WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025
TOGETHER WITH INDEPENDENT AUDITORS' REPORT

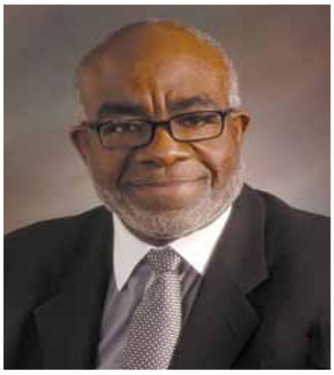


Wayne County Community College Culinary Arts & Hospitality Center

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
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CHANCELLOR'S MESSAGE



Wayne county Community College District continues its story of growth and resilience. Our focus has been centered on excellent financial stewardship and student success.

While the external environment continues to exert pressure on community colleges across the nation, WCCCD has responded with agility and creativity to navigate every turn. Our operational procedures are built on our fundamental pillars of transparency and accountability, which allows us to respond to challenges effectively.

The student learning experience is of the highest importance. Our strategic planning process yields priorities for all our financial resources. The Capital Improvement Program - which directly impacts the student experience and needs financial resources - is crafted and executed meticulously. This has been a prerequisite, especially during the years when the District experienced significant growth in terms of students, programs and courses.

Deferred maintenance follows the same measures for much the same reasons. In a multi-campus District, physical facilities are maintained well to provide a safe, secure, modern and technologically advanced learning environment.

The rate of advancement of technology has compelled WCCCD to invest in and upgrade existing systems. While the positive impact of this is abundantly clear in our daily operations and management, the District has a mechanism of tightly monitoring these investments.

Cost effective measures are implemented when, like most other community colleges in the country, WCCCD too, is faced with revenue fluctuations. This balancing act is accomplished in a responsible and transparent manner because even if the process is tedious and exacting, the District recognizes that the focus is on sustainable excellence.

Many decades from now, thousands of students can continue to turn to us to pave the path to a more secure and stable future, fortified with a strong career. Just like they do today.

Thank you,

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

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT BOARD OF

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

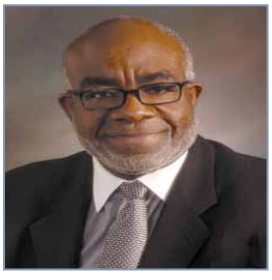


James J. Wagner
Member
District 7



Susan C. Steeby
Member
District 8

Dr. Curtis L. Ivery Chancellor



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, 2026. 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.

Overview of the Financial Statements

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 (MPSERS) 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, 2026.

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 MPSERS participating employer, the District will record the actuarial determined proportionate share of the net pension liability. MPSERS 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.

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 (MPSERS).

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 MPSERS, 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 MPSERS 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, 2026 and 2025 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.

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, 2026.

Financial Summary

The financial statements contained in this report represent the District's fiscal position as of June 30, 2026**.**

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.

During the fiscal year ended June 30, 2026, the Wayne County Community College District (WCCCD) received and utilized a total of $31,037,216 in state and federal grant awards. The U.S. Federal Government provides the District's largest funding source, contributing $26.6 million, which primarily consisted of $21.1 million in student federal Pell Grant aid.

The District's three largest federal operating grants—the Connecting Minority Communities (CMC) Pilot Program, the Associate Degree in Nursing (ADN) to Bachelor of Science in Nursing (BSN) Completion Grant, and the Horizontal Infrastructure Training Center Grant—collectively totaled $1.3 million. These targeted federal awards provide the necessary resources to advance specialized workforce education, modern infrastructure training, and equitable academic pathways for the diverse student body across the District.

Historically low property tax valuations unrecovered from the 2008 economic downturn, increased by 5.3% in 2025/2026. Legislation to phase out and eliminate personal property tax resulted in an increase of approximately $7.1 million in FY 2025/2026 over the prior year personal property tax reimbursement of $6.3 million.
The District's financial position remains stable on June 30, 2026. The Net Position represents the residual interest in the District's assets after liabilities are deducted for the 2025/2026 fiscal year remains stable. As noted later in this analysis, this can be attributed to continued strong comprehensive financial management.

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.

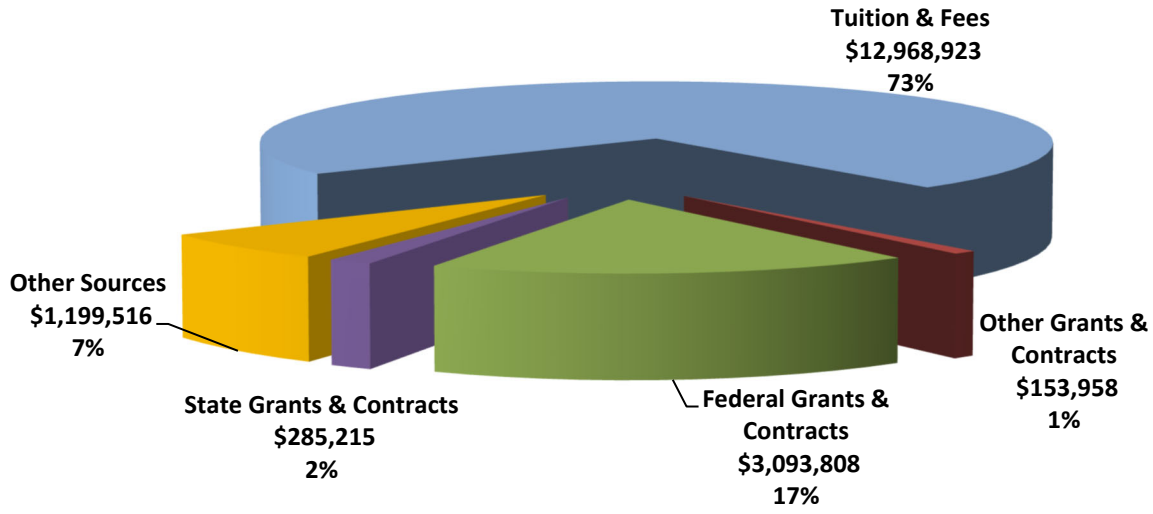
Detailed Analysis

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 $3.5 million. Of this figure, the largest source was Federal Grants and Contracts at approximately $3.1 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).

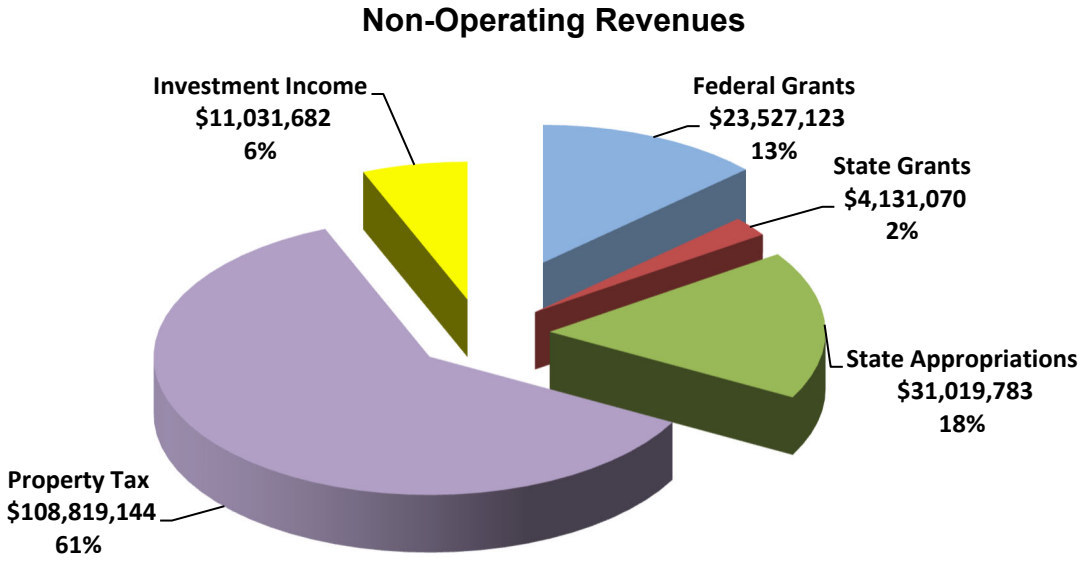
General fund tuition revenue including financial aid scholarship elimination reported $13 million in FY 2025/2026 compared to $14.8 million in FY 2024/2025.

- Operating revenue from other sources includes facility rental, parking income, and the Curtis L. Ivery Health and Wellness Education Center membership fee. These amounts accounted for $1,199,516 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:



- Property taxes: $108,819,144 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 $33.5 million for the 2025/2026 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. As a result, an applied levy during 2025/2026 fiscal year was 3.1876 mills, compared to 3.2043 mills during 2024/2025 fiscal year.

- Non-Operating Federal and State Grants: Total Federal and State Grant Revenue is $27.7 million. Of this figure, the largest source was from Federal Grants at approximately $23.5 million. The largest sources of these federal dollars were from federal student financial aid programs such as PELL at $21.1 million. The District experienced a decrease of $0.6 million in the use of student federal financial aid over the previous year.

- 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 $20,063,700 and $19,642,700 in FY 2025/2026 and FY 2024/2025, respectively. The total State Appropriations was reported $31.0 million in FY 2025/2026, compared to $31.6 million in FY 2024/2025.

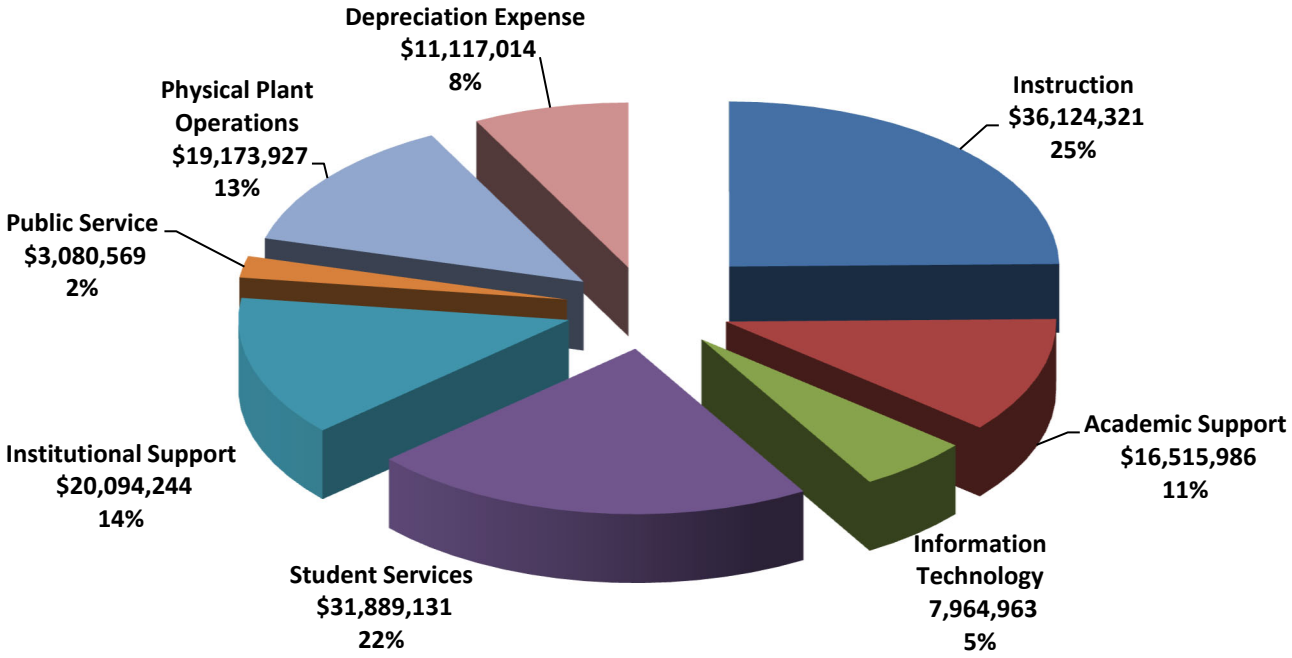
Unrealized gains and losses are primarily a result of market fluctuations in interest rates due to economic conditions in the United States. Unrealized gains and losses represent the fluctuation in the fair market value of investment. In FY 2025/2026, the College recorded an unrealized loss of $1.0 million and $4.3 million unrealized gain in FY 2024/ 2025. The net result of investment income for FY 2025/2026 is reported as $11,031,682 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 2025/2026 fiscal year totaled $146.0 million. The vast majority of operating expenses is attributed to instruction, academic support and student services activity that totals $84,529,438.

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.

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.

Net Pension and OPEB Liability

Net pension Liability of $79.6 million and net OPEB Assets of $25.2 million as of June 30, 2026 are included in the Financial Statement, compare to net pension liability of $96.0 million and net OPEB Assets of $17.0 million were reported in FY 2024/2025.

The district reported a decrease in pension liability and increase in OPEB assets due to strong investment performance and changes in actuarial assumptions.

Capital Asset and Debt Administration

---*Capital Assets*

On June 30, 2026, the District had in place approximately $148.2 million invested in capital assets, net of accumulated depreciation of approximately $227.4 million. Depreciation charges as adjusted totaled roughly $11.1 million for the 2025/2026 fiscal year.

Major categories of capital assets for the 2025/2026 fiscal year were as follows:

- Buildings and Improvements $306,707,070
- Land and Improvements $14,796,429
- Equipment, Furniture and Fixture $40,789,160
- Infrastructure $8,857,682
- Library Books $3,244,442
- Construction In Progress $1,214,283

Significant Capital Asset and Long-Term Financing Activity

In July 2025, the Board of Trustees approved the Mary Ellen Stempfle University Center and Center for Learning Technology Construction Expansion Project at an estimated cost of between $13.0 million and $18.0 million. As of June 30, 2026 $1,053,300 has been expended and the District has remaining construction commitments of approximately $16.9 million.

The District received Construction Authorization under Public Act 21 of 2026 and has an authorized Project Management Agreement (PMA) with the State of Michigan Department of Technology, Management and Budget for its Center for Virtual Digital Careers. The project will 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 communication, 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 will provide matching funds up to 50% of total project costs.

Currently Known Facts, Decisions or Conditions

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.

Student enrollment has not yet returned to pre-pandemic levels. Michigan community colleges are facing structural enrollment declines driven by an ongoing K-12 demographic shift and falling higher education participation rates, with increased focus on short term skilled trade programs. State data indicates that the proportion of high school graduates choosing community colleges or two-year public programs dropped from 23.1% in 2019 to 16.4% for the class of 2024, alongside a state-wide college-going rate that fell to 54.6%.

To counter this shrinking pool of traditional-aged students, institutions are reallocating recruitment resources toward non-traditional demographics, including adult learners, high school dual-enrollment programs, and short-term vocational credentials. While state financial initiatives like the Community College Guarantee have produced a minor 0.9% increase in student transfers to four-year public universities, the foundational drop-off at two-year institutions persists.

Collectively, these factors contribute to a complex 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.

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.

THE CLAIRMOUNT GROUP, PLC
Certified Public Accountants

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 year ended June 30, 2026, and the related notes to the financial statements, as listed in the table of contents. The accompanying financial statements of the District as of and for the year ended June 30, 2025, we audited by other auditors, who expressed an unmodified opinion on those financial statements in their report dated November 12, 2025.

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, 2026, and the changes in its financial position and cash flows for the year 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2026 the District adopted new accounting guidance, GASB Statement No. 103, Financial Reporting Model Improvements, and GASB Statement No. 104, Disclosure of Certain Capital Assets. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are

considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government 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.

Required Supplementary Information

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

Supplementary and 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 combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the 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. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 11, 2026 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

The Clairmount Group, PLC

Detroit, Michigan
November 11, 2026

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
STATEMENTS OF NET POSITION
AS OF JUNE 30, 2026 AND 2025

	2026	2025
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 43,660,219	$ 48,984,256
Investments	319,954,340	298,551,321
Property Taxes Receivable	11,586,735	4,572,899
State Appropriations Receivable	6,456,358	5,368,893
Accounts Receivable, Net of Allowance for Doubtful Accounts	8,856,414	9,457,059
Federal and State Grants Receivable	3,111,534	4,889,006
Prepaid Expenses and Other Assets	5,388,595	3,439,280
Total Current Assets	399,014,195	375,262,714
Net OPEB Assets	25,192,331	16,961,633
Property and Equipment, Net	148,170,011	145,160,680
Subscription and Lease Right of Use Assets, Net	563,373	764,043
Total Assets	572,939,910	538,149,070
DEFERRED OUTFLOWS OF RESOURCES	24,771,751	30,090,537
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 597,711,661	$ 568,239,607
LIABILITIES		
Current Liabilities		
Accounts Payable	$ 6,061,185	$ 4,786,901
Accrued Payroll and Other Compensation	5,471,941	4,662,831
Subscription and Lease Liabilities - Current Portion	580,763	831,400
Other Liabilities	2,294,904	274,208
Unearned Revenue	7,597,509	8,203,040
Total Current Liabilities	22,006,302	18,758,380
Net Pension Liability	79,622,303	95,931,733
Compensated Absences	4,260,041	3,596,572
Total Liabilities	105,888,646	118,286,685
DEFERRED INFLOWS OF RESOURCES	51,366,351	59,984,747
NET POSITION		
Invested in Capital Assets, Net of Related Debt	148,170,011	145,160,680
Subscription and Lease Right of Use Assets, Net	563,373	764,043
Restricted for: Capital Projects	46,457,544	20,751,976
Unrestricted	245,265,736	223,291,476
Total Net Position	440,456,664	389,968,175
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 597,711,661	$ 568,239,607

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, 2026 AND 2025

	2026	2025
OPERATING REVENUES		
Tuition and Fees (Net of Scholarship Allowances)	$ 12,968,923	$ 14,834,288
Federal Grants and Contracts	3,093,808	4,326,278
State Grants and Contracts	285,215	331,839
Nongovernmental Grants	153,958	72,718
Miscellaneous	1,199,516	837,392
Total Operating Revenues	17,701,420	20,402,515
OPERATING EXPENSES		
Instruction	36,124,321	33,500,946
Information Technology	7,964,963	7,956,615
Public Service	3,080,569	2,727,402
Academic Support	16,515,986	15,568,979
Student Services	31,889,131	30,903,874
Institutional Support	20,094,244	17,027,266
Physical Plant Operations	19,173,927	17,942,054
Depreciation and Amortization	11,117,014	11,249,501
Total Operating Expenses	145,960,155	136,876,637
Operating Loss	(128,258,735)	(116,474,122)
NONCAPITAL SUBSIDIES		
Federal Grant Revenue	23,527,123	23,887,215
State Grant Revenue	4,131,070	4,278,342
Nongovernmental Grants	158,500	102,750
State Appropriations	31,019,783	31,590,435
Property Tax Levy	108,819,144	99,505,519
Gifts and Donations	59,922	42,899
Total Noncapital Subsidies	167,715,542	159,407,160
Operating Loss and Noncapital Subsidies	39,456,807	42,933,038
OTHER NONOPERATING REVENUES (EXPENSES)		
Investment Income (Loss)	11,031,682	16,447,300
Total Other Nonoperating Revenues (Expenses)	11,031,682	16,447,300
Increase in Net Position	50,488,489	59,380,338
NET POSITION		
Net Position - Beginning of Year	389,968,175	330,587,837
Net Position - End of Year	$ 440,456,664	$ 389,968,175

** The 2025 amounts have been reclassified to conform to the GASB Statement No. 103 presentation of noncapital subsidies adopted in 2026 (see Note 1). The reclassification had no effect on net position.*

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, 2026 AND 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuitions and Fees	$ 8,877,818	$ 12,793,615
Grants and Contracts	5,007,888	4,730,835
Payment to Employees	(96,091,878)	(89,248,801)
Payment to Suppliers	(60,088,530)	(62,465,221)
Other Sources of Revenue	1,217,570	837,392
Net Cash Used for Operating Activities	(141,077,132)	(133,352,180)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal Grant Revenue	23,527,123	23,647,114
State Grant Revenue	4,131,070	4,250,942
Nongovernmental Grants	158,500	102,750
Local Property Taxes	101,805,308	96,881,195
State Appropriations	29,932,318	31,864,599
Gifts and Donations	59,922	42,899
Net Cash Provided by Noncapital Financing Activities	159,614,241	156,789,499
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets	(13,260,984)	(3,347,733)
Net Cash Used for Capital and Related Financing Activities	(13,260,984)	(3,347,733)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	90,876,863	93,808,049
Investment Income	11,825,180	11,750,420
Purchase of Investments	(113,302,205)	(117,728,445)
Net Cash Provided by (Used for) Investing Activities	(10,600,162)	(12,169,976)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,324,037)	7,919,610
CASH AND CASH EQUIVALENTS - Beginning of Year	48,984,256	41,064,646
CASH AND CASH EQUIVALENTS - End of Year	$ 43,660,219	$ 48,984,256

The accompanying notes are an integral part of these statements.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
BALANCE SHEET CLASSIFICATIONS OF CASH EQUIVALENTS		
Cash and Cash Equivalents	$ 43,660,219	$ 48,984,256
TOTAL CASH AND CASH EQUIVALENTS	$ 43,660,219	$ 48,984,256
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:		
Operating Loss	$ (128,258,735)	$ (116,474,122)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities		
Depreciation and Amortization	11,117,014	11,249,501
(Increase) Decrease in Assets:		
Accounts and Grants Receivable	2,606,942	(4,600,254)
Prepaid Expenses and Other Assets	(1,949,315)	(807,276)
Deferred Outflows	5,318,786	11,539,021
Net OPEB Assets	(8,230,698)	(14,655,680)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Liabilities	3,112,834	(311,368)
Accrued Payroll and Other Compensation	1,472,579	2,559,581
Unearned Revenue	(605,531)	(673,385)
Subscription and Lease Liabilities	(733,182)	(524,234)
Net Pension Liability	(16,309,430)	(33,556,399)
Deferred Inflows	(8,618,396)	12,902,435
NET CASH USED FOR OPERATING ACTIVITIES	$ (141,077,132)	$ (133,352,180)

The accompanying notes are an integral part of these statements.

(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.

New Accounting Pronouncements

Effective July 1, 2025, the District adopted GASB Statement No. 103, Financial Reporting Model Improvements. Among other changes, GASB 103 clarifies the definitions of operating and nonoperating revenues and expenses and requires that noncapital subsidies be presented, and subtotaled with operating income (loss), before other nonoperating revenues and expenses. Noncapital subsidies of the District consist of federal and state nonexchange grants (including Pell grants), nongovernmental grants, state appropriations, property taxes levied for operations, and gifts and donations. The 2025 Statement of Revenues, Expenses and Changes in Net Position has been reclassified to conform to this presentation. The adoption had no effect on net position.

Effective July 1, 2025, the District also adopted GASB Statement No. 104, Disclosure of Certain Capital Assets, which requires subscription assets and other intangible right-to-use assets to be disclosed separately from other capital assets by major class (see Notes 3 and 7). The adoption had no effect on net position.

Subscription-Based Information Technology Arrangements and Leases

Under GASB Statement No. 96, Subscription-Based Information Technology Arrangements, the District recognizes a subscription liability and an intangible right-to-use subscription asset. The District adopted GASB 96 as of July 1, 2022, which resulted in the recording of right-to-use subscription assets and related subscription liabilities. Under GASB Statement No. 87, Leases, the District as lessee recognizes a lease liability and an intangible right-to-use lease asset, amortized over the shorter of the lease term or the useful life of the underlying asset.

Compensated Absences

Under GASB Statement No. 101, Compensated Absences, adopted by the District as of July 1, 2024, the District recognizes liabilities for leave that has been used but not yet paid and for unused leave that is attributable to services already rendered, accumulates, and is more likely than not to be used or paid. 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.

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.

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.

Unearned Revenue

Revenue received prior to year-end that relates to the next fiscal period is recorded as unearned revenue. At June 30, 2026 unearned revenue consists of $7,491,780 for the summer and fall semester revenue and $105,729 relating to grants and contracts. At June 30, 2025 unearned revenue consisted of $7,788,429 for summer and fall semester revenue and $414,611 relating to grants and contracts.

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. State appropriations, property taxes, student financial aid and other nonexchange grants, and gifts and donations are noncapital subsidies and, together with investment income and transactions related to capital and financing activities, are components of nonoperating revenues.

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, 2026, $3.1876 per $1,000 of taxable property value in the District's taxing district was levied for general operating purposes on all property. Total operating property tax revenue was $108.8 million and $99.5 million for the years ended June 30, 2026 and 2025, respectively. (See Note 13)

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 (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. 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.

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 (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. 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, 2026 and 2025.

	2026	2025
Cash and Cash Equivalents	$ 43,660,219	$ 48,984,256
Investments	319,954,340	298,551,321
Total	$ 363,614,559	$ 347,535,577

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, 2026 was reflected in the accounts of the financial institutions (without recognition of checks written but not yet cleared, or of deposits in transit) at $61,223,560. Of this amount, an estimated $8,352,158 was covered by the Federal Deposit Insurance Corporation (FDIC) and $52,871,402 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.

Investments

The District's Fair Value hierarchy for these assets measured at fair value on a recurring basis as of June 30, 2026 and 2025 is summarized as follows:

2026

Investments at Fair Value:	Level 1	Level 2	Level 3	Total
U.S. Government Agency Securities	$ 233,833,342	$ -	$ -	$ 233,833,342
Certificates of Deposit	15,227,367	-	-	15,227,367
Michigan Municipal Bonds	70,893,631	-	-	70,893,631
Total	$ 319,954,340	$ -	$ -	$ 319,954,340

2025

Investments at Fair Value:	Level 1	Level 2	Level 3	Total
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
Total	$ 298,551,321	$ -	$ -	$ 298,551,321

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, 2026 and 2025 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, 2026:

Issuer	Investment Type	Reported Amount
Federal Home Loan Bank	Federal Agency Securities	$ 50,291,611
Federal Farm Credit Bank	Federal Agency Securities	51,784,103

The District reported net investment income of $11,031,682 and $16,447,300, which includes a net decrease in the fair value of investments of $1,022,323 and a net increase in the fair value of investments of $4,322,067 for the years ended June 30, 2026 and 2025, respectively.

(3) PROPERTY AND EQUIPMENT

The following table presents the changes in the various capital asset class categories for the year ended June 30, 2026:

	Beginning Balance	Additions	Transfers / Deletions	Ending Balance
Nondepreciable Capital Assets				
Land	$ 6,515,458	$ 1,942,754	$ -	$ 8,458,212
Construction in Progress	349,939	864,344	-	1,214,283
Total Nondepreciable Capital Assets	6,865,397	2,807,098	-	9,672,495
Depreciable Capital Assets				
Land Improvements	3,811,169	2,527,048	-	6,338,217
Building and Improvements	300,139,830	6,567,240	-	306,707,070
Infrastructure	8,541,002	316,680	-	8,857,682
Furniture, Fixtures and Equipment	39,722,138	1,180,221	(113,199)	40,789,160
Library	3,199,599	44,843	-	3,244,442
Total Depreciable Capital Assets	355,413,738	10,636,032	(113,199)	365,936,571
Total Capital Assets	362,279,135	13,443,130	(113,199)	375,609,066
Less: Accumulated Depreciation				
Land Improvements	2,663,947	413,392	-	3,077,339
Building and Improvements	168,165,180	8,522,867	-	176,688,047
Infrastructure	7,539,826	309,046	-	7,848,872
Furniture, Fixtures and Equipment	35,574,478	1,181,585	(113,199)	36,642,864
Library	3,175,024	6,909	-	3,181,933
Total Accumulated Depreciation	217,118,455	10,433,799	(113,199)	227,439,055
Total Capital Assets, Net	**$ 145,160,680**	**$ 3,009,331**	**$ -**	**$ 148,170,011**

Estimated useful lives: land improvements 2–25 years; building and improvements 5–40 years; infrastructure 5–25 years; furniture, fixtures and equipment 3–20 years; library 10 years.

Additions in 2026 include the acquisition of real property located at 19625 and 19233 Vernier Road.

Subscription and Lease Assets

In accordance with GASB Statement No. 104, subscription and lease right-of-use assets are presented separately from the District's owned capital assets (see Note 7 for detail by class):

	Beginning Balance	Additions	Deletions	Ending Balance
Subscription and Lease Right of Use Assets	$ 3,663,261	$ 482,545	$ -	$ 4,145,806
Less: Accumulated Amortization	(2,899,218)	(683,215)	-	(3,582,433)
Total Right of Use Assets, Net	**$ 764,043**	**$ (200,670)**	**$ -**	**$ 563,373**

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

	Beginning Balance	Additions	Transfers / Deletions	Ending Balance
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
Building and Improvements	297,891,828	2,032,768	215,234	300,139,830
Infrastructure	8,413,207	373,075	(245,280)	8,541,002
Furniture, Fixtures and Equipment	39,112,236	676,902	(67,000)	39,722,138
Library	3,176,285	23,314	-	3,199,599
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				
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, Fixtures 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	**$ 152,381,817**	**$ (7,180,017)**	**$ (41,120)**	**$ 145,160,680**

(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.

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.

Pension contributions made in the fiscal year ending September 30, 2025, were determined as of the September 30, 2022 actuarial valuations. The pension unfunded (overfunded) actuarial accrued liabilities (UAAL) as of September 30, 2022, are amortized over a 14 year period beginning October 1, 2024 and ending September 30, 2038.

The schedule below summarizes pension contribution rates in effect for fiscal year ended September 30, 2025.

Benefit Structure	Member	Employer
Basic	0.0 – 4.0%	30.11%
Member Investment Plan	3.0 – 7.0	30.11
Pension Plus	3.0 – 6.4	26.27
Pension Plus 2	6.2	27.16
Defined Contribution	0.0	20.96

Required contributions to the pension plan from the District were $16,554,151 for the year ended September 30, 2025.

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

At June 30, 2026, the District reported a liability of $79,622,303 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 30, 2024. 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, 2025, the District's proportion was .3974 percent, which was an increase of .0056 percent from its proportion measured as of September 30, 2024.

For the year ended June 30, 2026, the District recognized total pension credit of $(1,412,769). At June 30, 2026, 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	$ 3,084,000	$ 709,189
Changes of assumptions	2,857,873	4,208,230
Net difference between projected and actual earnings on pension plan investments	-	19,028,026
Changes in proportion and difference between District contributions and proportionate share contributions	1,217,932	4,625,259
Employer contributions subsequent to the measurement date	13,383,951	-
Total	$ 20,543,756	$ 28,570,704

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 a reduction of the net pension liability in the year ended June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan Year Ended September 30	Amount
2026	(3,476,728)
2027	(9,317,352)
2028	(6,731,102)
2029	(1,885,717)

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, 2025, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	21.0%	5.8%
Private Equity Pools	16.0	9.3
International Equity	14.0	5.6
Fixed Income Pools	15.0	2.5
Real Estate and Infrastructure Pools	8.0	7.0
Absolute Return Pools	13.0	4.4
Real Return/Opportunistic Pools	9.0	7.0
Short Term Investment Pools	4.0	1.3
TOTAL	100.0%	

*Long term rates of return are net of administrative expenses and 2.4% inflation.

Rate of Return

For the fiscal year ended September 30, 2025, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 9.81%. 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 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 6.00% (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 District's Proportionate Share of the Net 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, 6.00% 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 5.00%	**Assumption 6.00%**	**1% Increase 7.00%**
$125,648,386	$79,622,303	$41,288,468

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, 2027
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.

(5) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Michigan Public School Employees' Retirement System (System or MPSERS) 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.

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 schedule below summarizes OPEB contribution rates in effect for fiscal year ended September 30, 2025.

Benefit Structure	Member	Employer
Premium Subsidy	3.00%	1.25%
Personal Healthcare Fund (PHF)	0.00%	0.00%

Required contributions to the OPEB plan from the District were $389,741 for the year ended September 30, 2025.

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

At June 30, 2026, the District reported a net OPEB asset of $(25,192,331) for its proportionate share of the MPSERS net OPEB liability (asset). The net OPEB liability was measured as of September 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 30, 2024. 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, 2025, the District's proportion was .4144 percent, a(n) increase of .0204 percent from the prior year proportion of 0.3940 percent.

For the year ending June 30, 2026, the District recognized OPEB expense (credit) of $(9,165,313). At June 30, 2026, 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	$ -	$ 17,247,863
Changes of assumptions	3,362,187	267,187
Net difference between projected and actual earnings on OPEB plan investments	-	3,540,072
Changes in proportion and differences between employer contributions and proportionate share of contributions	41,250	1,740,525
Employer contributions subsequent to the measurement date	824,558	-
Total	$ 4,227,995	$ 22,795,647

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, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Plan Year Ended September 30	Amount
2026	$(5,459,089)
2027	$(5,125,125)
2028	$(4,550,221)
2029	$(2,948,515)
2030	$(1,008,566)
Thereafter	$(300,694)

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. Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions	
Valuation Date:	September 30, 2024
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: 7.75% Year 1 graded to 3.5% Year 15; Post-65: 6.50% 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 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.
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.

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, 2025, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	16.0%	5.8%
Private Equity Pools	16.0	9.3
International Equity	11.0	5.6
Fixed Income Pools	26.0	2.5
Real Estate and Infrastructure Pools	5.0	7.0
Absolute Return Pools	15.0	4.4
Real Return/Opportunistic Pools	7.0	7.0
Short Term Investment Pools	4.0	1.3
TOTAL	100.0%	

*Long-term rates of return are net of administrative expenses and 2.4% inflation.

Rate of Return

For the fiscal year ended September 30, 2025, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was 9.24%. 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 6.00%, 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 point higher:

1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
$(21,704,787)	$(25,192,331)	$(28,244,687)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to the 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
$(28,216,834)	$(25,192,331)	$(22,016,701)

OPEB Plan Fiduciary Net Position

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

(6) LONG-TERM LIABILITIES

Long-term liabilities as of June 30, 2026 and 2025 are as follows:

	2026	2025
Total Net PensionLiability	$ 79,622,303	$ 95,931,733
Compensated Absences	$ 4,260,041	$ 3,596,572

(7) SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS AND LEASES

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. During 2026 the District also entered into a lease for the Dawson-Inkster facility, recorded under GASB No. 87 as a Lease Right of Use asset and related lease liability. In accordance with GASB No. 104, these right-of-use assets are disclosed separately from other capital assets. Right of use assets at June 30, 2026 and 2025 are as follows:

	2025	Additions / (Amortization)	2026
Subscription Right of Use Assets	$ 3,663,261	$ 225,685	$ 3,888,946
Accumulated Amortization	(2,899,218)	(635,054)	(3,534,272)
Total Subscription Assets, Net	764,043	(409,369)	354,674
Lease Right of Use Asset - Building	-	256,860	256,860
Accumulated Amortization	-	(48,161)	(48,161)
Total Lease Assets, Net	-	208,699	208,699
Total Right of Use Assets, Net	**$ 764,043**	**$ (200,670)**	**$ 563,373**

Amortization of right of use assets totaled $683,215 and $680,631 for the years ended June 30, 2026 and 2025, respectively, and is included in depreciation and amortization expense. The District has recorded a related Subscription Liability at June 30, 2026 and 2025 of $367,539 and $831,400, respectively, and a lease liability at June 30, 2026 of $213,224; both are presented as subscription and lease liabilities.

(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.

(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, 2026, 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 received Construction Authorization under Public Act 21 of 2026 and has an authorized Project Management Agreement (PMA) with the State of Michigan Department of Technology, Management and Budget for its Center for Virtual Digital Careers. The project will 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 communication, 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 will provide 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, 2026 and 2025 the District incurred legal cost with this law firm totaling $281,965 and $388,027, respectively. The District also incurred costs with this ,law firm for project management services totaling $0 and $2,490 for the years ended June 30, 2026 and 2025, respectively.

(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, 2026 and 2025:

Combining Statements of Net Position

Assets and Deferred Outflows	District 2026	2026 Committee	2026 Total	2025 District	2025 Committee	Total 2025
Combining Statements of Net Position						
Current Assets	$ 397,025,749	$ 1,988,446	$ 399,014,195	$ 373,202,507	$ 2,060,207	$ 375,262,714
Capital Assets and Right of Use Assets	148,733,384	-	148,733,384	145,924,723	-	145,924,723
OPEB Assets	25,192,331	-	25,192,331	16,961,633	-	16,961,633
Deferred Outflows of Resources	24,771,751	-	24,771,751	30,090,537	-	30,090,537
Total Assets and Deferred Outflows	$ 595,723,215	$ 1,988,446	$ 597,711,661	$ 566,179,400	$ 2,060,207	$ 568,239,607
Liabilities and Deferred Inflows						
Current Liabilities	$ 21,699,537	$ 306,765	$ 22,006,302	$ 18,442,187	$ 316,193	$ 18,758,380
Long-Term Liabilities	83,882,344	-	83,882,344	99,528,305	-	99,528,305
Deferred Inflows of Resources	51,366,351	-	51,366,351	59,984,747	-	59,984,747
Total Liabilities and Deferred Inflows	$ 156,948,232	$ 306,765	$ 157,254,997	$ 177,955,239	$ 316,193	$ 178,271,432
Total Net Position	438,774,983	1,681,681	440,456,664	388,224,161	1,744,014	389,968,175
Total Liabilities and Net Position	$ 595,723,215	$ 1,988,446	$ 597,711,661	$ 566,179,400	$ 2,060,207	$ 568,239,607

Combining Statements of Revenues, Expenses and Changes in Net Position

	2026 District	2026 Committee	2026 Total	2025 District	2025 Committee	2025 Total
Operating Revenues	$ 17,701,420	$ -	$ 17,701,420	$ 20,402,515	$ -	$ 20,402,515
Operating Expenses	145,651,633	308,522	145,960,155	136,751,979	124,658	136,876,637
Operating Income (Loss)	$ (127,950,213)	$ (308,522)	$ (128,258,735)	$ (116,349,464)	$ (124,658)	$ (116,474,122)
Non-Operating Revenues (Expenses)	178,501,035	246,189	178,747,224	175,641,651	212,809	175,854,460
Net Position - Beginning of Year	388,224,161	1,744,014	389,968,175	328,931,974	1,655,863	330,587,837
Net Position - End of Year	$ 438,774,983	$ 1,681,681	$ 440,456,664	$ 388,224,161	$ 1,744,014	$ 389,968,175

Combining Statements of Cash Flows

	2026 District	2026 Committee	2026 Total	2025 District	2025 Committee	2025 Total
Net Cash Provided by (Used for)						
Operating Activities	$ (140,917,703)	$ (159,429)	$ (141,077,132)	$ (133,160,890)	$ (191,290)	$ (133,352,180)
Noncapital Financing Activities	159,581,319	32,922	159,614,241	156,657,721	131,778	156,789,499
Capital and Related Financing	(13,260,984)	-	(13,260,984)	(3,347,733)	-	(3,347,733)
Investing Activities	(10,698,286)	98,124	(10,600,162)	(11,973,458)	(196,518)	(12,169,976)
Net Increase (Decrease) in Cash	$ (5,295,654)	$ (28,383)	$ (5,324,037)	$ 8,175,640	$ (256,030)	$ 7,919,610
Cash - Beginning of Year	48,601,000	383,256	48,984,256	40,425,360	639,286	41,064,646
Cash - End of Year	$ 43,305,346	$ 354,873	$ 43,660,219	$ 48,601,000	$ 383,256	$ 48,984,256

(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: 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 Renaissance Zones to encourage economic stability and development within the designated areas of the City. The resident or business must be physically located within one of the designated sub-zones and must be qualified.

(14) SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 11, 2026, 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.

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2026

	General Fund	Restricted Fund	Pension Liability Fund	Plant Fund	Combined Total 2026
ASSETS					
Current Assets					
Cash and Cash Equivalents	$ 42,660,868	$ 975,431	$ -	$ 23,920	$ 43,660,219
Investments	293,216,191	1,633,593	-	25,104,556	319,954,340
Property Taxes Receivable	11,586,735	-	-	-	11,586,735
State Appropriations Receivable	6,456,358	-	-	-	6,456,358
Accounts Receivable, Net	8,856,414	-	-	-	8,856,414
Federal/State Grants Receivable	-	3,111,534	-	-	3,111,534
Prepaid Expenses and Other Assets	5,346,854	-	-	41,741	5,388,595
Due from (to) Other Funds	(168,843,603)	(3,195,567)	150,315,358	21,723,812	0
Total Current Assets	199,279,817	2,524,991	150,315,358	46,894,029	399,014,195
Property and Equipment					
Land and Improvements	-	-	-	14,796,429	14,796,429
Infrastructure	-	-	-	8,857,682	8,857,682
Building and Improvements	-	-	-	306,707,070	306,707,070
Equipment	-	-	-	44,033,602	44,033,602
Construction in Progress	-	-	-	1,214,283	1,214,283
Accumulated Depreciation	-	-	-	(227,439,055)	(227,439,055)
Total Property and Equipment, Net	-	-	-	148,170,011	148,170,011
Subscription and Lease Right of Use Assets	-	-	-	4,145,806	4,145,806
Accumulated Amortization	-	-	-	(3,582,433)	(3,582,433)
Total Right of Use Assets, Net	-	-	-	563,373	563,373
Net OPEB Assets	-	-	25,192,331	-	25,192,331
DEFERRED OUTFLOWS OF RESOURCES	-	-	24,771,751	-	24,771,751
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 199,279,817	$ 2,524,991	$ 200,279,440	$ 195,627,413	$ 597,711,661

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2026
(Continued)

	General Fund	Restricted Fund	Pension Liability Fund	Plant Fund	Combined Total 2026
LIABILITIES					
Current Liabilities					
Accounts Payable	$ 4,830,409	$ 794,291	$ -	$ 436,485	$ 6,061,185
Accrued Payroll	5,471,941	-	-	-	5,471,941
Subscription and Lease Liabilities	580,763	-	-	-	580,763
Other Liabilities	2,294,904	-	-	-	2,294,904
Unearned Revenue	7,558,713	38,796	-	-	7,597,509
Total Current Liabilities	20,736,730	833,087	-	436,485	22,006,302
Net Pension Liability	-	-	79,622,303	-	79,622,303
Compensated Absences	4,260,041	-	-	-	4,260,041
Total Liabilities	24,996,771	833,087	79,622,303	436,485	105,888,646
DEFERRED INFLOWS OF RESOURCES	-	-	51,366,351	-	51,366,351
Net Position					
Invested in Capital Assets, Net of Related Debt	-	-	-	148,170,011	148,170,011
Subscription and Lease Right of Use Assets, Net	-	-	-	563,373	563,373
Restricted For					
Capital Projects	-	-	-	46,457,544	46,457,544
Unrestricted	174,283,046	1,691,904	69,290,786	-	245,265,736
Total Net Position	174,283,046	1,691,904	69,290,786	195,190,928	440,456,664
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 199,279,817	$ 2,524,991	$ 200,279,440	$ 195,627,413	$ 597,711,661

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, TRANSFERS AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2026

REVENUES	Combined Total 2026	Elimination	General Fund	Restricted Fund	Pension Liability Fund	Plant Fund
Operating Revenues						
Tuition and Fees (net of scholarship allowances)	$ 12,968,923	$ (14,727,280)	$ 27,696,203	$ -	$ -	$ -
Federal Grants and Contracts	3,093,808	-	-	3,093,808	-	-
State Grants and Contracts	285,215	-	-	285,215	-	-
Nongovernmental Grants	153,958	(226,736)	150,962	229,732	-	-
Miscellaneous	1,199,516	(311,024)	1,510,540	-	-	-
Total Operating Revenues	17,701,420	(15,265,040)	29,357,705	3,608,755	-	-
EXPENSES						
Operating Expenses						
Instruction	36,124,321	-	40,888,340	2,260,188	(7,024,207)	-
Information Technology	7,964,963	-	8,922,245	83,779	(1,041,061)	-
Public Service	3,080,569	-	3,151,063	-	(70,494)	-
Academic Support	16,515,986	(20,832)	19,277,503	849,506	(3,590,191)	-
Student Services	31,889,131	(15,060,313)	23,136,434	27,629,280	(3,816,270)	-
Institutional Support	20,094,244	(107,895)	23,570,049	676,723	(4,044,633)	-
Physical Plant Operations	19,173,927	(76,000)	21,138,409	76,000	(1,964,484)	2
Depreciation and Amortization	11,117,014	-	-	-	-	11,117,014
Total Operating Expenses	145,960,155	(15,265,040)	140,084,043	31,575,476	(21,551,340)	11,117,016
Operating Income (Loss)	$ (128,258,735)	$ -	$ (110,726,338)	$ (27,966,721)	$ 21,551,340	$ (11,117,016)

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, TRANSFERS AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2026
(Continued)

	Combined Total 2026	Elimination	General Fund	Restricted Fund	Pension Liability Fund	Plant Fund
NON-OPERATING REVENUES (EXPENSES)						
Federal Grant Revenue	$ 23,527,123	$ -	$ -	$ 23,527,123	$ -	$ -
State Grant Revenue	4,131,070	-	-	4,131,070	-	-
Nongovernmental Grants	158,500	-	-	158,500	-	-
State Appropriations	31,019,783	-	24,731,385	-	6,288,398	-
Property Tax Levy	108,819,144	-	108,819,144	-	-	-
Investment Income (Loss)	11,031,682	-	11,345,171	55,266	-	(368,755)
Gifts and Donations	59,922	-	27,000	32,922	-	-
Net Non-Operating Revenues	$ 178,747,224	$ -	$ 144,922,700	$ 27,904,881	$ 6,288,398	$ (368,755)
Income (Loss) Before Transfers	$ 50,488,489	$ -	$ 34,196,362	$ (61,840)	$ 27,839,738	$ (11,485,771)
Transfers In (Out)	-	-	(40,000,000)	-	-	40,000,000
Net Increase (Decrease) in Net Position	$ 50,488,489	$ -	$ (5,803,638)	$ (61,840)	$ 27,839,738	$ 28,514,229
Net Position - Beginning of Year	389,968,175	-	180,086,684	1,753,744	41,451,048	166,676,699
Net Position - End of Year	$ 440,456,664	$ -	$ 174,283,046	$ 1,691,904	$ 69,290,786	$ 195,190,928

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

	General Fund	Restricted Fund	Pension Liability Fund	Plant Fund	Combined Total 2025
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	(143,565,627)	(4,168,959)	149,515,760	(1,781,174)	-
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	-	-	-	(217,118,455)	(217,118,455)
Total Property and Equipment, Net	-	-	-	145,160,680	145,160,680
Subscription and Lease Right of Use Assets	-	-	-	3,663,261	3,663,261
Accumulated Amortization	-	-	-	(2,899,218)	(2,899,218)
Total Right of Use Assets, Net	-	-	-	764,043	764,043
Net OPEB Assets	-	-	16,961,633	-	16,961,633
DEFERRED OUTFLOWS OF RESOURCES	-	-	30,090,537	-	30,090,537
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 201,083,574	$ 2,857,467	$ 197,367,528	$ 166,931,038	$ 568,239,607

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

	General Fund	Restricted Fund	Pension Liability Fund	Plant Fund	Combined Total 2025
LIABILITIES					
Current Liabilities					
Accounts Payable	$ 3,797,155	$ 735,407	$ -	$ 254,339	$ 4,786,901
Accrued Payroll	4,662,831	-	-	-	4,662,831
Subscription and Lease Liabilities	831,400	-	-	-	831,400
Other Liabilities	274,208	-	-	-	274,208
Unearned Revenue	7,834,724	368,316	-	-	8,203,040
Total Current Liabilities	17,400,318	1,103,723	-	254,339	18,758,380
Net Pension Liability	-	-	95,931,733	-	95,931,733
Compensated Absences	3,596,572	-	-	-	3,596,572
Total Liabilities	20,996,890	1,103,723	95,931,733	254,339	118,286,685
DEFERRED INFLOWS OF RESOURCES	-	-	59,984,747	-	59,984,747
Net Position					
Invested in Capital Assets, Net of Related Debt	-	-	-	145,160,680	145,160,680
Subscription and Lease Right of Use Assets, Net	-	-	-	764,043	764,043
Restricted For					
Capital Projects	-	-	-	20,751,976	20,751,976
Unrestricted	180,086,684	1,753,744	41,451,048	-	223,291,476
Total Net Position	180,086,684	1,753,744	41,451,048	166,676,699	389,968,175
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 201,083,574	$ 2,857,467	$ 197,367,528	$ 166,931,038	$ 568,239,607

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

REVENUES	Combined Total 2026	Elimination	General Fund	Restricted Fund	Pension Liability Fund	Plant Fund
Operating Revenues						
Tuition and Fees (net of scholarship allowances)	$ 12,968,923	$ (14,727,280)	$ 27,696,203	$ -	$ -	$ -
Federal Grants and Contracts	3,093,808	-	-	3,093,808	-	-
State Grants and Contracts	285,215	-	-	285,215	-	-
Nongovernmental Grants	153,958	(226,736)	150,962	229,732	-	-
Miscellaneous	1,199,516	(311,024)	1,510,540	-	-	-
Total Operating Revenues	17,701,420	(15,265,040)	29,357,705	3,608,755	-	-
EXPENSES						
Operating Expenses						
Instruction	36,124,321	-	40,888,340	2,260,188	(7,024,207)	-
Information Technology	7,964,963	-	8,922,245	83,779	(1,041,061)	-
Public Service	3,080,569	-	3,151,063	-	(70,494)	-
Academic Support	16,515,986	(20,832)	19,277,503	849,506	(3,590,191)	-
Student Services	31,889,131	(15,060,313)	23,136,434	27,629,280	(3,816,270)	-
Institutional Support	20,094,244	(107,895)	23,570,049	676,723	(4,044,633)	-
Physical Plant Operations	19,173,927	(76,000)	21,138,409	76,000	(1,964,484)	2
Depreciation and Amortization	11,117,014	-	-	-	-	11,117,014
Total Operating Expenses	145,960,155	(15,265,040)	140,084,043	31,575,476	(21,551,340)	11,117,016
Operating Income (Loss)	$ (128,258,735)	$ -	$ (110,726,338)	$ (27,966,721)	$ 21,551,340	$ (11,117,016)

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	Elimination	General Fund	Restricted Fund	Pension Liability Fund	Plant Fund
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	-	-
Net Non-Operating Revenues	$ 175,854,460	$ -	$ 144,353,808	$ 28,381,623	$ 5,372,884	$ (2,253,855)
Income (Loss) Before Transfers	$ 59,380,338	$ -	$ 49,024,416	$ 88,655	$ 23,770,623	$ (13,503,356)
Transfers In (Out)	-	-	-	-	-	-
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	330,587,837	-	131,062,268	1,665,089	17,680,425	180,180,055
Net Position - End of Year	$ 389,968,175	$ -	$ 180,086,684	$ 1,753,744	$ 41,451,048	$ 166,676,699

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
REQUIRED SUPPLEMENTARY PENSION INFORMATION
JUNE 30, 2026

Schedule of the 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)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of net pension liability (%)	**0.40%**	0.39184%	0.40007%	0.40272%	0.45505%	0.47140%	0.48979%	0.50121%	0.50770%	0.50057%
District's proportionate share of net pension liability	$ **79,622**	$ 95,932	$ 129,488	$ 151,460	$ 107,734	$ 161,935	$ 162,203	$ 150,675	$ 131,569	$ 124,887
District's covered-employee payroll	$ **43,611**	$ 41,531	$ 40,741	$ 40,513	$ 39,629	$ 40,805	$ 42,241	$ 42,157	$ 42,960	$ 41,930
Proportionate share of NPL as a percentage of covered-employee payroll	**182%**	231%	315%	374%	272%	397%	384%	357%	306%	298%
Plan fiduciary net position as a percentage of total pension liability	**79.44%**	74.44%	65.91%	60.77%	72.60%	59.72%	60.31%	62.12%	64.21%	63.01%

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
REQUIRED SUPPLEMENTARY PENSION INFORMATION
JUNE 30, 2026

Schedule of the District's Contributions
Michigan Public School Employees Retirement Plan
Last 10 Reporting Unit Fiscal Years (July 1 – June 30, in thousands)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily required contributions	$ 16,554	$ 16,382	$ 14,419	$ 13,707	$ 13,663	$ 11,955	$ 13,012	$ 13,648	$ 11,908	$ 11,240
Contributions in relation to statutorily required contributions	$ 11,467	$ 11,207	$ 16,412	$ 17,410	$ 12,315	$ 11,023	$ 13,537	$ 13,638	$ 13,837	$ 12,878
Contribution deficiency (excess)	$ 5,087	$ 5,175	$ (1,993)	$ (3,703)	$ 1,348	$ 932	$ (525)	$ 10	$ (1,929)	$ (1,638)
Reporting unit's covered-employee payroll	$ 45,886	$ 42,657	$ 41,310	$ 40,380	$ 39,227	$ 39,278	$ 41,897	$ 42,089	$ 42,452	$ 43,844
Contributions as a percentage of covered-employee payroll	25.00%	26.3%	39.7%	43.1%	31.3%	28.0%	32.3%	32.4%	32.6%	29.4%

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
REQUIRED SUPPLEMENTARY OPEB INFORMATION
JUNE 30, 2026

Schedule of the District's Proportionate Share of the Net OPEB Liability
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Amounts were determined as of September 30 of each fiscal year)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of net OPEB liability (%)	0.41%	0.3940%	0.4076%	0.4166%	0.4372%	0.4589%	0.4820%	0.4934%	0.5080%
District's proportionate share of net OPEB liability (asset)	$ (25,192,331)	$ (16,961,633)	$ (2,305,953)	$ 8,825,339	$ 6,673,095	$ 24,584,224	$ 34,597,740	$ 38,218,787	$ 44,981,811
District's covered-employee payroll	$ 43,610,823	$ 41,531,199	$ 40,741,016	$ 40,512,857	$ 39,629,220	$ 40,805,192	$ 42,241,145	$ 42,157,393	$ 42,960,528
Net OPEB liability as a percentage of covered-employee payroll	-57.76%	-40.54%	-5.66%	21.78%	16.80%	60.25%	81.91%	93.03%	104.70%
Plan fiduciary net position as a percentage of total OPEB liability	164.94%	143.08%	105.04%	87.33%	87.33%	59.44%	48.46%	43.10%	36.39%

WAYNE COUNTY COMMUNITY COLLEGE DISTRICT
REQUIRED SUPPLEMENTARY OPEB INFORMATION
JUNE 30, 2026

Schedule of the District's OPEB Contributions
Michigan Public School Employees Retirement Plan
Last 10 Reporting Unit Fiscal Years (July 1 – June 30)

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required OPEB contributions	$ 389,741	$ 3,275,398	$ 3,175,414	$ 3,173,918	$ 3,245,420	$ 3,242,206	$ 3,309,544	$ 3,202,532	$ 3,954,643
OPEB contributions in relation to statutorily required contributions	$ 915,855	$ 1,103,331	$ 3,233,303	$ 3,099,838	$ 3,108,718	$ 2,995,623	$ 3,440,133	$ 2,451,353	$ 3,052,326
Contribution deficiency (excess)	$ (526,114)	$ 2,172,067	$ (57,889)	$ 74,080	$ 136,702	$ 246,583	$ (130,589)	$ 751,179	$ 902,317
Reporting unit's covered-employee payroll	$ 45,865,811	$ 42,657,024	$ 41,310,086	$ 40,380,137	$ 39,226,968	$ 39,278,359	$ 41,896,791	$ 42,089,111	$ 42,452,512
Contributions as a percentage of covered-employee payroll	1.99%	2.59%	7.83%	7.68%	7.90%	7.63%	8.21%	5.82%	7.19%

THE CLAIRMOUNT GROUP, PLC
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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 business-type activities of Wayne County Community College District (the "District") as of and for the year ended June 30, 2026, 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 11, 2026.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 or significant deficiencies may exist that have not been identified.

Report on 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 financial statements. 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 instances 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.

The Clairmount Group, PLC

Detroit, Michigan
November 11, 2026

THE CLAIRMOUNT GROUP, PLC
Certified Public Accountants

The Clairmount Group, PLC
28 W Adams, Suite 1300
Detroit, MI 48226
Tel: 313.642.1102
Fax: 313.456.9400

November 11, 2026

To the Board of Trustees
Wayne County Community College District
Detroit, MI 48226

We have audited the financial statements of Wayne County Community College District for the year ended June 30, 2026, and we will issue our report thereon dated November 11, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *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 August 20, 2026. 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. 103, *Financial Reporting Model Improvements*, and GASB No. 104, *Disclosure of Certain Capital Assets*, were adopted during the year ended June 30, 2026. We noted no transactions entered into by the Organization 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 year.

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, depreciation and amortization of capital and right of use assets, and the actuarial assumptions used in determining pension and OPEB expenses, inflows/outflows of resources, and pension and OPEB liabilities.

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 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 the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on 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 11, 2026.

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 the 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 the 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 Required Supplementary Information. 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 underlaying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the 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,

The Clairmount Group, PLC