expenses

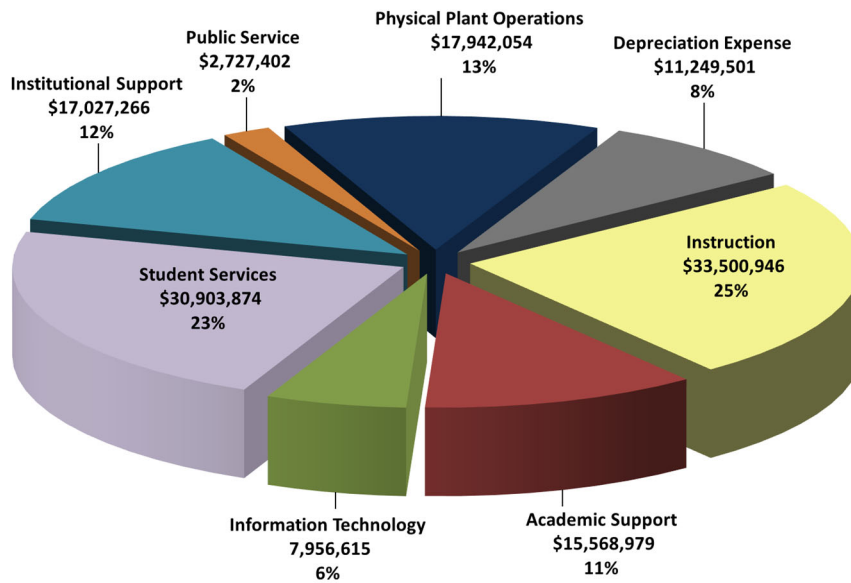
Operating Expenses are the related costs incurred in order to generate Operating Revenue. All funds operating expenses for the 2024/2025 fiscal year totaled \$136.9 million. The vast majority of operating expenses is attributed to instruction, academic support and student services activity that totals \$79,973,799.

Net Pension & OPEB Liability of \$79.0 million as of June 30, 2025 is included in the financial statements.

A change in reporting requirements for the Michigan Postsecondary Data Inventory (MPDI) report reinstated the separate reporting of institutional Information Technology (IT) expenditures effective with the 2017/2018 fiscal year.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

Operating Expenses



Statement of Cash Flows

The primary purpose of this statement is to provide information to users of these financial statements about the sources or inflow of cash, as well as the uses or outflow of cash during the fiscal year. The Statement of Cash Flows also may help users assess the flow of resources into and out of the organization, providing a better understanding of the business cycle of the District.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

Capital Asset and Debt Administration

---Capital Assets

On June 30, 2025, the District had in place approximately \$145.2 million invested in capital assets, net of accumulated depreciation of approximately \$217.1 million. Depreciation charges as adjusted totaled roughly \$11.2 million for the 2024/2025 fiscal year.

Major categories of capital assets for the 2024/2025 fiscal year were as follows:

• Buildings and Improvements	\$300,139,831
• Land and Improvements	\$10,326,627
• Equipment, Furniture and Fixture	\$39,722.138
• Infrastructure	\$8,541,002
• Library Books	\$3,199,599
• Construction In Progress	\$349,938

Economic Factors that Will Affect the Future

The District's financial position remains closely connected to the broader Federal, State, and local economic conditions. As political and economic uncertainties persist, the near future is expected to present continued challenges and obstacles.

In this environment of rising economic volatility and shifting policy landscapes, higher education institutions face mounting pressure to adapt. Key uncertainties include declining enrollment, increasing operational costs, potential reductions in federal and state funding, and changes to Pell Grant and student loan criteria. Additionally, issues such as "ghost students" — a growing form of financial aid fraud — along with cybersecurity threats, further complicate institutional operations.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

Collectively, these factors contribute to a complex and unstable environment that affects institutional stability, employee and student well-being, and long-term strategic planning.

To ensure long-term financial sustainability and maintain a standard of excellence, District leadership will continue to engage in strategic planning and prioritize initiatives related to academic programs, student services, staffing, and technology investments, aligning all efforts with current and projected financial capacity.

Since the onset of the pandemic, the District has experienced a significant decline in student enrollment; enrollment has not yet returned to pre-pandemic levels. This trend reflects historical patterns observed during previous economic downturns, when individuals facing unemployment return to school to gain new skills and improve their employment prospects in anticipation of economic recovery.

Looking ahead, the District remains committed to designing, developing, and delivering programs that prepare students with the skills and knowledge necessary to succeed in an evolving and dynamic job market.



**GREGORY
TERRELL
& COMPANY**

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Board of Trustees
Wayne County Community College District

Opinion

We have audited the accompanying financial statements of Wayne County Community College District (the "District") as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2025 and 2024, and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit 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 opinion. Reasonable assurance is a high level of assurance that is not absolute assurance and therefore is not a guarantee that an audit conducted in

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 audit 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 District'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 District'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 audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2025 the District adopted new accounting guidance, GASBS No. 101, Compensated Absences. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension system schedules of change in the District's net pension and OPEB liability and related ratios and District contributions, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who 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.

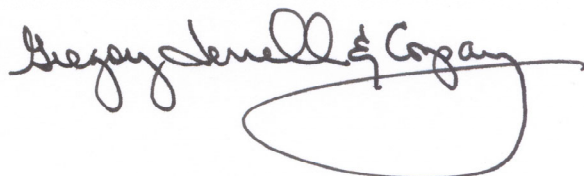
Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section and combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits 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 combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

GREGORY TERRELL & COMPANY

Certified Public Accountants

Detroit, Michigan

A handwritten signature in cursive script that reads "Gregory Terrell & Company". The signature is written in dark ink and includes a large, sweeping underline that loops back under the company name.

November 12, 2025

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
STATEMENTS OF NET POSITION
AS OF JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 48,984,256	\$ 41,064,646
Investments	298,551,321	270,308,858
Property Taxes Receivable	4,572,899	1,948,575
State Appropriations Receivable	5,368,893	5,643,057
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$7,219,099 and \$4,954,824 for 2025 and 2024, respectively	9,457,059	4,481,992
Federal and State Grants Receivable	4,889,006	4,725,157
Prepaid Expenses and Other Assets	<u>3,439,280</u>	<u>2,632,004</u>
Total Current Assets	\$ 375,262,714	\$ 330,804,289
Property and Equipment, Net	145,160,680	152,381,817
Subscription Right of Use Assets, Net	<u>764,043</u>	<u>1,444,674</u>
Total Assets	\$ 521,187,437	\$ 484,630,780
DEFERRED OUTFLOWS OF RESOURCES	<u>30,090,537</u>	<u>41,629,558</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 551,277,974</u>	<u>\$ 526,260,338</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 4,786,901	\$ 5,125,757
Accrued Payroll and Other Compensation	4,662,831	5,410,611
Subscription Liabilities - Current Portion	831,400	1,504,785
Other Liabilities	274,208	246,720
Unearned Revenue	<u>8,203,040</u>	<u>5,747,111</u>
Total Current Liabilities	\$ 18,758,380	\$ 18,034,984
Net Pension and OPEB Liability	78,970,100	127,182,179
Compensated Absences	<u>3,596,572</u>	<u>3,373,026</u>
Total Liabilities	\$ 101,325,052	\$ 148,590,189
DEFERRED INFLOWS OF RESOURCES	<u>\$ 59,984,747</u>	<u>\$ 47,082,312</u>
NET POSITION		
Invested in Capital Assets, Net of Related Debt	\$ 145,160,680	\$ 152,381,817
Subscription Right of Use Assets, Net	764,043	1,444,674
Restricted for:		
Capital Projects	20,751,976	26,353,564
Unrestricted	<u>223,291,476</u>	<u>150,407,782</u>
Total Net Position	\$ 389,968,175	\$ 330,587,837
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 551,277,974</u>	<u>\$ 526,260,338</u>

The accompanying notes are an integral part of these statements.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
REVENUES		
Operating Revenues		
Tuition and Fees (Net of Scholarship		
Allowances of \$14,599,200 and \$11,684,757, respectively)	\$ 14,834,288	\$ 14,981,062
Federal Grants and Contracts	4,326,278	3,787,351
State Grants and Contracts	331,839	260,751
Nongovernmental Grants	72,718	267,533
Miscellaneous	<u>837,392</u>	<u>677,739</u>
Total Operating Revenues	<u>\$ 20,402,515</u>	<u>\$ 19,974,436</u>
EXPENSES		
Operating Expenses		
Instruction	\$ 33,500,946	\$ 34,586,331
Information Technology	7,956,615	6,602,081
Public Service	2,727,402	2,298,306
Academic Support	15,568,979	14,921,345
Student Services	30,903,874	31,081,837
Institutional Support	17,027,266	16,947,388
Physical Plant Operations	17,942,054	16,588,928
Depreciation	<u>11,249,501</u>	<u>11,232,940</u>
Total Operating Expenses	<u>\$ 136,876,637</u>	<u>\$ 134,259,156</u>
Operating Loss	<u>\$ (116,474,122)</u>	<u>\$ (114,284,720)</u>
NON-OPERATING REVENUES (EXPENSES)		
Federal Grant Revenue	\$ 23,887,215	\$ 20,362,822
State Grant Revenue	4,278,342	4,097,872
Nongovernmental Grants	102,750	103,439
State Appropriations	31,590,435	29,670,737
Property Tax Levy	99,505,519	93,824,814
Investment Income (Loss)	16,447,300	12,285,131
Gifts and Donations	<u>42,899</u>	<u>44,586</u>
Net Non-Operating Revenues	<u>\$ 175,854,460</u>	<u>\$ 160,389,401</u>
Increase in Net Position	<u>\$ 59,380,338</u>	<u>\$ 46,104,681</u>
NET POSITION		
Net Position - Beginning of Year	<u>330,587,837</u>	<u>284,483,156</u>
Net Position - End of Year	<u>\$ 389,968,175</u>	<u>\$ 330,587,837</u>

The accompanying notes are an integral part of these statements.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuitions and Fees	\$ 12,793,615	\$ 13,836,276
Grants and Contracts	4,730,835	4,097,637
Payment to Employees	(89,248,801)	(85,186,188)
Payment to Suppliers	(62,465,221)	(53,037,637)
Other Sources of Revenue	837,392	677,739
Net Cash Used for Operating Activities	<u>\$ (133,352,180)</u>	<u>\$ (119,612,173)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal Grant Revenue	\$ 23,647,114	\$ 21,359,975
State Grant Revenue	4,250,942	3,415,609
Nongovernmental Grants	102,750	103,439
Local Property Taxes	96,881,195	95,257,061
State Appropriations	31,864,599	29,746,997
Gifts and Donations	42,899	44,586
Net Cash Provided by Noncapital Financing Activities	<u>\$ 156,789,499</u>	<u>\$ 149,927,667</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets	\$ (3,347,733)	\$ (6,150,348)
Net Cash Used for Capital and Related Financing Activities	<u>\$ (3,347,733)</u>	<u>\$ (6,150,348)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	\$ 93,808,049	\$ 66,674,710
Investment Income	11,750,420	11,844,750
Purchase of Investments	(117,728,445)	(96,614,953)
Net Cash Provided by (Used for) Investing Activities	<u>\$ (12,169,976)</u>	<u>\$ (18,095,493)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>\$ 7,919,610</u>	<u>\$ 6,069,653</u>
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>41,064,646</u>	<u>34,994,993</u>
CASH AND CASH EQUIVALENTS - End of Year	<u>\$ 48,984,256</u>	<u>\$ 41,064,646</u>

The accompanying notes are an integral part of these statements.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
BALANCE SHEET CLASSIFICATIONS OF CASH EQUIVALENTS		
Cash and Cash Equivalents	\$ 48,984,256	\$ 41,064,646
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 48,984,256</u>	<u>\$ 41,064,646</u>
 RECONCILIATION OF NET OPERATING EXPENSES TO NET CASH USED FOR OPERATING ACTIVITIES:		
Operating Loss	\$ (116,474,122)	\$ (114,284,720)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities		
Depreciation	11,249,501	11,232,940
(Increase) Decrease in Assets:		
Accounts and Grants Receivable	(4,600,254)	(1,085,213)
Prepaid Expenses and Other Assets	(807,276)	712,195
Deferred Outflows	11,539,021	12,682,100
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Liabilities	(311,368)	(1,534,921)
Accrued Payroll and Other Compensation	2,559,581	(176,737)
Unearned Revenue	(673,385)	(277,571)
Subscription Liability	(524,234)	(415,975)
Net Pension Liability	(48,212,079)	(33,102,912)
Deferred Inflows	<u>12,902,435</u>	<u>6,638,641</u>
NET CASH USED FOR OPERATING ACTIVITIES	<u>\$ (133,352,180)</u>	<u>\$ (119,612,173)</u>

The accompanying notes are an integral part of these statements.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(1) **BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

Wayne County Community College District (the “District”) is a Michigan community college. The District’s financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to public colleges and universities outlined in Governmental Accounting Standards Board (GASB) Statement No. 35 and the *Manual for Uniform Financial Reporting – Michigan Public Community Colleges, 2001*.

The District reports as a Business Type Activity, as defined by GASB Statement No. 35. Business Type Activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational or financial relationships with the District. Based on application of the criteria, the District has one component unit. A component unit is a separate legal entity that is included in the District's reporting entity because of the significance of its operational financial relationships with the District.

The WCCCD Scholarship Committee (the “Committee”) is reported as a blended component unit and is reported as part of the District's reporting entity (although it is legally separate) because it is substantially governed by individuals employed by the District, operated by the District, and was established for the sole purpose of providing support to the District.

Significant accounting policies followed by the District are described below:

Accrual Basis

The District’s financial statements have been prepared on the accrual basis of accounting, whereby revenue is recognized when earned and expenditures are recognized when the related liabilities are incurred, and certain measurement and matching criteria are met.

Subscription-Based Information Technology Arrangements

GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. Under GASB 96, a lessee is required to recognize a subscription liability and an intangible right-to-use subscription asset. The District adopted GASB 87, as of July 1, 2022, which resulted in the recording of right-to-use subscription assets and related subscription liabilities.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(1) **BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

Compensated Absences

GASB 101 updated governmental accounting standards for "*Compensated Absences*," Under GASB 101, employee benefits, such as vacation and sick leave, have a monetary value. The standard requires governments to recognize and measure liabilities for both used but unpaid leave and unused leave that meet specific criteria, aiming for a more consistent and accurate representation of government obligations. The key criteria for recognizing a liability for unused leave are that the leave must be attributable to services already rendered, it must accumulate, and it must be "more likely than not" to be used or paid out. The District adopted this standard as of July 1, 2024 and it had no impact on the reporting liability for the years ended June 30, 2025 and 2024.

WCCCD Scholarship Committee

The Committee is a nonprofit organization that reports under the provisions of Accounting Standards Codification (ASC) Topic 958, Not-for-Profit Entities. As such, certain revenue recognition criteria and presentation features are different from GASB recognition and presentation features. With the exception of necessary presentation adjustments, no modifications have been made to the committee's financial information included in the District's financial statements.

Cash and Cash Equivalents

Cash and Cash Equivalents consist of cash and highly liquid investments which mature within a three-month period.

Investments

The District's investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

Units of money market funds and municipal bonds are valued at quoted market prices, which represent the net asset value of units held by the District as of the end of the year. The fair value of U.S. government agency bonds is based upon independent pricing services, which generally includes inputs such as expected future cash flows, current market yields, prepayment expectations, reported trades, issuer spreads, bids, offers, credit quality, industry events, and economic events.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(1) **BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

Fair Value Measurements

The District uses fair value measurements in the preparation of its financial statements, which utilize various inputs, including those that can be readily observable, corroborated, or are generally unobservable. The District utilizes market-based data and valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Additionally, the District applies assumptions that market participants would use in pricing an asset or liability, including assumptions about risk.

The measurement of fair value includes a hierarchy based on the quality of inputs used to measure fair value. Financial assets and liabilities are categorized into this three-level fair value hierarchy based on the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

The various levels of the fair value hierarchy are described as follows:

- Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted market prices for identical assets and liabilities in an active market that the District has the ability to access
- Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable for substantially the full term of the asset or liability
- Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement

The use of an observable market date, when available, is required in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

Property and Equipment

Property and Equipment are recorded at cost or, if acquired by gift, at the fair market value as of the date of acquisition. Depreciation is provided for property and equipment on a straight-line basis over the estimated useful lives of the assets.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(1) **BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

Unearned Revenue

Revenue received prior to year-end that relates to the next fiscal period is recorded as unearned revenue. At June 30, 2025 unearned revenue consists of \$7,788,429 for the summer and fall semester revenue and \$414,611 relating to grants and contracts. At June 30, 2024 unearned revenue consist of \$5,348,083 for summer and fall semester revenue and \$399,029 relating to grants and contracts.

Compensated Absences

Compensated Absences represent the accumulated liability to be paid under the District's current vacation pay policy. Under the District's policy, employees earn vacation time based on number of days worked.

Deferred Outflow and Inflow of Resources

Deferred Outflow of Resources represent the consumption or usage of resources applicable to a future reporting period. These types of resources are similar to assets and have a positive effect on the Statement of Net Position. Deferred Inflow of Resources represent the acquisition of net assets applicable to a future reporting period. These types of resources are similar to liabilities and have a negative effect on the Statement of Net Position.

Revenue Recognition

Revenue from state appropriations is recognized in accordance with the accounting method described in the *Manual for Uniform Financial Reporting – Michigan Public Community Colleges, 2001*, which provides that state appropriations are recorded as revenue in the period for which such amounts are appropriated. Student tuition and related revenues and expenses of an academic semester are reported in the fiscal year in which the program is conducted.

Operating revenues of the District consist of tuition and fees, certain grants and contracts, and other educational services revenues. Transactions related to capital and financing activities, non-capital financing activities, investing activities, state appropriations, property taxes, student financial aid grants, and gifts and donations are components of non-operating revenues.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(1) **BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

Revenue Recognition (cont'd)

Property taxes are recorded and accrued as revenue based on current year collections, which approximates the amounts when levied. Property taxes are levied December 1 based on taxable values as of the preceding December 31. The taxes, which are collected and remitted to the District from Wayne County based on amounts they receive from municipalities located within the District's boundaries through February 28. Uncollected taxes are turned over by the municipalities to Wayne County for subsequent collection. The District is subsequently paid delinquent real property taxes less uncollectible amounts through Wayne County. These payments are generally received within three to five months of receipt by the County.

During the year ended June 30, 2025, \$3.2043 per \$1,000 of taxable property value in the District's taxing district was levied for general operating purposes on all property, respectively. Total operating property tax revenue was \$99.5 million and \$93.8 million for the years ended June 30, 2025 and 2024, respectively. (See Note 12)

Scholarship Allowance

Student tuition and fees revenues are reported net of scholarship allowances in the Statement of Revenues, Expenses and Changes in Net Position. Scholarship allowance is the difference between the stated charge for goods and services provided by the District, and the amount that is paid by students and/or third parties making payments on the behalf of students. Certain governmental grants (including student financial aid grants) are recorded as either operating or non-operating revenues in the District's financial statements. To the extent that revenues from such grant programs are used to satisfy tuition and fees and other student charges, the District has recorded a scholarship allowance.

Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(1) **BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

Postemployment Benefits Other Than Pensions

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(2) **CASH AND INVESTMENTS**

The District's cash and investments are included on the Statement of Net Position under the following classifications as of June 30, 2025 and 2024.

	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents	\$ 48,984,256	\$ 41,064,646
Investments	<u>298,551,321</u>	<u>270,308,858</u>
Total	<u>\$ 347,535,577</u>	<u>\$ 311,373,504</u>

The District's cash and cash equivalents, and long-term certificates of deposit (which are included as part of the District's investments) at June 30, 2025 was reflected in the accounts of the financial institutions (without recognition of checks written but not yet cleared, or of deposits in transit) at \$67,788,309. Of this amount, an estimated \$4,766,068 was covered by the Federal Deposit Insurance Corporation (FDIC) and \$63,022,241 was uninsured and uncollateralized. The District believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the District evaluates each institution it deposits District funds with and assesses the level of risk of each institution: only those institutions with an acceptable estimated risk level are used as depositories.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(2) **CASH AND INVESTMENTS** (cont'd)

Investments

The District's Fair Value hierarchy for these assets measured at fair value on a recurring basis as of June 30, 2025 and 2024 is summarized as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
2025				
Assets:				
Investments at Fair Value:				
U.S. Government Agency Securities	\$ 192,325,403	\$ -	\$ -	\$ 192,325,403
Certificates of Deposit	15,462,755	-	-	15,462,755
Michigan Municipal Bonds	90,763,163	-	-	90,763,163
	<u>\$ 298,551,321</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 298,551,321</u>

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
2024				
Assets:				
Investments at Fair Value:				
U.S. Government Agency Securities	\$ 149,701,666	\$ -	\$ -	\$ 149,701,666
Certificates of Deposit	12,426,793	-	-	12,426,793
Michigan Municipal Bonds	108,180,399	-	-	108,180,399
	<u>\$ 270,308,858</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 270,308,858</u>

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(2) **CASH AND INVESTMENTS** (cont'd)

The District has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The District is authorized by Michigan Public Act 331, as amended through 1997, to invest surplus monies in U.S. Treasury bonds, bills and notes, certain commercial paper and investment pools that are composed of authorized investment vehicles. The District has an investment policy that limits its investment choices that excludes some investments authorized by state law.

The District has a policy that places a limit on the amount the District may invest in any one financial institution. The District's investments with financial institutions at June 30, 2025 and 2024 were in compliance with the District's investment policy.

The District's investments are all in the name of the District. The investments are in the custody of each financial institution they were purchased from. Therefore, custodial risk is limited.

The District had the following individual investments that represented 5% or more of the District's investments (excluding US Treasury Securities, mutual funds and external pooled investments) as of June 30, 2025:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Home Loan Bank	Federal Agency Securities	\$ 58,595,199
Federal Farm Credit Bank	Federal Farm Credit Bank	47,564,071

The District reported net investment income of \$16,447,300 and \$12,285,131 which includes a net gain on investments of \$4,322,067 and \$3,508,535 for the years ended June 30, 2025 and 2024, respectively.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(3) PROPERTY AND EQUIPMENT

The following table presents the changes in the various fixed asset class categories for the year ended June 30, 2025:

	Beginning Balance	Additions	Transfers / Deletions	Ending Balance	Estimated Useful Life (in years)
Nondepreciable Capital Assets					
Land	\$ 6,559,998	\$ -	(44,540)	\$ 6,515,458	
Construction in Progress	131,959	184,514	33,466	349,939	
Total Nondepreciable Capital Assets	6,691,957	184,514	(11,074)	6,865,397	
Depreciable Capital Assets					
Land Improvements	3,712,889	98,280	-	3,811,169	2-25
Building and Improvements	297,891,828	2,032,768	215,234	300,139,830	5-40
Infrastructure	8,413,207	373,075	(245,280)	8,541,002	5-25
Furniture, Fixtures and Equipment	39,112,236	676,902	(67,000)	39,722,138	3-20
Library	3,176,285	23,314	-	3,199,599	10
Total Depreciable Capital Assets	352,306,445	3,204,339	(97,046)	355,413,738	
Total Capital Assets	358,998,402	3,388,853	(108,120)	362,279,135	
Less: Accumulated Depreciation / Amortization					
Land Improvements	2,400,380	263,567	-	2,663,947	
Building and Improvements	159,688,021	8,477,159	-	168,165,180	
Infrastructure	7,141,496	398,330	-	7,539,826	
Furniture, Fixture and Equipment	34,219,902	1,421,576	(67,000)	35,574,478	
Library	3,166,786	8,238	-	3,175,024	
Total Accumulated Depreciation	206,616,585	10,568,870	(67,000)	217,118,455	
Total Capital Assets, Net	\$ 152,381,818	\$ (7,180,017)	\$ (41,120)	\$ 145,160,680	

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(3) **PROPERTY AND EQUIPMENT** (cont'd)

The following table presents the changes in the various fixed asset class categories for the year ended June 30, 2024:

	Beginning Balance	Additions	Transfers / Deletions	Ending Balance	Estimated Useful Life (in years)
Nondepreciable Capital Assets					
Land	\$ 6,559,998	\$ -	\$ -	\$ 6,559,998	
Construction in Progress	10,742,443	2,386,112	(12,996,596)	131,959	
Total Nondepreciable Capital Assets	<u>17,302,441</u>	<u>2,386,112</u>	<u>(12,996,596)</u>	<u>6,691,957</u>	
Depreciable Capital Assets					
Land Improvements	3,625,747	87,142	-	3,712,889	2-25
Building and Improvements	283,004,553	2,281,257	12,606,018	297,891,828	5-40
Infrastructure	8,178,943	234,264	-	8,413,207	5-25
Furniture, Fixtures and Equipment	37,816,956	1,333,280	(38,000)	39,112,236	3-20
Library	3,176,285	-	-	3,176,285	10
Total Depreciable Capital Assets	<u>335,802,484</u>	<u>3,935,943</u>	<u>12,568,018</u>	<u>352,306,445</u>	
Total Capital Assets	<u>353,104,925</u>	<u>6,322,055</u>	<u>(428,578)</u>	<u>358,998,402</u>	
Less: Accumulated Depreciation / Amortization					
Land Improvements	2,168,596	231,784	-	2,400,380	
Building and Improvements	151,594,040	8,093,981	-	159,688,021	
Infrastructure	6,656,779	484,717	-	7,141,496	
Furniture, Fixture and Equipment	32,707,891	1,550,011	(38,000)	34,219,902	
Library	3,155,656	11,130	-	3,166,786	
Total Accumulated Depreciation	<u>196,282,962</u>	<u>10,371,623</u>	<u>(38,000)</u>	<u>206,616,585</u>	
Total Capital Assets, Net	<u>\$ 156,821,963</u>	<u>\$ (4,049,568)</u>	<u>\$ (390,578)</u>	<u>\$ 152,381,818</u>	

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(4) AGENT DEFINED BENEFIT PENSION PLAN

Plan Description

The District participates in the Michigan Public School Employees' Retirement System (MPSERS), a statewide, cost-sharing, multiple employer defined benefit public employee retirement system governed by the State of Michigan that covers most employees of the District. The System provides retirement, survivor and disability benefits to plan members and their beneficiaries. The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for MPSERS that are available at: www.michigan.gov/orsschools.

Benefits Provided

Benefit provisions of the defined benefit pension plan are established by the State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan depending on the plan option selected. Retirement benefits for DB plan members are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

A DB member or Pension Plus plan member who leaves Michigan public school employment may request a refund of their member contributions to the retirement system account. A refund cancels a former member's rights to future benefits. However, returning members who previously received a refund of their contributions may reinstate their service through repayment of the refund upon satisfaction of certain requirements.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(4) **AGENT DEFINED BENEFIT PENSION PLAN** (cont'd)

Contributions and Funded Status

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by the State statute and may be amended only by action of the State Legislature.

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2023 valuation will be amortized over a 17-year period beginning October 1, 2023 and ending September 30, 2038.

The schedule below summarizes pension contribution rates in effect for fiscal year ended 2024.

Pension Contribution Rates

Benefit Structure	Member	Employer
Basic	0.0 – 4.0%	23.03%
Member Investment Plan	3.0 – 7.0	23.03
Pension Plus	3.0 – 6.4	19.17
Pension Plus 2	6.2	20.10
Defined Contribution	0.0	13.90

Required contributions to the pension plan from the District were \$16,382,492 for the year ended September 30, 2024.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(4) **AGENT DEFINED BENEFIT PENSION PLAN** (cont'd)

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

At June 30, 2025, the District reported a liability of \$95,931,733 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 30, 2023. The District's proportionate share of the net pension liability was determined by dividing each employer's statutorily required contributions by the percent of pension contributions required from all employers during the measurement period. At September 30, 2024, the District's proportion was .3918 percent, which was a decrease of .0083 percent from its proportion measured as of September 30, 2023.

For the year ended June 30, 2025, the District recognized total pension expense of \$1,205,829. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,602,695	\$ 1,042,311
Changes of assumptions	10,001,452	7,028,762
Net difference between projected and actual earnings on pension plan investments	-	18,307,841
Changes in proportion and difference between District contributions and proportionate share contributions	-	9,213,432
Employer contributions subsequent to the measurement date	<u>13,526,768</u>	<u>-</u>
Total	<u>\$ 26,130,915</u>	<u>\$ 35,592,346</u>

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(4) AGENT DEFINED BENEFIT PENSION PLAN (cont'd)

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as reduction of the net pension liability in the year ended June 30, 2026. Other amounts as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Deferred (Inflows) and Deferred Outflows of Resources by Year
(to Be Recognized in Future Pension Expenses)

Plan Year Ended September 30	Amount
2025	(8,305,552)
2026	(1,923,540)
2027	(7,658,416)
2028	(5,400,691)

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.3%
Private Equity Pools	16.0	9.0
International Equity	15.0	6.5
Fixed Income Pools	13.0	2.2
Real Estate and Infrastructure Pools	10.0	7.1
Absolute Return Pools	9.0	5.2
Real Return/Opportunistic Pools	10.0	6.9
Short Term Investment Pools	2.0	1.4
TOTAL	100.0%	

*Long term rate of return are net of administration expenses and 2.3% inflation

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(4) **AGENT DEFINED BENEFIT PENSION PLAN** (cont'd)

Rate of Return

For the fiscal year ended September 30, 2024, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 15.47%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 6.80% was used to measure the total pension liability (6.00% for the Pension Plus plan, and 6.00% for the Pension Plus 2 plan). This discount rate was based on the long term expected rate of return on pension plan investments of 6.80% (6.00% for the Pension Plus plan, and 6.00% for the Pension Plus 2 plan). The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net District's Proportionate Share of the Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability, calculated using a discount rate of 6.00% (6.00% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan), as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher:

	Current Single Discount Rate	
1% Decrease	Assumption	1% Increase
5.00%	6.00%	7.00%
\$140,636,951	\$95,931,733	\$58,706,037

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(4) **AGENT DEFINED BENEFIT PENSION PLAN** (cont'd)

Actuarial Valuations and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions

Valuation Date:	September 30, 2023
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	2.75%
Investment Rate of Return	
-MIP and Basic Plans (Non-Hybrid):	6.00% net of investment expenses
-Pension Plus Plan (Hybrid):	6.00% net of investment expenses
-Pension Plus 2 Plan:	6.00% net of investment expenses
Projected Salary Increases	2.75 – 11.55%, including wage inflation at 2.75%
Cost-of-Living Pension Adjustments:	3% Annual Non-Compounded for MIP Members

Mortality: Retirees – PubT-2010 Male and Female Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvement using projection scale MP-2021 from 2010.

Active Members – PubT-2010 Male and Female Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(5) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Michigan Public School Employees' Retirement System (System or MPERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members— eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's health plan provides all eligible retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available on the ORS website at: www.michigan.gov/orsschools.

Benefits Provided

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(5) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (cont'd)

Public Act 300 of 2012 granted all active members of the Michigan Public School Employees Retirement System, who earned service credit in the 12 months ending September 3, 2012 or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their retirement healthcare. Any changes to a member's healthcare benefit are effective as of the member's transition date, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above or choosing not to pay the 3% contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employee contribution into their 457 account as of their transition date, earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

Contributions

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer OPEB contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2023 valuation will be amortized over a 16-year period beginning October 1, 2023 and ending September 30, 2038.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(5) **POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS** (cont'd)

The schedule below summarizes OPEB contribution rates in effect for fiscal year ended September 2024.

OPEB Contribution Rates			
Benefit Structure	Member	Employer	
Premium Subsidy	3.00%	8.31%	
Personal Healthcare Fund (PHF)	0.00%	7.06%	

Required contributions to the OPEB plan from the District were \$3,275,398 for the year ended September 30, 2024.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025, the District reported a liability of \$(16,961,633) for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 30, 2023. The District's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2024, the District's proportion was .3940 percent, a decrease of .0136 percent from the prior year proportion of .4076.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(5) **POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS** (cont'd)

For the year ending June 30, 2025, the District recognized OPEB expense (credit) of \$(7,413,607). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	-	\$17,974,151
Changes of Assumptions	\$3,704,665	\$425,821
Net difference between projected and actual earnings on OPEB plan investments	\$0	\$3,211,032
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 0	\$2,781,397
Employer contributions subsequent to the measurement date	\$254,957	-
Total	\$3,959,622	\$24,392,401

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(5) **POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS** (cont'd)

Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future OPEB Expenses)	
2025	\$(6,935,070)
2026	\$(4,260,944)
2027	\$(3,930,264)
2028	\$(3,372,134)
2029	\$(1,843,513)
Thereafter	\$(345,811)

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(5) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (cont'd)

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions

Valuation Date:	September 30, 2023
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	2.75%
Investment Rate of Return:	6.00% net of investment expenses
Projected Salary Increases:	2.75 – 11.55%, including wage inflation at 2.75%
Healthcare Cost Trend Rate:	Pre-65: 7.50% Year 1 graded to 3.5% Year 15: Post-65: 6.25% Year 1 graded to 3.5% Year 15:
Mortality:	Retirees - PubT-2010 Male and Female Mortality Tables, scaled by 116% for males and 116% for females, adjusted for mortality improvements using projection scale MP-2021 for 2010 Active Members – PubT-2010 Male and Female Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.
Other Assumptions:	
Opt Out Assumptions	21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.
Survivor Coverage	80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
Coverage Election at Retirement	75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(5) **POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS** (cont'd)

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.3%
Private Equity Pools	16.0	9.0
International Equity	15.0	6.5
Fixed Income Pools	13.0	2.0
Real Estate and Infrastructure Pools	10.0	7.1
Absolute Return Pools	9.0	5.2
Real Return/Opportunistic Pools	10.0	6.9
Short Term Investment Pools	2.0	1.4
TOTAL	100.0%	
<i>*Long-term rates of return are net of administrative expenses and 2.3% inflation.</i>		

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(5) **POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS** (cont'd)

Rate of Return

For the fiscal year ended September 30, 2024, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was 15.45%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 6.00% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on OPEB plan investments of 6.00%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of The District's proportionate share of the net OPEB liability to changes in the discount rate

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 6.95%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher:

1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
\$(13,108,090)	\$(16,961,633)	\$(20,293,428)

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(5) **POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS** (cont'd)

Sensitivity of the District's proportionate share of the net OPEB liability to Healthcare Cost Trend Rate

The following presents the District's proportionate share of the net OPEB liability calculated using assumed trend rates, as well as what the District's proportionate share of net OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$(20,293,464)	\$(16,961,633)	\$(13,388,262)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2020 MPSERS CAFR, available on the ORS website at www.michigan.gov/orsschools.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(6) LONG-TERM LIABILITIES

Long-term liabilities as of June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Net Pension Liability	\$ 95,931,733	\$ 129,488,132
Net OPEB Liability	<u>(16,961,633)</u>	<u>(2,305,953)</u>
Total Net Pension and OPEB Liabilit	<u>\$ 78,970,100</u>	<u>\$ 127,182,179</u>
Compensated Absences	<u>\$ 3,596,572</u>	<u>\$ 3,373,026</u>

(7) SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The District is party to various subscription-based information technology arrangements that have been recorded under GASB No. 96 as Subscription Right of Use assets using a discount rate of 3% and related Subscription Liability.

The Subscription Right of Use Assets at June 30, 2025 and 2024 are as follows:

	<u>2024</u>	<u>Additions</u>	<u>2025</u>
Subscription Right of Use Assets	\$ 3,663,261	\$ -	\$ 3,663,261
Accumulated Amortization	<u>(2,218,587)</u>	<u>(680,631)</u>	<u>(2,899,218)</u>
Total	<u>\$ 1,444,674</u>	<u>\$ (680,631)</u>	<u>\$ 764,043</u>

The District has recorded a related Subscription Liability at June 30, 2025 and 2024 of \$831,400 and \$1,504,785, respectively.

(8) RISK MANAGEMENT

The District is exposed to various risk of loss related to property loss, errors and omissions, workers' compensation, as well as medical benefits provided to employees. The District has purchased commercial insurance for medical benefits and workers' compensation claims and participates in the Michigan Community College Risk Management Authority ("the Authority") risk pool for all other types of claims.

The Authority risk pool program operates as a claims servicing pool for amounts up to member retention limits and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums are paid annually to the Authority and the Authority uses the premiums to pay claims up to the retention limits, the ultimate liability for those claims remains with the District.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(9) COMMITMENTS AND CONTINGENCIES

Federal and State grant and contract revenues are generally subject to review and audit by grantor agencies or their designees. Such audits could result in a request for reimbursement to grantor agencies for expenditures disallowed under the terms of the grant or contract. At June 30, 2025, the District does not anticipate any material disallowance of recognized revenues.

The District is party to various lawsuits. It is the opinion of the District's management that potential claims from the lawsuits would not have a material effect on the accompanying financial statements.

The District has received Planning Authorization approval from the State Budget Office's Department of Technology, Management and Budget, Capital Outlay Coordinator, and anticipates receiving construction approval from the State of Michigan Capital Outlay Appropriations Committee.

Our Center for Virtual Learning and Digital Careers project is to be the district-wide hub for providing state-of-the-art career education, workforce development and continuing education programs, that enable students to develop technical and professional skills critical to success in the growing digital/media production, digital communications, web design, digital photo technology, graphic design, media design, media project management, and visual arts fields. Total project costs are \$11,564,721. This project will be a Capital Outlay Authorization project through the State of Michigan that typically provides matching funds up to 50% of total project costs.

(10) WCCCD SCHOLARSHIP COMMITTEE

WCCCD Scholarship Committee ("the Committee") is an independent non-profit corporation exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code formed for the purpose of receiving funds for the sole benefit of students of the District. The assets and all activity of the Committee are reported as a blended component unit in the District's financial statements (See Note 12).

(11) RELATED PARTY TRANSACTIONS

A member of the WCCCD Scholarship Committee's Board of Directors is a principal owner of a law firm that provides services to the District. During the years ended June 30, 2025 and 2024 the District incurred legal cost with this law firm totaling \$388,027 and \$236,848, respectively. The District also incurred costs with this law firm for project management services totaling \$2,490 and \$3,336 for the years ended June 30, 2025 and 2024, respectively.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(12) CONDENSED COMBINING FINANCIAL STATEMENTS

Presented below are condensed combining financial statements of the District and the WCCCD Scholarship Committee (the "Committee") as of and for the years ended June 30, 2025 and 2024:

Combining Statements of Net Position

	2025			2024		
	<u>District</u>	<u>Committee</u>	<u>Total</u>	<u>District</u>	<u>Committee</u>	<u>Total</u>
Assets and Deferred Outflows						
Current Assets	\$ 373,202,507	\$ 2,060,207	\$ 375,262,714	\$ 328,755,487	\$ 2,048,802	\$ 330,804,289
Capital Assets and Right of Use Assets	145,924,723	-	145,924,723	153,826,491	-	153,826,491
Deferred Outflows of Resources	<u>30,090,537</u>	<u>-</u>	<u>30,090,537</u>	<u>41,629,558</u>	<u>-</u>	<u>41,629,558</u>
Total Assets and Deferred Outflows	<u>\$ 549,217,767</u>	<u>\$ 2,060,207</u>	<u>\$ 551,277,974</u>	<u>\$ 524,211,536</u>	<u>\$ 2,048,802</u>	<u>\$ 526,260,338</u>
Liabilities and Deferred Inflows						
Current Liabilities	\$ 18,442,187	\$ 316,193	\$ 18,758,380	\$ 17,642,045	\$ 392,939	\$ 18,034,984
Long-Term Liabilities	82,566,672	-	82,566,672	130,555,205	-	130,555,205
Deferred Inflows of Resources	<u>59,984,747</u>	<u>-</u>	<u>59,984,747</u>	<u>47,082,312</u>	<u>-</u>	<u>47,082,312</u>
Total Liabilities and Deferred Inflows	<u>\$ 160,993,606</u>	<u>\$ 316,193</u>	<u>\$ 161,309,799</u>	<u>\$ 195,279,562</u>	<u>\$ 392,939</u>	<u>\$ 195,672,501</u>
Net Position						
Total Net Position	<u>388,224,161</u>	<u>1,744,014</u>	<u>389,968,175</u>	<u>328,931,974</u>	<u>1,655,863</u>	<u>330,587,837</u>
Total Liabilities and Net Position	<u>\$ 549,217,767</u>	<u>\$ 2,060,207</u>	<u>\$ 551,277,974</u>	<u>\$ 524,211,536</u>	<u>\$ 2,048,802</u>	<u>\$ 526,260,338</u>

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(12) CONDENSED COMBINING FINANCIAL STATEMENTS (cont'd)

Combining Statements of Revenues, Expenses
and Changes in Net Position

	2025			2024		
	District	Committee	Total	District	Committee	Total
Operating						
Operating Revenues	\$ 20,402,515	\$ -	\$ 20,402,515	\$ 19,974,436	\$ -	\$ 19,974,436
Operating Expenses	<u>136,751,979</u>	<u>124,658</u>	<u>136,876,637</u>	<u>134,035,288</u>	<u>223,868</u>	<u>134,259,156</u>
Operating Income (Loss)	<u>\$ (116,349,464)</u>	<u>\$ (124,658)</u>	<u>\$ (116,474,122)</u>	<u>\$ (114,060,852)</u>	<u>\$ (223,868)</u>	<u>\$ (114,284,720)</u>
Non-Operating Revenues (Expenses)	<u>175,641,651</u>	<u>212,809</u>	<u>175,854,460</u>	<u>160,173,008</u>	<u>216,393</u>	<u>160,389,401</u>
Increase in Net Position	<u>\$ 59,292,187</u>	<u>\$ 88,151</u>	<u>\$ 59,380,338</u>	<u>\$ 46,112,156</u>	<u>\$ (7,475)</u>	<u>\$ 46,104,681</u>
Net Position						
Net Position - Beginning of Year	<u>328,931,974</u>	<u>1,655,863</u>	<u>330,587,837</u>	<u>282,819,818</u>	<u>1,663,338</u>	<u>284,483,156</u>
Net Position - End of Year	<u>\$ 388,224,161</u>	<u>\$ 1,744,014</u>	<u>\$ 389,968,175</u>	<u>\$ 328,931,974</u>	<u>\$ 1,655,863</u>	<u>\$ 330,587,837</u>

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(12) **CONDENSED COMBINING FINANCIAL STATEMENTS** (cont'd)

Combining Statements of Cash Flows

	2025			2024		
	District	Committee	Total	District	Committee	Total
Net Cash Provided by (Used for)						
Operating Activities	\$ (133,160,890)	\$ (191,290)	\$ (133,352,180)	\$ (119,592,072)	\$ 20,101	\$ (119,612,173)
Noncapital Financing Activities	156,657,721	131,778	156,789,499	149,927,667	-	149,927,667
Capital and Related Financing Activities	(3,347,733)	-	(3,347,733)	(6,150,348)	-	(6,150,348)
Investing Activities	<u>(11,973,458)</u>	<u>(196,518)</u>	<u>(12,169,976)</u>	<u>(17,648,644)</u>	<u>446,849</u>	<u>(18,095,493)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 8,175,640	\$ (256,030)	\$ 7,919,610	\$ 6,536,603	\$ 466,950	\$ 6,069,653
Cash and Cash Equivalents - Beginning of Year	<u>40,425,360</u>	<u>639,286</u>	<u>41,064,646</u>	<u>34,822,657</u>	<u>172,336</u>	<u>34,994,993</u>
Cash and Cash Equivalents - End of Year	<u>\$ 48,601,000</u>	<u>\$ 383,256</u>	<u>\$ 48,984,256</u>	<u>\$ 41,359,260</u>	<u>\$ 639,286</u>	<u>\$ 41,064,646</u>

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(13) **TAX ABATEMENTS**

Various municipal taxing authorities within the District's tax district provide tax abatement programs through five programs:

- **Industrial Facility Tax** - When using the Industrial Facility Tax, a community may reduce the property tax millage rate by 50% for up to 12 years where the project involves building new plants, expansion of existing plants, renovation of aging plants, or addition of new machinery and equipment.
- **Brownfield Tax Increment Financing Districts** - Tax increment financing (TIF) provides a means for an eligible district, area, or property to capture increases in property tax revenue from other taxing authorities to help fund certain eligible activities. This is accomplished by freezing the district's property values at a baseline value at the time the TIF capture is approved. Any increase in property taxes that results from activities such as new construction, property improvements, or a property's increased market valuation remain with the TIF authority to fund eligible costs. A Brownfield is the redevelopment of contaminated, blighted, or functionally obsolete properties using the tax increment financing to fund eligible cleanup and redevelopment activities.
- **Neighborhood Enterprise Zones** - The Neighborhood Enterprise Zone Act (NEZ), PA 147 of 1992, as amended, provides for the development and rehabilitation of residential housing located within eligible distressed communities. A community will reduce the taxes on property for up to 15 years in designated areas to promote the revitalization of those neighborhoods. Developers and owners must first seek approval for the NEZ benefits before starting a project. There are two different types of projects that can be undertaken in an NEZ: including a rehabilitation project or a new facility.
- **Obsolete Property Rehabilitation Act** - Under the Obsolete Property Rehabilitation Act, a community may freeze the existing taxable value of a designated facility for up to 12 years where the project involves the development of a functionally obsolete property into a commercial or mixed-use development.
- **Renaissance Zone** - The Renaissance Zone program is a collaborative effort between the City of Detroit, the County of Wayne, and the State of Michigan to give tax incentives to residents and businesses. The City of Detroit has designated eighteen areas as Renaissance Zones. This program works to encourage economic stability and development within the eight designated areas of the City. The resident or business must be physically located within one of the sixteen sub-zones and must be qualified.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024
(Continued)

(14) SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 12, 2025, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

In July 2025, the Board of Trustees approved the Mary Ellen Stemple University Center and Center for Learning Construction Expansion Project at an estimated cost of between \$13 million to \$18.0 million.

In September 2025, the District purchased real property, located at 19625 Vernier Road for approximately \$4.9 million.

In October 2025, the District purchased real property located at 19233 Vernier Road for approximately \$2.5 million.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025

	<u>General Fund</u>	<u>Restricted Fund</u>	<u>Pension Liability Fund</u>	<u>Plant Fund</u>	<u>Combined Total 2025</u>
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 48,508,631	\$ 450,965	\$ -	\$ 24,660	\$ 48,984,256
Investments	274,270,648	1,676,951	-	22,603,722	298,551,321
Property Taxes Receivable	4,572,899	-	-	-	4,572,899
State Appropriations Receivable	4,569,295	-	799,598	-	5,368,893
Accounts Receivable, Net	9,291,004	9,504	-	156,551	9,457,059
Federal/State Grants Receivable	-	4,889,006	-	-	4,889,006
Prepaid Expenses and Other Assets	3,436,724	-	-	2,556	3,439,280
Due from (to) other funds	<u>(143,565,627)</u>	<u>(4,168,959)</u>	<u>149,515,760</u>	<u>(1,781,174)</u>	<u>-</u>
Total Current Assets	\$ 201,083,574	\$ 2,857,467	\$ 150,315,358	\$ 21,006,315	\$ 375,262,714
Property and Equipment					
Land and Improvements	\$ -	\$ -	\$ -	\$ 10,326,627	\$ 10,326,627
Infrastructure	-	-	-	8,541,002	8,541,002
Building and Improvements	-	-	-	300,139,831	300,139,831
Equipment	-	-	-	42,921,737	42,921,737
Construction in Progress	-	-	-	349,938	349,938
Accumulated Depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>(217,118,455)</u>	<u>\$ (217,118,455)</u>
Total Property and Equipment, Net	\$ -	\$ -	\$ -	\$ 145,160,680	\$ 145,160,680
Subscriptions Right of Use Assets					
Accumulated Amortization	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,899,218)</u>	<u>(2,899,218)</u>
Total Subscription Right of Use Assets, Net	\$ -	\$ -	\$ -	\$ 764,043	\$ 764,043
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>30,090,537</u>	<u>-</u>	<u>30,090,537</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 201,083,574</u>	<u>\$ 2,857,467</u>	<u>\$ 180,405,895</u>	<u>\$ 166,931,038</u>	<u>\$ 551,277,974</u>

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025
(Continued)

	<u>General</u> <u>Fund</u>	<u>Restricted</u> <u>Fund</u>	<u>Pension Liability</u> <u>Fund</u>	<u>Plant</u> <u>Fund</u>	<u>Combined</u> <u>Total</u> <u>2025</u>
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 3,797,155	\$ 735,407	\$ -	\$ 254,339	\$ 4,786,901
Accrued Payroll	4,662,831	-	-	-	4,662,831
Subscription Liabilities	831,400	-	-	-	831,400
Other Liabilities	274,208	-	-	-	274,208
Unearned Revenue	<u>7,834,724</u>	<u>368,316</u>	<u>-</u>	<u>-</u>	<u>8,203,040</u>
Total Current Liabilities	\$ 17,400,318	\$ 1,103,723	\$ -	\$ 254,339	\$ 18,758,380
Net Pension and OPEB Liability	-	-	78,970,100	-	78,970,100
Compensated Absences	<u>3,596,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,596,572</u>
Total Liabilities	<u>\$ 20,996,890</u>	<u>\$ 1,103,723</u>	<u>\$ 78,970,100</u>	<u>\$ 254,339</u>	<u>\$ 101,325,052</u>
DEFERRED INFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,984,747</u>	<u>\$ -</u>	<u>\$ 59,984,747</u>
Net Position					
Invested in Capital Assets, Net of Related Debt	\$ -	\$ -	\$ -	\$ 145,160,680	\$ 145,160,680
Subscription Right of Use Assets, Net	-	-	-	764,043	764,043
Restricted For					
Capital Projects	-	-	-	20,751,976	20,751,976
Unrestricted	<u>180,086,684</u>	<u>1,753,744</u>	<u>41,451,048</u>	<u>-</u>	<u>223,291,476</u>
Total Net Position	<u>\$ 180,086,684</u>	<u>\$ 1,753,744</u>	<u>\$ 41,451,048</u>	<u>\$ 166,676,699</u>	<u>\$ 389,968,175</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 201,083,574</u>	<u>\$ 2,857,467</u>	<u>\$ 180,405,895</u>	<u>\$ 166,931,038</u>	<u>\$ 551,277,974</u>

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, TRANSFERS AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	Combined Total 2025	<u>Elimination</u>	General <u>Fund</u>	Restricted <u>Fund</u>	Pension Liability <u>Fund</u>	Plant <u>Fund</u>
REVENUES						
Operating Revenues						
Tuition and Fees (net of scholarship allowances)	\$ 14,834,288	\$ (14,599,200)	\$ 29,433,488	\$ -	\$ -	\$ -
Federal Grants and Contracts	4,326,278	-	-	4,326,278	-	-
State Grants and Contracts	331,839	-	-	331,839	-	-
Nongovernmental Grants	72,718	(51,860)	47,241	77,337	-	-
Miscellaneous	<u>837,392</u>	<u>(116,177)</u>	<u>953,569</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Revenues	<u>\$ 20,402,515</u>	<u>\$ (14,767,237)</u>	<u>\$ 30,434,298</u>	<u>\$ 4,735,454</u>	<u>\$ -</u>	<u>\$ -</u>
 EXPENSES						
Operating Expenses						
Instruction	\$ 33,500,946	\$ -	\$ 37,664,218	\$ 2,087,023	\$ (6,250,295)	\$ -
Information Technology	7,956,615	-	7,679,897	1,143,941	(867,223)	-
Public Service	2,727,402	-	2,791,450	-	(64,048)	-
Academic Support	15,568,979	(25,676)	17,612,542	1,094,002	(3,111,889)	-
Student Services	30,903,874	(14,600,851)	20,937,300	27,911,072	(3,343,647)	-
Institutional Support	17,027,266	(140,710)	19,632,738	545,399	(3,010,161)	-
Physical Plant Operations	17,942,054	-	19,445,545	246,985	(1,750,476)	-
Depreciation	<u>11,249,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,249,501</u>
Total Operating Expenses	<u>\$ 136,876,637</u>	<u>\$ (14,767,237)</u>	<u>\$ 125,763,690</u>	<u>\$ 33,028,422</u>	<u>\$ (18,397,739)</u>	<u>\$ 11,249,501</u>
Operating Income (Loss)	<u>\$ (116,474,122)</u>	<u>\$ -</u>	<u>\$ (95,329,392)</u>	<u>\$ (28,292,968)</u>	<u>\$ 18,397,739</u>	<u>\$ (11,249,501)</u>

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, TRANSFERS AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025
(Continued)

	Combined Total 2025	<u>Elimination</u>	General <u>Fund</u>	Restricted <u>Fund</u>	Pension Liability <u>Fund</u>	Plant <u>Fund</u>
NON-OPERATING REVENUES (EXPENSES)						
Federal Grant Revenue	\$ 23,887,215	\$ -	\$ -	\$ 23,887,215	\$ -	\$ -
State Grant Revenue	4,278,342	-	-	4,278,342	-	-
Nongovernmental Grants	102,750	-	-	102,750	-	-
State Appropriations	31,590,435	-	26,217,551	-	5,372,884	-
Property Tax Levy	99,505,519	-	99,505,519	-	-	-
Investment Income (Loss)	16,447,300	-	18,629,738	71,417	-	(2,253,855)
Gifts and Donations	42,899	-	1,000	41,899	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Non-Operating Revenues	\$ 175,854,460	\$ -	\$ 144,353,808	\$ 28,381,623	\$ 5,372,884	\$ (2,253,855)
Net Increase (Decrease) in Net Position	\$ 59,380,338	\$ -	\$ 49,024,416	\$ 88,655	\$ 23,770,623	\$ (13,503,356)
Net Position - Beginning of Year	<u>330,587,837</u>	<u>-</u>	<u>131,062,268</u>	<u>1,665,089</u>	<u>17,680,425</u>	<u>180,180,055</u>
Net Position - End of Year	<u>\$ 389,968,175</u>	<u>\$ -</u>	<u>\$ 180,086,684</u>	<u>\$ 1,753,744</u>	<u>\$ 41,451,048</u>	<u>\$ 166,676,699</u>

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024

	<u>General Fund</u>	<u>Restricted Fund</u>	<u>Pension Liability Fund</u>	<u>Plant Fund</u>	Combined Total 2024
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 40,126,751	\$ 776,996	\$ -	\$ 160,899	\$ 41,064,646
Investments	238,473,211	1,409,516	-	30,426,131	270,308,858
Property Taxes Receivable	1,948,575	-	-	-	1,948,575
State Appropriations Receivable	4,249,331	-	1,393,726	-	5,643,057
Accounts Receivable, Net	4,309,284	-	-	172,708	4,481,992
Federal/State Grants Receivable	-	4,725,157	-	-	4,725,157
Prepaid Expenses and Other Assets	2,632,004	-	-	-	2,632,004
Due from (to) other funds	<u>\$ (141,428,471)</u>	<u>\$ (4,051,899)</u>	<u>\$ 148,921,632</u>	<u>\$ (3,441,262)</u>	<u>-</u>
Total Current Assets	\$ 150,310,685	\$ 2,859,770	\$ 150,315,358	\$ 27,318,476	\$ 330,804,289
Property and Equipment					
Land and Improvements	\$ -	\$ -	\$ -	\$ 10,272,887	\$ 10,272,887
Infrastructure	-	-	-	8,413,207	8,413,207
Building and Improvements	-	-	-	297,891,828	297,891,828
Equipment	-	-	-	42,288,520	42,288,520
Construction in Progress	-	-	-	131,959	131,959
Accumulated Depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>(206,616,584)</u>	<u>\$ (206,616,584)</u>
Total Property and Equipment, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 152,381,817</u>	<u>\$ 152,381,817</u>
Subscriptions Right of Use Assets					
Accumulated Amortization	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,218,587)</u>	<u>(2,218,587)</u>
Total Subscription Right of Use Assets, Net	\$ -	\$ -	\$ -	\$ 1,444,674	\$ 1,444,674
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>41,629,558</u>	<u>-</u>	<u>41,629,558</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 150,310,685</u>	<u>\$ 2,859,770</u>	<u>\$ 191,944,916</u>	<u>\$ 181,144,967</u>	<u>\$ 526,260,338</u>

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024
(Continued)

	General Fund	Restricted Fund	Pension Liability Fund	Plant Fund	Combined Total 2024
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 3,189,918	\$ 970,927	\$ -	\$ 964,912	\$ 5,125,757
Accrued Payroll	5,410,611	-	-	-	5,410,611
Subscription Liabilities - Current Portion	1,504,785	-	-	-	1,504,785
Other Liabilities	246,720	-	-	-	246,720
Unearned Revenue	<u>5,523,357</u>	<u>223,754</u>	<u>-</u>	<u>-</u>	<u>5,747,111</u>
Total Current Liabilities	\$ 15,875,391	\$ 1,194,681	\$ -	\$ 964,912	\$ 18,034,984
Net Pension and OPEB Liability	-	-	127,182,179	-	127,182,179
Compensated Absences	<u>3,373,026</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,373,026</u>
Total Liabilities	\$ 19,248,417	\$ 1,194,681	\$ 127,182,179	\$ 964,912	\$ 148,590,189
DEFERRED INFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,082,312</u>	<u>\$ -</u>	<u>\$ 47,082,312</u>
Net Position					
Invested in Capital Assets, Net of Related Debt	\$ -	\$ -	\$ -	\$ 152,381,817	\$ 152,381,817
Subscription Right of Use Assets, Net	-	-	-	1,444,674	1,444,674
Restricted For					
Capital Projects	-	-	-	26,353,564	26,353,564
Unrestricted	<u>131,062,268</u>	<u>1,665,089</u>	<u>17,680,425</u>	<u>-</u>	<u>150,407,782</u>
Total Net Position	\$ 131,062,268	\$ 1,665,089	\$ 17,680,425	\$ 180,180,055	\$ 330,587,837
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 150,310,685</u>	<u>\$ 2,859,770</u>	<u>\$ 191,944,916</u>	<u>\$ 181,144,967</u>	<u>\$ 526,260,338</u>

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, TRANSFERS AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024
(Continued)

	Combined Total 2024	<u>Elimination</u>	General <u>Fund</u>	Restricted <u>Fund</u>	Pension Liability <u>Fund</u>	Plant <u>Fund</u>
REVENUES						
Operating Revenues						
Tuition and Fees (net of scholarship allowances)	\$ 14,981,062	\$ (11,684,757)	\$ 26,665,819	\$ -	\$ -	\$ -
Federal Grants and Contracts	3,787,351	-	-	3,787,351	-	-
State Grants and Contracts	260,751	-	-	260,751	-	-
Nongovernmental Grants	267,533	(725,677)	220,749	772,461	-	-
Miscellaneous	<u>677,739</u>	<u>(136,466)</u>	<u>814,205</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Revenues	<u>\$ 19,974,436</u>	<u>\$ (12,546,900)</u>	<u>\$ 27,700,773</u>	<u>\$ 4,820,563</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENSES						
Operating Expenses						
Instruction	\$ 34,586,331	\$ (674,849)	\$ 34,480,324	\$ 2,856,503	\$(2,075,647)	\$ -
Information Technology	6,602,081	-	6,348,226	525,311	(271,456)	-
Public Service	2,298,306	-	2,305,655	-	(7,349)	-
Academic Support	14,921,345	(16,255)	14,775,731	1,203,623	(1,041,754)	-
Student Services	31,081,837	(11,757,231)	19,799,729	24,176,382	(1,137,043)	-
Institutional Support	16,947,388	(98,565)	17,336,913	716,416	(1,007,376)	-
Physical Plant Operations	16,588,928	-	17,138,080	26,892	(576,044)	-
Depreciation	<u>11,232,940</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,232,940</u>
Total Operating Expenses	<u>\$ 134,259,156</u>	<u>\$ (12,546,900)</u>	<u>\$ 112,184,658</u>	<u>\$ 29,505,127</u>	<u>\$ (6,116,669)</u>	<u>\$ 11,232,940</u>
Operating Income (Loss)	<u>\$ (114,284,720)</u>	<u>\$ -</u>	<u>\$ (84,483,885)</u>	<u>\$ (24,684,564)</u>	<u>\$ 6,116,669</u>	<u>\$ (11,232,940)</u>

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, TRANSFERS AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

(Continued)

	Combined Total 2024	<u>Elimination</u>	General <u>Fund</u>	Restricted <u>Fund</u>	Pension Liability <u>Fund</u>	Plant <u>Fund</u>
NON-OPERATING REVENUES (EXPENSES)						
Federal Grant Revenue	\$ 20,362,822	\$ -	\$ -	\$ 20,362,822	\$ -	\$ -
State Grant Revenue	4,097,872	-	-	4,097,872	-	-
Nongovernmental Grants	103,439	-	-	103,439	-	-
State Appropriations	29,670,737	-	22,005,235	-	7,665,502	-
Property Tax Levy	93,824,814	-	93,824,814	-	-	-
Other Income - HEERF	-	-	-	-	-	-
Investment Income	12,285,131	-	14,658,304	68,869	-	(2,442,042)
Gifts and Donations	44,586	-	-	44,586	-	-
Net Non-Operating Revenues	<u>\$ 160,389,401</u>	<u>\$ -</u>	<u>\$ 130,488,353</u>	<u>\$ 24,677,588</u>	<u>\$ 7,665,502</u>	<u>\$ (2,442,042)</u>
Net Increase (Decrease) in Net Position	\$ 46,104,681	\$ -	\$ 46,004,468	\$ (6,976)	\$ 13,782,171	\$ (13,674,982)
Net Position - Beginning of Year	<u>284,483,156</u>	<u>-</u>	<u>85,057,800</u>	<u>1,672,065</u>	<u>3,898,254</u>	<u>193,855,037</u>
Net Position - End of Year	<u>\$ 330,587,837</u>	<u>\$ -</u>	<u>\$ 131,062,268</u>	<u>\$ 1,665,089</u>	<u>\$ 17,680,425</u>	<u>\$ 180,180,055</u>

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
REQUIRED SUPPLEMENTAL PENSION INFORMATION
JUNE 30, 2025

Schedule of Wayne County Community College District's
Proportionate Share of the Net Pension Liability

Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Amounts were determined as of September 30, of each fiscal year, in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of net pension liability (%)	<u>0.39184%</u>	<u>0.40007%</u>	<u>0.40272%</u>	<u>0.45505%</u>	<u>0.47140%</u>	<u>0.48979%</u>	<u>0.50121%</u>	<u>0.50770%</u>	<u>0.50057%</u>	<u>0.49019%</u>
District's proportionate share of net pension liability	<u>\$ 95,932</u>	<u>\$129,488</u>	<u>\$151,460</u>	<u>\$107,734</u>	<u>\$161,935</u>	<u>\$162,203</u>	<u>\$150,675</u>	<u>\$131,569</u>	<u>\$124,887</u>	<u>\$119,228</u>
District's covered-employee payroll (gross wages)	<u>\$ 41,531</u>	<u>\$ 40,741</u>	<u>\$ 40,513</u>	<u>\$ 39,629</u>	<u>\$ 40,805</u>	<u>\$ 42,241</u>	<u>\$ 42,157</u>	<u>\$ 42,960</u>	<u>\$ 41,930</u>	<u>\$ 41,723</u>
District's proportionate share of net pension liability as a percentage of its covered-employee payroll	<u>231%</u>	<u>315%</u>	<u>374%</u>	<u>272%</u>	<u>397%</u>	<u>384%</u>	<u>357%</u>	<u>306%</u>	<u>298%</u>	<u>285%</u>
Plan fiduciary net position as a percentage of total pension liability	<u>74.44%</u>	<u>65.91%</u>	<u>60.77%</u>	<u>72.60%</u>	<u>59.72%</u>	<u>60.31%</u>	<u>62.12%</u>	<u>64.21%</u>	<u>63%</u>	<u>62.92%</u>

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
REQUIRED SUPPLEMENTAL PENSION INFORMATION
JUNE 30, 2025

Reporting Unit Contributions

Schedule of Wayne County Community District's Contributions
Michigan Public School Employees Retirement Plan
Last 10 Reporting Unit fiscal years (July 1 – June 30, in thousands)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contributions	\$ 16,382	\$ 14,419	\$ 13,707	\$ 13,663	\$ 11,955	\$ 13,012	\$ 13,648	\$ 11,908	\$ 11,240	\$ 9,456
Contributions in relation to statutorily required contributions	<u>\$ 11,207</u>	<u>\$ 16,412</u>	<u>\$ 17,410</u>	<u>\$ 12,315</u>	<u>\$ 11,023</u>	<u>\$ 13,537</u>	<u>\$ 13,638</u>	<u>\$ 13,837</u>	<u>\$ 12,878</u>	<u>\$ 16,514</u>
Contribution deficiency (excess)	<u>\$ 5,175</u>	<u>\$ (1,993)</u>	<u>\$ (3,703)</u>	<u>\$ 1,348</u>	<u>\$ 932</u>	<u>\$ (525)</u>	<u>\$ 10</u>	<u>\$ (1,929)</u>	<u>\$ (1,638)</u>	<u>\$ (7,058)</u>
Reporting unit's covered-employee payroll	<u>\$ 42,657</u>	<u>\$ 41,310</u>	<u>\$ 40,380</u>	<u>\$ 39,227</u>	<u>\$ 39,278</u>	<u>\$ 41,897</u>	<u>\$ 42,089</u>	<u>\$ 42,452</u>	<u>\$ 43,844</u>	<u>\$ 41,723</u>
Contributions as a percentage of covered-employee payroll	<u>26.3%</u>	<u>39.7%</u>	<u>43.1%</u>	<u>31.3%</u>	<u>28.0%</u>	<u>32.3%</u>	<u>32.4%</u>	<u>32.6%</u>	<u>29.4%</u>	<u>39.6%</u>

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
REQUIRED SUPPLEMENTAL OPEB INFORMATION
JUNE 30, 2025

Reporting Unit Contributions

Schedule of Wayne County Community District's Proportionate Share of the Net OPEB Liability
Michigan Public School Employees Retirement Plan
Last 10 Reporting Unit fiscal years (Amounts were determined as of September 30 of each fiscal year)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of net OPEB liability (%)	<u>0.3940%</u>	<u>40.7600%</u>	<u>41.6600%</u>	<u>0.4372%</u>	<u>0.4589%</u>	<u>0.4820%</u>	<u>0.4934%</u>	<u>0.5080%</u>
District's proportionate share of net OPEB liability	<u>\$(16,961,633)</u>	<u>\$ (2,305,953)</u>	<u>\$ 8,825,339</u>	<u>\$ 6,673,095</u>	<u>\$ 24,584,224</u>	<u>\$ 34,597,740</u>	<u>\$ 38,218,787</u>	<u>\$ 44,981,811</u>
District's covered-employee payroll (gross wages)	<u>\$ 41,531,199</u>	<u>\$ 40,741,016</u>	<u>\$ 40,512,857</u>	<u>\$ 39,629,220</u>	<u>\$ 40,805,192</u>	<u>\$ 42,241,145</u>	<u>\$ 42,157,393</u>	<u>\$ 42,960,528</u>
District's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	<u>-40.540%</u>	<u>-5.660%</u>	<u>21.780%</u>	<u>16.800%</u>	<u>60.247%</u>	<u>81.905%</u>	<u>93.029%</u>	<u>104.705%</u>
Plan fiduciary net position as a percentage of total OPEB liability	<u>143.08%</u>	<u>105.04%</u>	<u>87.33%</u>	<u>87.33%</u>	<u>59.44%</u>	<u>48.46%</u>	<u>43.10%</u>	<u>36.39%</u>

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
REQUIRED SUPPLEMENTAL OPEB INFORMATION
JUNE 30, 2025

Reporting Unit Contributions

Schedule of Wayne County Community District's OPEB Contributions

Michigan Public School Employees Retirement Plan

Last 10 Reporting Unit fiscal years (Amounts were determined as of June 30 of each fiscal year)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required OPEB contributions	<u>\$ 3,275,398</u>	<u>\$ 3,175,414</u>	<u>\$ 3,173,918</u>	<u>\$ 3,245,420</u>	<u>\$ 3,242,206</u>	<u>\$ 3,309,544</u>	<u>\$ 3,202,532</u>	<u>\$ 3,954,643</u>
OPEB contributions in relation to statutorily required contributions	<u>\$ 1,103,331</u>	<u>\$ 3,233,303</u>	<u>\$ 3,099,838</u>	<u>\$ 3,108,718</u>	<u>\$ 2,995,623</u>	<u>\$ 3,440,133</u>	<u>\$ 2,451,353</u>	<u>\$ 3,052,326</u>
Contribution deficiency (excess)	<u>\$ 2,172,067</u>	<u>\$ (57,889)</u>	<u>\$ 74,080</u>	<u>\$ 136,702</u>	<u>\$ 246,583</u>	<u>\$ (130,589)</u>	<u>\$ 751,179</u>	<u>\$ 902,317</u>
Reporting unit's covered-employee payroll	<u>\$ 42,657,024</u>	<u>\$ 41,310,086</u>	<u>\$ 40,380,137</u>	<u>\$ 39,226,968</u>	<u>\$ 39,278,359</u>	<u>\$ 41,896,791</u>	<u>\$ 42,089,111</u>	<u>\$ 42,452,512</u>
Contributions as a percentage of covered-employee payroll	<u>2.59%</u>	<u>7.83%</u>	<u>7.68%</u>	<u>7.90%</u>	<u>7.63%</u>	<u>8.21%</u>	<u>5.82%</u>	<u>7.19%</u>



**GREGORY
TERRELL
& COMPANY**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS**

To the Board of Trustees
Wayne County Community College District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Wayne County Community College District (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 12, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

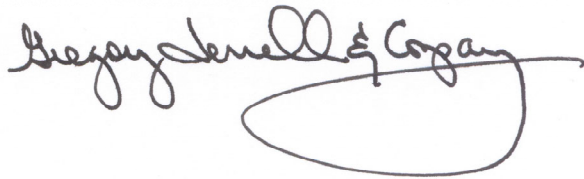
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

GREGORY TERRELL & COMPANY

Certified Public Accountants
Detroit, Michigan

A handwritten signature in cursive script that reads "Gregory Terrell & Company". The signature is written in dark ink and includes a large, sweeping underline that loops back under the text.

November 12, 2025



**GREGORY
TERRELL
& COMPANY**

November 12, 2025

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, 2025, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, 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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given those limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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
Detroit, Michigan



**GREGORY
TERRELL
& COMPANY**

November 12, 2025

To the Board of Trustees of
Wayne County Community College District

We have audited the financial statements of Wayne County Community College District for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 9, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Wayne County Community College District are described in Note 1 to the financial statements. GASB No. 101, *Compensated Absences*, was adopted during the year ended June 30, 2025, and had no impact on the reported liability. We noted no transactions entered into by Wayne County Community College District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The District's significant estimates center around the allowance for doubtful accounts and the actuarial assumptions used in determining pension and OPEB expenses, inflows/outflows of resources and pension and OPEB liabilities.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 12, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Wayne County Community College District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

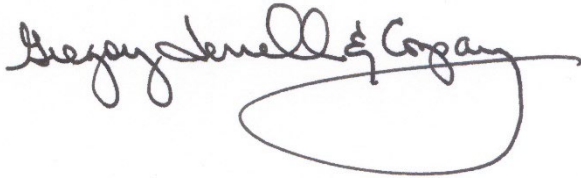
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Wayne County Community College District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

We were engaged to report on the Supplemental Pension Information which accompanies the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Trustees and management of Wayne County Community College District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Gregory Terrell & Company". The signature is written in a cursive style with a large, sweeping underline that loops back under the word "Company".

GREGORY TERRELL & COMPANY

Certified Public Accountants

Detroit, Michigan