
Wayne-Westland Community Schools

**Financial Report
with Supplementary Information
June 30, 2025**

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Independent Auditor's Report

To the Board of Education
Wayne-Westland Community Schools

Report on the Audit of the Basic Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of Wayne-Westland Community Schools (the "School District") as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major funds, and the aggregate remaining fund information of the School District as of June 30, 2025 and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the School 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 opinions.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the School District adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Basic Financial Statements

Management is responsible for the preparation and fair presentation of the basic 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 School District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Basic Financial Statements

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

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

To the Board of Education
Wayne-Westland Community Schools

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2025 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School 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 School District's internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 9, 2025

This section of the annual financial report for Wayne-Westland Community Schools (the "School District") presents our discussion and analysis of the School District's financial performance during the year ended June 30, 2025. Please read it in conjunction with the School District's financial statements, which immediately follow this section.

Using This Annual Report

This annual report consists of a series of financial statements and notes to those financial statements. These statements are organized so the reader can understand Wayne-Westland Community Schools financially as a whole. The government-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term and what remains for future spending. The fund financial statements look at the School District's operations in more detail than the government-wide financial statements by providing information about the School District's most significant funds - the General Fund and the Federal, State, and Local Grant Programs Fund - with all other funds presented in one column as nonmajor funds. This report is composed of the following elements:

Management's Discussion and Analysis (MD&A) (Required Supplementary Information)

Basic Financial Statements

Government-wide Financial Statements

Fund Financial Statements

Notes to Financial Statements

Required Supplementary Information

Budgetary Comparison Schedule - General Fund

Budgetary Comparison Schedule - Major Special Revenue Fund

Schedule of the School District's Proportionate Share of the Net Pension Liability

Schedule of Pension Contributions

Schedule of the School District's Proportionate Share of the Net OPEB (Asset) Liability

Schedule of OPEB Contributions

Other Supplementary Information

Reporting the School District as a Whole - Government-wide Financial Statements

One of the most important questions asked about the School District is, "As a whole, what is the School District's financial condition as a result of the year's activities?" The statement of net position and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenue and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the School District's net position - the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, as reported in the statement of net position - as one way to measure the School District's financial health or financial position. Over time, increases or decreases in the School District's net position, as reported in the statement of activities, are indicators of whether its financial health is improving or deteriorating. The relationship between revenue and expenses is the School District's operating results. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools, to assess the overall health of the School District.

The statement of net position and the statement of activities report the governmental activities for the School District, which encompass all of the School District's services, including instruction, support services, community services, athletics, and food services (Milk and Hot Lunch Fund). Property taxes, unrestricted state aid (foundation allowance revenue), and state and federal grants finance most of these activities.

Reporting the School District's Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds, not the School District as a whole. Some funds are required to be established by state law and by bond covenants. However, the School District establishes many other funds to help it control and manage money for particular purposes (the Milk and Hot Lunch Fund is an example) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as bond-funded construction funds used for voter-approved capital projects).

Governmental Funds

Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the School District and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in a reconciliation.

Wayne-Westland Community Schools

Management's Discussion and Analysis (Continued)

The School District as a Whole

Recall that the statement of net position provides the perspective of the School District as a whole. The following table provides a summary of the School District's net position as of June 30, 2025 and 2024:

	Governmental Activities	
	2025	2024
	(in millions)	
Assets		
Current and other assets	\$ 149.7	\$ 101.7
Capital assets	226.3	212.7
Total assets	376.0	314.4
Deferred Outflows of Resources	99.1	132.3
Liabilities		
Current liabilities	61.0	33.0
Noncurrent liabilities	125.8	129.8
Net pension liability	226.1	289.8
Total liabilities	412.9	452.6
Deferred Inflows of Resources	127.0	91.7
Net Position (Deficit)		
Net investment in capital assets	114.3	105.3
Restricted:		
Debt service	4.0	2.6
OPEB asset	38.8	5.3
Capital projects	0.1	4.5
Unrestricted	(222.0)	(215.3)
Total net position (deficit)	<u>\$ (64.8)</u>	<u>\$ (97.6)</u>

The above analysis focuses on net position. The change in net position of the School District's governmental activities is discussed below. The School District's net position was a deficit of \$(64.8) million at June 30, 2025. Net investment in capital assets totaling \$114.3 million compares the original cost, less depreciation of the School District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use that net position for day-to-day operations. The remaining amount of net position of \$(222.0) million was unrestricted.

Other changes are as follows: Current and other assets increased by \$48 million in the current year, which was attributed mainly to the cash received related to the state aid anticipation note that was obtained in August 2024. Concurrently, current liabilities increased by \$28 million related to the state aid anticipation note that is payable back to the State. Amounts due back to the State were subsequently paid in full in 2026 (see Note 9). The change in net pension liability relates to the state-managed retirement system, which decreased by \$63.7 million.

The \$(222.0) million in unrestricted net position of governmental activities represents the accumulated results of all past years' operations.

Wayne-Westland Community Schools

Management's Discussion and Analysis (Continued)

The results of this year's operations for the School District as a whole are reported in the condensed statement of activities below, which shows the changes in net position for the years ended June 30, 2025 and 2024:

	Governmental Activities	
	2025	2024
	(in millions)	
Revenue		
Program revenue:		
Charges for services	\$ 1.8	\$ 2.0
Operating grants	106.3	138.0
General revenue:		
Taxes	33.9	31.1
State aid not restricted to specific purposes	70.7	72.8
Other	5.7	5.5
Total revenue	218.4	249.4
Expenses		
Instruction	91.4	109.1
Support services	76.4	84.6
Athletics	2.1	2.2
Milk and hot lunch	8.0	7.9
Community services	0.6	0.5
Other	4.7	5.3
Total expenses	183.2	209.6
Change in Net Position	35.2	39.8
Net Position (Deficit) - Beginning of year	(97.6)	(137.4)
Cumulative Effect of Change in Accounting (Note 2)	(2.4)	-
Net Position (Deficit) - Beginning of year	(100.0)	(137.4)
Net Position (Deficit) - End of year	<u><u>\$ (64.8)</u></u>	<u><u>\$ (97.6)</u></u>

As reported in the statement of activities, the cost of all of our governmental activities this year was \$183.2 million. Certain activities were partially funded from those who benefited from the programs (\$1.8 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$106.3 million). Operating grants and contributions decreased by \$32 million in the current year primarily related to the decrease in ESSER III funding as COVID-19 federal funding winds down. We paid for the remaining public benefit portion of our governmental activities with \$33.9 million in taxes, \$70.7 million in state foundation allowance, and other revenue (i.e., interest and general entitlements).

The School District experienced an increase in net position of \$35.2 million. Key reasons for the change in net position are the pension and OPEB adjustments related to GASB 68 and 75 and the School District's investment in capital assets (offset with the current year depreciation).

As discussed above, the net cost shows the financial burden that was placed on the State and the School District's taxpayers by each of these functions. Since property taxes for operations and unrestricted state aid constitute the vast majority of district operating revenue sources, the Board of Education and administration must annually evaluate the needs of the School District and balance those needs with state-prescribed available unrestricted resources.

The School District's Funds

As we noted earlier, the School District uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the School District is being accountable for the resources taxpayers and others provide to it and may provide more insight into the School District's overall financial health.

Wayne-Westland Community Schools

Management's Discussion and Analysis (Continued)

As the School District completed this year, the governmental funds reported a combined fund balance of \$49.9 million, which is a decrease of \$12.9 million from last year. The primary reasons for the decrease are as follows:

In the General Fund, our principal operating fund, fund balance increased by approximately \$1.6 million to \$33.8 million. The increase is mainly due to use of grant funds for instructional and support staff.

The fund balance of our debt service fund increased by \$1.4 million. Millage rates are determined annually to ensure that the School District accumulates sufficient resources to pay annual bond issue-related debt service. Debt service fund balances are reserved since they can be used only to pay debt service obligations.

The fund balance of our Sinking Fund increased by approximately \$1.8 million. The fund balance of our 2019 Building and Site Fund capital projects fund decreased by \$17.6 million. This decrease is primarily related to the 2019 bond issue being closed out. Proceeds from the bond funds were used for constructing buildings; acquiring and installing technology; furnishing and equipping additions to existing school buildings; partially remodeling, furnishing, refurbishing, equipping, and reequipping existing school district buildings; and improving and developing sites, including playgrounds, athletic fields, facilities, and structures, in the School District.

The Student Activities Fund fund balance remained consistent at \$1.1 million. The Milk and Hot Lunch Fund ended the year with a fund balance of \$1.1 million.

Budgetary Highlights

Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenue and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was adopted in June 2025. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in the required supplementary information of these financial statements.

There were significant revisions made to the 2024-2025 original budget. Budgeted revenue was decreased by \$10.2 million due in part to a decrease in state revenue sources. Additionally, local revenue experienced an increase from property tax revenue. Budgeted expenditures were decreased by \$14.4 million in the final budget due to a projected decrease in operations/maintenance, transportation, and support services.

The Federal, State, and Local Grant Programs Fund budgeted revenue and expense increased by \$13.9 million due to additional ESSER III funding, state source revenue, and interdistrict source revenue. The increase in budgeted expense primarily relates to the allocation of instructional and support staff to the ESSER III grant.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2025, the School District had \$226.3 million invested in a broad range of capital assets, including land, construction in progress, buildings and improvements, buses and other vehicles, furniture and equipment, and land improvements. This represents a net increase (including additions, construction in progress, disposals, and depreciation) of approximately \$13.7 million from 2024 to 2025.

	2025	2024
Land	\$ 1,213,987	\$ 1,213,987
Construction in progress	26,179,738	95,327,154
Buildings and improvements	173,521,870	105,215,297
Furniture and equipment	16,468,073	3,460,214
Buses and other vehicles	4,770,797	4,021,904
Land improvements	4,190,970	3,443,974
Total capital assets - Net of accumulated depreciation	\$ 226,345,435	\$ 212,682,530

This year's additions of \$14.2 million included buses, technology, and building construction and renovations. Several major capital projects were completed in the 2024-2025 fiscal year as the 2019 bond closed out, which related to approximately \$83 million of additions during the year. We present more detailed information about our capital assets in the notes to the financial statements.

Wayne-Westland Community Schools

Management's Discussion and Analysis (Continued)

Debt

At the end of this year, the School District had \$110.9 million in bonds outstanding versus \$116.5 million in the previous year.

Other obligations include compensated absences, early termination incentive obligations, and workers' compensation. We present more detailed information about our long-term liabilities in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

Our elected officials and administration consider many factors when setting the School District's 2025-2026 fiscal year budget. One of the most important factors affecting the budget is our student count. The state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The 2025-2026 budget was adopted in June 2025 based on an estimate of students who will enroll in September 2025. As a result, district funding is heavily dependent on the State's ability to fund local school operations. Based on early enrollment data at the start of the 2026 school year, we anticipate that the fall student count will be close to the estimates used in creating the 2026 budget. Once the final student count and related per pupil funding are validated, state law requires the School District to amend the budget if actual district resources are not sufficient to fund original appropriations.

Contacting the School District's Management

This financial report is intended to provide our taxpayers, parents, and investors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information, we welcome you to contact the business office.

Wayne-Westland Community Schools

Statement of Net Position

June 30, 2025

Governmental
Activities

Assets

Cash and investments (Note 4)	\$ 37,622,205
Receivables:	
Property taxes receivable	18,463
Other receivables	3,409,644
Due from other governments	25,750,987
Inventory	104,801
Prepaid expenses	349,594
Restricted assets (Notes 4 and 5)	43,572,796
Net OPEB asset (Note 11)	38,821,988
Capital assets: (Note 7)	
Assets not subject to depreciation	27,393,725
Assets subject to depreciation - Net	198,951,710
Total assets	375,995,913

Deferred Outflows of Resources

Deferred pension costs (Note 11)	84,507,051
Deferred OPEB costs (Note 11)	14,585,467
Total deferred outflows of resources	99,092,518

Liabilities

Accounts payable	4,265,033
Due to other governmental units	2,338,148
Accrued liabilities and other	20,121,770
State aid anticipation note (Note 9)	30,000,000
Unearned revenue (Note 6)	4,307,037
Noncurrent liabilities:	
Due within one year (Note 9)	7,434,792
Due in more than one year (Note 9)	118,323,359
Net pension liability (Note 11)	226,138,107
Total liabilities	412,928,246

Deferred Inflows of Resources

Revenue in support of pension contributions made subsequent to the measurement date (Note 11)	12,113,796
Deferred pension cost reductions (Note 11)	64,074,412
Deferred OPEB cost reductions (Note 11)	50,775,482
Total deferred inflows of resources	126,963,690

Net Position (Deficit)

Net investment in capital assets	114,355,837
Restricted:	
Debt service	3,959,919
Net OPEB asset	38,821,988
Capital projects	87,821
Unrestricted	(222,029,070)
Total net position (deficit)	\$ (64,803,505)

Wayne-Westland Community Schools

Statement of Activities

Year Ended June 30, 2025

	Program Revenue			Governmental
	Expenses	Charges for Services	Operating Grants and Contributions	Activities
				Net (Expense) Revenue and Change in Net Position
Functions/Programs				
Primary government - Governmental activities:				
Instruction	\$ 91,389,541	\$ 1,478,556	\$ 44,274,138	\$ (45,636,847)
Support services	76,427,030	-	54,112,835	(22,314,195)
Athletics	2,084,772	84,004	-	(2,000,768)
Milk and hot lunch	7,955,640	237,799	7,946,965	229,124
Community services	600,484	-	-	(600,484)
Interest	4,357,371	-	-	(4,357,371)
Other	349,169	-	-	(349,169)
Total primary government	\$ 183,164,007	\$ 1,800,359	\$ 106,333,938	(75,029,710)
General revenue (expense):				
Taxes:				
Property taxes levied for general purposes				20,118,295
Property taxes levied for debt service				11,339,102
Property taxes levied for capital projects				2,487,562
State aid not restricted to specific purposes				70,677,317
Federal grants and contributions not restricted to specific purposes				100,057
Interest and investment earnings				1,674,420
Loss on sale of capital assets				(158,728)
Other				4,017,748
Total general revenue				110,255,773
Change in Net Position				35,226,063
Net Position (Deficit) - Beginning of year, as previously reported				(97,582,041)
Cumulative Effect of Change in Accounting (Note 2)				(2,447,527)
Net Position (Deficit) - Beginning of year, as restated				(100,029,568)
Net Position (Deficit) - End of year				\$ (64,803,505)

Wayne-Westland Community Schools

Governmental Funds Balance Sheet

June 30, 2025

	General Fund	Federal, State, and Local Grant Programs Fund	Nonmajor Funds	Total Governmental Funds
Assets				
Cash and investments (Note 4)	\$ 36,330,587	\$ -	\$ 1,291,618	\$ 37,622,205
Receivables:				
Property taxes receivable	18,463	-	-	18,463
Other receivables	1,869,937	-	1,539,707	3,409,644
Due from other governments	22,515,511	3,208,697	26,779	25,750,987
Due from other funds (Note 8)	64,678	2,763,186	7,164,089	9,991,953
Inventory	34,656	-	70,145	104,801
Prepaid expenses	75,000	-	274,594	349,594
Restricted assets (Notes 4 and 5)	30,097,047	-	13,475,749	43,572,796
Total assets	\$ 91,005,879	\$ 5,971,883	\$ 23,842,681	\$ 120,820,443
Liabilities				
Accounts payable	\$ 473,968	\$ 105,250	\$ 3,685,815	\$ 4,265,033
Due to other governmental units	2,338,148	-	-	2,338,148
Due to other funds (Note 8)	9,164,271	64,678	763,004	9,991,953
Accrued liabilities and other	14,969,139	2,414,022	1,940,865	19,324,026
State aid anticipation note (Note 9)	30,000,000	-	-	30,000,000
Unearned revenue (Note 6)	295,099	3,387,933	624,005	4,307,037
Total liabilities	57,240,625	5,971,883	7,013,689	70,226,197
Deferred Inflows of Resources - Unavailable revenue (Note 6)	-	-	664,289	664,289
Total liabilities and deferred inflows of resources	57,240,625	5,971,883	7,677,978	70,890,486
Fund Balances				
Nonspendable:				
Inventory	34,656	-	70,145	104,801
Prepaid expenses	75,000	-	274,594	349,594
Restricted:				
Debt service	-	-	4,854,710	4,854,710
Capital projects	-	-	8,432,010	8,432,010
Special education	-	-	696,293	696,293
Food service	-	-	773,153	773,153
Committed:				
Capital projects	1,773,714	-	-	1,773,714
Student activities	-	-	1,063,798	1,063,798
Unassigned	31,881,884	-	-	31,881,884
Total fund balances	33,765,254	-	16,164,703	49,929,957
Total liabilities, deferred inflows of resources, and fund balances	\$ 91,005,879	\$ 5,971,883	\$ 23,842,681	\$ 120,820,443

Reconciliation of the Balance Sheet to the Statement of Net Position**June 30, 2025**

Fund Balances Reported in Governmental Funds	\$ 49,929,957
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are not financial resources and are not reported in the funds:	
Cost of capital assets	380,746,541
Accumulated depreciation	<u>(154,401,106)</u>
Net capital assets used in governmental activities	226,345,435
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	664,289
Bonds payable and related premiums are not due and payable in the current period and are not reported in the funds	(120,333,788)
Accrued interest is not due and payable in the current period and is not reported in the funds	(797,744)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(2,470,956)
Early termination incentive obligations	(1,855,941)
Provision for workers' compensation claims	(347,466)
Current portion of compensated absences and early termination incentive obligations	(750,000)
Net pension liability and related deferred inflows and outflows	(205,705,468)
Net OPEB asset and related deferred inflows and outflows	2,631,973
Revenue in support of pension contributions made subsequent to the measurement date is reported as a deferred inflow of resources in the statement of net position and is not reported in the funds	<u>(12,113,796)</u>
Net Position (Deficit) of Governmental Activities	<u><u>\$ (64,803,505)</u></u>

Wayne-Westland Community Schools

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2025

	General Fund	Federal, State, and Local Grant Programs Fund	Formerly Major - 2019 Building and Site Fund	Nonmajor Funds	Total Governmental Funds
Revenue					
Local sources	\$ 25,571,612	\$ 173,105	\$ -	\$ 15,697,508	\$ 41,442,225
State sources	104,124,075	11,169,023	-	7,273,783	122,566,881
Federal sources	211,129	15,581,832	-	7,567,502	23,360,463
Interdistrict sources	8,791,286	3,190,387	-	13,594,218	25,575,891
Total revenue	138,698,102	30,114,347	-	44,133,011	212,945,460
Expenditures					
Current:					
Instruction	79,334,505	13,164,058	-	10,642,834	103,141,397
Support services	57,110,589	15,633,284	-	8,778,654	81,522,527
Athletics	2,324,002	-	-	-	2,324,002
Milk and hot lunch	-	48,067	-	8,161,600	8,209,667
Community services	112,877	539,335	-	-	652,212
Other:					
Principal (Note 9)	-	-	-	5,590,000	5,590,000
Interest	-	-	-	4,881,713	4,881,713
Other	181,644	-	-	760,745	942,389
Capital outlay	310,413	72,000	-	18,381,249	18,763,662
Total expenditures	139,374,030	29,456,744	-	57,196,795	226,027,569
Excess of Revenue (Under) Over Expenditures	(675,928)	657,603	-	(13,063,784)	(13,082,109)
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	187,600	-	-	-	187,600
Transfers in (Note 8)	3,101,643	11,391	-	1,007,096	4,120,130
Transfers out (Note 8)	(1,018,425)	(668,994)	-	(2,432,711)	(4,120,130)
Total other financing sources (uses)	2,270,818	(657,603)	-	(1,425,615)	187,600
Net Change in Fund Balances	1,594,890	-	-	(14,489,399)	(12,894,509)
Fund Balances - Beginning of year, as previously reported	32,170,364	-	17,578,635	13,075,467	62,824,466
Change within Financial Reporting Entity (Note 2)	-	-	(17,578,635)	17,578,635	-
Fund Balances - Beginning of year, as adjusted or restated	32,170,364	-	-	30,654,102	62,824,466
Fund Balances - End of year	<u>\$ 33,765,254</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,164,703</u>	<u>\$ 49,929,957</u>

Wayne-Westland Community Schools

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended June 30, 2025

Net Change in Fund Balances Reported in Governmental Funds \$ (12,894,509)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:

Capitalized capital outlay	24,863,085
Depreciation expense	(10,853,852)
Net book value of assets disposed of	(346,328)

Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	(837,679)
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Revenue in support of pension contributions made subsequent to the measurement date	6,441,017
---	-----------

Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt); amortization of premium net expenses in the governmental funds	6,074,792
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Interest expense is recognized in the government-wide statements as it accrues	39,550
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Some employee costs (pension, OPEB, compensated absences, early termination incentive obligations, and workers' compensation) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	22,146,767
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Arbitrage rebate costs that do not use current financial resources are not reported as expenditures in the governmental funds	593,220
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Change in Net Position of Governmental Activities **\$ 35,226,063**

June 30, 2025

Note 1 - Nature of Business

Wayne-Westland Community Schools (the "School District") is a school district in the state of Michigan that provides educational services to students.

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

The School District follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board. The following is a summary of the significant accounting policies used by the School District.

Reporting Entity

The School District is governed by an elected eight-member Board of Education. In accordance with government accounting principles, there are no separate legal entities appropriate to be reported within these financial statements.

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units, as applicable. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes, unrestricted intergovernmental receipts, and other items not properly included among program revenue are reported instead as general revenue.

As a general rule, the effect of interfund activity has been removed from the government-wide financial statements.

Separate financial statements are provided for governmental funds. Major individual governmental funds and major individual enterprise funds, if any, are reported as separate columns in the fund financial statements.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the government has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

June 30, 2025**Note 2 - Significant Accounting Policies (Continued)**

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the School District considers amounts collected within 60 days of year end to be available for recognition. Revenue not meeting this definition is classified as a deferred inflow of resources.

Fund Accounting

The School District accounts for its various activities in several different funds in order to demonstrate accountability for how we have spent certain resources; separate funds allow us to show the particular expenditures for which specific revenue was used. The various funds are aggregated into the following broad fund type:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. This includes the General Fund, special revenue funds, debt service funds, and capital projects funds. The School District reports the following funds as major governmental funds:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Federal, State, and Local Grant Programs Fund (special revenue fund) records all the revenue and expenditures of the local, state, and federal grants except for the Child Nutrition Cluster. Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes. Any operating deficit generated by these activities is the responsibility of the General Fund.

Additionally, the School District reports the following nonmajor governmental fund types:

- The Special Education Fund (special revenue fund) is used to record all transactions associated with the special education center programs administered by the School District on behalf of the county. The Special Education Fund is funded primarily by property taxes from interdistrict sources and state aid, which is restricted to expenditures for specified purposes. Any operating deficit generated by these activities is the responsibility of the General Fund.
- The Milk and Hot Lunch Fund (special revenue fund) is used to record all transactions of food sales to pupils at all school district buildings. The Milk and Hot Lunch Fund is funded primarily by federal grants awarded to the School District to reimburse the cost of providing meals to students. Any operating deficit generated by these activities is the responsibility of the General Fund.
- The Student Activities Fund (special revenue fund) is used to record transactions of student groups for school and school-related purposes. Any operating deficit generated by these activities is the responsibility of the General Fund.
- The debt service fund is used to record tax and interest revenue and transfers in from the General Fund and the payment of interest, principal, and other expenditures on bonded debt.
- The Sinking Fund (capital projects fund) is used to record revenue and the disbursement of moneys specifically designated for major remodeling and repairs. The fund operates until the purpose for which it was created is accomplished.
- The 2019 Building and Site Fund (capital projects fund) is used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for acquiring new school sites, buildings, and equipment; technology updates; and remodeling and repairs. The fund operates until the purpose for which it was created is accomplished.

June 30, 2025**Note 2 - Significant Accounting Policies (Continued)****Interfund Activity**

During the course of operations, the School District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Specific Balances and Transactions**Cash and Investments**

Cash and cash equivalents include cash on hand, money market demand deposit accounts, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value, except for investments in external investment pools, which are valued at amortized cost.

Inventories and Prepaid Items

Inventories are valued at cost on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

The unspent property taxes levied in the debt service fund and Sinking Fund are required to be set aside for future bond principal and interest and approved Sinking Fund projects, respectively. In addition, the unspent bond proceeds and related interest of the 2019 Building and Site Fund require amounts to be set aside for construction and technology. Related to the state aid anticipation note payable, there are funds set aside in the General Fund for repayment in the next fiscal year. These amounts have been classified as restricted assets.

Capital Assets

Capital assets, which include land, buildings, equipment, and vehicles, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset life are not capitalized.

June 30, 2025

Note 2 - Significant Accounting Policies (Continued)

Capital assets are depreciated using the straight-line method over the following useful lives:

	Depreciable Life - Years
Buildings (with 20 percent salvage value)	50
Building improvements (with 20 percent salvage value)	25
Land improvements	20
Buses and other vehicles	10
Furniture and other equipment	10

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances and premiums as other financing sources and bond discounts as other financing uses. The General Fund and debt service fund are generally used to liquidate governmental long-term debt.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

The School District has deferred outflows of resources related to deferred pension and OPEB costs.

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

The School District has deferred inflows of resources related to revenue in support of pension payments made subsequent to the measurement date and deferred pension and OPEB costs.

Net Position

Net position of the School District is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital assets or restricted.

Net Position Flow Assumption

The School District will sometimes fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

June 30, 2025**Note 2 - Significant Accounting Policies (Continued)****Fund Balance Flow Assumptions**

The School District will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The nonspendable fund balance component represents amounts that are not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balance represents amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose. The School District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The School District has, by resolution, authorized the finance director to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist only temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The fund balance policy prescribes the minimum fund balance between 5 percent and 10 percent of the School District's operating expenditures in the General Fund. This is deemed to be the prudent amount to maintain the School District's ability to meet obligations as they come due throughout the year. If a fund balance declines below the 5 percent to 10 percent range, it shall be recovered at a rate directed by the Board of Education.

Property Tax Revenue

Properties are assessed as of December 31, and the related property taxes become a lien on July 1 of the following year. Tax collections are forwarded to the School District as collected by the assessing municipalities through March 1, at which time they are considered delinquent and added to county tax rolls. Any delinquent taxes collected by the county are remitted to the School District by June 30. The School District considers all receivables to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

June 30, 2025**Note 2 - Significant Accounting Policies (Continued)****Grants and Contributions**

From time to time, the School District receives grants from the federal government, intermediate school district, and the State of Michigan, as well as contributions from individuals and private organizations. Revenue from grants and contributions (including contributions of capital assets) is recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenue. Amounts restricted to capital acquisitions are reported after nonoperating revenue and expenses.

Pension and Other Postemployment Benefit (OPEB) Costs

For the purpose of measuring the net pension liability and net OPEB asset, deferred outflows of resources and deferred inflows of resources related to each plan, and pension and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. MPERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expenses when due and payable in accordance with the plan benefit terms. Related plan investments are reported at fair value.

Compensated Absences

The liability for compensated absences reported in the government-wide statements consists of earned but unused accumulated annual sick leave benefits. The liability has been calculated based on leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Termination Benefits

Termination benefits include certain incentive payments to employees upon separation from the School District. The benefit is based on a percentage of the employee's final salary and years for years of service at termination. Employees having 10 or more years of service in the School District who sever employment because of death, disability, or retirement, shall be paid an amount equal to 9 percent of their annual salary. The district has concluded to measure based on the undiscounted total of estimated future benefit payments at current cost levels. In recording the liability, the district multiplies the employee's current pay rate by the payout factor in effect as of the reporting date for each employee.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

In April 2024, the Governmental Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*, which establishes new accounting and financial reporting requirements or modifies existing requirements related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2026.

June 30, 2025

Note 2 - Significant Accounting Policies (Continued)

In September 2024, the Governmental Accounting Standards Board issued Statement No. 104, *Disclosure of Certain Capital Assets*, which requires certain types of capital assets, such as lease assets, intangible right-of-use assets, subscription assets, and other intangible assets, to be disclosed separately by major class of underlying asset in the capital assets note. This statement also requires additional disclosures for capital assets held for sale. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2026.

Accounting Changes**Adoption of New Accounting Pronouncement**

During the current year, the School District adopted GASB Statement No. 101, *Compensated Absences*. The new accounting standard impacted the measurement of the compensated absences liability that is included in the statement of net position. The standard was required to be adopted retroactively, and, as such, the School District's compensated absences liability and net position as of July 1, 2025 have been restated in order to adopt GASB Statement No. 101. The effects of this adoption of a new accounting pronouncement are shown in the table at the end of this section.

Changes to or within the Financial Reporting Entity**Change in Major Funds**

The 2019 Building and Site Fund was previously reported as a major fund but is now reported as a nonmajor fund for fiscal year 2025. The effects of this change in major funds are shown in the table at the end of this section.

Adjustments to and Restatements of Beginning Balances

During fiscal year 2025, the changes noted above resulted in adjustments to and restatements of beginning net position and fund net position as follows:

	<u>June 30, 2024</u>			<u>June 30, 2024</u>
	<u>As Previously Reported</u>	<u>Adoption of GASB 101</u>	<u>Change to or within the Financial Reporting Entity</u>	<u>As Restated</u>
Government-wide - Governmental activities	<u>\$ (97,582,041)</u>	<u>\$ (2,447,527)</u>	<u>\$ -</u>	<u>\$ (100,029,568)</u>
Governmental funds:				
Major funds:				
General Fund	\$ 32,170,364	\$ -	\$ -	\$ 32,170,364
Federal, State, and Local Grant Programs Fund	-	-	-	-
Formerly major - 2019 Building and Site Fund	17,578,635	-	(17,578,635)	-
Nonmajor funds	<u>13,075,467</u>	<u>-</u>	<u>17,578,635</u>	<u>30,654,102</u>
Total governmental funds	<u>\$ 62,824,466</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,824,466</u>

Note 3 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the General Fund and all major special revenue funds. The presentation of the budget information and the basic financial statements is consistent, except that capital outlay is presented within the functional categories in the budget. All annual appropriations lapse at fiscal year end. The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. The required supplementary information - budgetary comparison schedules are presented on the same basis of accounting used to prepare the budget that includes certain items having classifications that differ from the statement of revenue, expenditures, and changes in fund balances. State law permits districts to amend their budgets during the year. During the year, the budget was amended in a legally permissible manner.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders or contracts) are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered. The Federal, State, and Local Grant Programs Fund had encumbrances in the amount of \$557,541 as of June 30, 2025.

Excess of Expenditures Over Appropriations in Budgeted Funds

During the year, the School District incurred expenditures in the General Fund that were in excess of the amounts budgeted as follows:

	Budget	Actual
General Fund - Central	\$ 4,827,227	\$ 5,560,968

Capital Projects Fund Compliance

The 2019 Building and Site Fund includes capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the School District has complied with the applicable provisions of §1351a of the State of Michigan's School Code.

Beginning with the year of bond issuance, the School District has reported the annual construction activity in the 2019 Building and Site capital projects fund. The projects for which the 2019 Building and Site Fund bonds were issued were considered complete on June 30, 2025. The cumulative expenditures recognized for the construction period were \$164,302,930.

The Sinking Fund records capital project activities funded with Sinking Fund millage. For this fund, authorized prior to March 29, 2017, the School District has complied with the applicable provisions of §1212 of the State of Michigan's Revised School Code.

Note 4 - Deposits and Investments

The School District has designated two banks for the deposit of its funds. The School District's investments comply with all required laws and regulations.

There are no limitations or restrictions on participant withdrawals for the investment pools that are recorded at amortized cost except for MILAF MAX Class funds, which may not be redeemed for at least 14 calendar days, with the exception of direct investments of funds distributed by the State of Michigan. Redemptions made prior to the applicable 14-day period are subject to a penalty equal to 15 days' interest on the amount so redeemed.

Note 4 - Deposits and Investments (Continued)

The School District's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned to it. At year end, the School District had bank deposits of \$59,088,859 (checking and savings accounts) that were uninsured and uncollateralized. The School District believes that, due to the dollar amount of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's policy for custodial credit risk states that custodial credit risk will be minimized by limiting investments to the types of securities allowed by state law and by prequalifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the School District will do business using the criteria established in the investment policy. At June 30, 2024, the School District does not have investments with custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The School District's investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 270-day maturity. The School District's policy minimizes interest rate risk by requiring structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market, and investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the School District's cash requirements.

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The School District has no investment policy that would further limit its investment choices. As of June 30, 2025, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Carrying Value	Rating	Rating Organization
Primary Government			
Money market	\$ 12,735,028	AAAm	S&P
MILAF	22,004,604	AAAm	S&P

Concentration of Credit Risk

The School District places no limit on the amount it may invest in any one issuer. The School District's investment policy minimizes concentration of credit risk by requiring diversification of the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The School District does not have any investments subject to concentration of credit risk.

June 30, 2025

Note 4 - Deposits and Investments (Continued)***Foreign Currency Risk***

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. State law and the School District's investment policy prohibit investments in foreign currency.

Note 5 - Restricted Assets

At June 30, 2025, restricted assets are composed of the following:

Description	Governmental Activities
Restricted for Debt Service Fund	\$ 4,503,030
Restricted for Sinking Fund	8,967,446
Restricted for capital projects	5,273
Restricted for General Fund	30,097,047
Total	<u>\$ 43,572,796</u>

Note 6 - Unavailable/Unearned Revenue

Governmental funds report unavailable revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue recognition in connection with resources that have been received but not yet earned.

At June 30, 2025, the School District had \$664,289 in unavailable revenue related to amounts that were not received within 60 days of year end and \$4,307,037 in unearned revenue primarily related to grant and categorical aid payment received prior to meeting all eligibility requirements.

June 30, 2025

Note 7 - Capital Assets

Capital asset activity of the School District's governmental activities was as follows:

	Balance July 1, 2024	Reclassifications	Additions and Transfers	Disposals	Balance June 30, 2025
Capital assets not being depreciated:					
Land	\$ 1,213,987	\$ -	\$ -	\$ -	\$ 1,213,987
Construction in progress	95,327,154	(79,797,442)	10,650,026	-	26,179,738
Subtotal	96,541,141	(79,797,442)	10,650,026	-	27,393,725
Capital assets being depreciated:					
Buildings and improvements	223,242,466	65,832,890	9,749,991	-	298,825,347
Furniture and equipment	9,510,311	13,964,552	1,373,031	(3,144,151)	21,703,743
Buses and other vehicles	8,407,012	-	1,773,694	(609,602)	9,571,104
Land improvements	22,012,336	-	1,316,343	(76,057)	23,252,622
Subtotal	263,172,125	79,797,442	14,213,059	(3,829,810)	353,352,816
Accumulated depreciation:					
Buildings and improvements	118,027,169	-	7,276,308	-	125,303,477
Furniture and equipment	6,050,097	-	2,185,340	(2,999,767)	5,235,670
Buses and other vehicles	4,385,108	-	836,167	(420,968)	4,800,307
Land improvements	18,568,362	-	556,037	(62,747)	19,061,652
Subtotal	147,030,736	-	10,853,852	(3,483,482)	154,401,106
Net capital assets being depreciated	116,141,389	79,797,442	3,359,207	(346,328)	198,951,710
Net governmental activities capital assets	<u>\$ 212,682,530</u>	<u>\$ -</u>	<u>\$ 14,009,233</u>	<u>\$ (346,328)</u>	<u>\$ 226,345,435</u>

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:	
Instruction	\$ 6,946,465
Support services	3,581,771
Food services	325,616
Total governmental activities	<u>\$ 10,853,852</u>

Construction Commitments

The School District has active construction projects at year end. At year end, the School District's commitments are as follows:

	Remaining Commitment
General Fund commitments	\$ 1,773,714
Sinking Fund commitments	3,106,486
Food service commitments	180,422
Total	<u>\$ 5,060,622</u>

June 30, 2025

Note 8 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Fund Due To	Fund Due From				Total
	General Fund	Federal, State, and Local Grant Programs Fund	2019 Building and Site Fund	Nonmajor Funds	
General Fund	\$ -	\$ 64,678	\$ -	\$ -	\$ 64,678
Federal, State, and Local Grant Programs Fund	2,763,186	-	-	-	2,763,186
Nonmajor funds	6,401,085	-	-	763,004	7,164,089
Total	<u>\$ 9,164,271</u>	<u>\$ 64,678</u>	<u>\$ -</u>	<u>\$ 763,004</u>	<u>\$ 9,991,953</u>

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Interfund transfers reported in the fund financial statements are composed of the following:

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Nonmajor funds	\$ 1,007,034
	Federal, State, and Local Grant Programs Fund	11,391
Federal, State, and Local Grant Programs Fund	General Fund	668,932
	Nonmajor funds	62
Nonmajor funds	General Fund	2,432,711
	Total	<u>\$ 4,120,130</u>

Transfers between funds are to primarily cover excess costs related to operations of the funds for the purposes for which they were created.

Note 9 - Long-term Debt

Long-term debt activity for the year ended June 30, 2025 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
Other debt - General obligations	\$ 116,450,000	\$ -	\$ (5,590,000)	\$ 110,860,000	\$ 6,200,000
Unamortized bond premiums	9,958,580	-	(484,791)	9,473,789	484,792
Total bonds payable	126,408,580	-	(6,074,791)	120,333,789	6,684,792
Compensated absences	3,224,054	201,544	(254,643)	3,170,955	700,000
Workers' compensation	398,962	-	(51,496)	347,466	-
Early termination benefits	1,641,183	264,758	-	1,905,941	50,000
Arbitrage liability	593,220	-	(593,220)	-	-
Total governmental activities long-term debt	<u>\$ 132,265,999</u>	<u>\$ 466,302</u>	<u>\$ (6,974,150)</u>	<u>\$ 125,758,151</u>	<u>\$ 7,434,792</u>

The table above discloses the net change in the compensated absences liability of the School District.

June 30, 2025

Note 9 - Long-term Debt (Continued)***General Obligation Bonds and Contracts***

The School District issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. The primary source of any required repayment is from the School District's property tax levy; however, the State of Michigan may withhold the School District's state aid funding in order to recover amounts it has paid on behalf of the School District. General obligations outstanding at June 30, 2025 consist of \$110,860,000 of qualified serial bonds due in annual installments of \$160,000 to \$5,925,000 on May 1 and November 1, bearing interest between 3.00 percent and 5.00 percent.

Other Long-term Liabilities

Compensated absences, early termination benefits, and workers' compensation liabilities attributable to the governmental activities will be liquidated primarily by the General Fund. Arbitrage liability attributable to the 2019 Building and Site Bond Series II and III is recorded as a liability in the 2019 Building and Site Fund and is payable to Internal Revenue Service.

The School District borrowed \$30,000,000 through a state aid anticipation note on August 20, 2024. The interest rate on the note was 3.33 percent. The borrowings were from the Michigan Finance Authority in order to provide sufficient resources before receiving its scheduled state aid. In September 2024, the School District determined the proceeds from the state aid anticipation notes were no longer necessary. The principal balance and accrued interest on the note as of June 30, 2025 was \$30,000,000 and \$97,047, respectively. On July 21, 2025 and August 20, 2025, the School District made payments in the amount of \$11,336,793 and \$19,628,900 on the outstanding state aid anticipation note. These included principal and interest. These payments satisfied the outstanding liability, and the state aid anticipation note was paid in full.

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds are as follows:

Years Ending June 30	Governmental Activities		
	Other Debt		
	Principal	Interest	Total
2026	\$ 6,200,000	\$ 4,602,662	\$ 10,802,662
2027	4,610,000	4,317,112	8,927,112
2028	4,415,000	4,107,887	8,522,887
2029	3,440,000	3,922,937	7,362,937
2030	3,470,000	3,762,962	7,232,962
2031-2035	20,075,000	16,374,060	36,449,060
2036-2040	24,870,000	11,822,754	36,692,754
2041-2045	30,505,000	6,380,976	36,885,976
2046-2047	13,275,000	643,913	13,918,913
Total	\$ 110,860,000	\$ 55,935,263	\$ 166,795,263

Note 10 - Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The School District has purchased commercial insurance for health claims and participates in the Metropolitan Association for Improved School Legislation risk pool for claims relating to property loss, torts, and errors and omissions; the School District is partially self-insured for workers' compensation claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

June 30, 2025

Note 10 - Risk Management (Continued)

The shared-risk pool program in which the School District participates operates as a common risk-sharing management program for school districts in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

For risk retention situations (other than commercial coverage or risk-sharing pools), the School District estimates the liability for workers' compensation claims that have been incurred through the end of the fiscal year, including claims that have been reported and those that have not yet been reported. These estimates are recorded in long-term debt. Changes in the estimated liability for the past two fiscal years were as follows:

	Workers' Compensation	
	2025	2024
Estimated liability - Beginning of year	\$ 398,962	\$ 428,214
Estimated claims incurred, including changes in estimates	46,017	279,333
Claim payments	(97,513)	(308,585)
Estimated liability - End of year	<u>\$ 347,466</u>	<u>\$ 398,962</u>

Note 11 - Michigan Public School Employees' Retirement System***Plan Description***

The School District participates in the Michigan Public School Employees' Retirement System (the "System"), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers substantially all employees of the School District. Certain school district employees also receive defined contribution retirement and health care benefits through the System. The System provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The System also provides postemployment health care benefits to retirees and beneficiaries who elect to receive those benefits.

The System is administered by the Office of Retirement Services (ORS). The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the pension and postemployment health care plans. That report is available on the web at <http://www.michigan.gov/orsschools>.

Benefits Provided

Benefit provisions of the defined benefit (DB) pension plan and the postemployment health care plan are established by state statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit pension plan and the postemployment health care plan.

Depending on the plan option selected, member retirement benefits are calculated as final average compensation times years of services times a pension factor ranging from 1.25 to 1.50 percent. The requirements to retire range from attaining the age of 46 to 60 with years of service ranging from 5 to 30 years, depending on when the employee became a member. Early retirement is computed in the same manner as a regular pension but is permanently reduced by 0.50 percent for each full and partial month between the pension effective date and the date the member will attain age 60. There is no mandatory retirement age.

Depending on the member's date of hire, MPSERS offers the option of participating in the defined contribution (DC) plan that provides a 50 percent employer match (up to 3 percent of salary) on employee contributions.

June 30, 2025

Note 11 - Michigan Public School Employees' Retirement System (Continued)

Members are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The disability benefits plus authorized outside earnings are limited to 100 percent of the participant's final average compensation, with an increase of 2 percent each year thereafter.

Benefits may transfer to a beneficiary upon death and are determined in the same manner as retirement benefits but with an actuarial reduction.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3 percent. Some members who do not receive an annual increase are eligible to receive a supplementary payment in those years when investment earnings exceed actuarial assumptions.

MPSERS provides medical, prescription drug, dental, and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by MPSERS, with the balance deducted from the monthly pension of each retiree health care recipient. Depending on the member's date of hire, this subsidized portion ranges from 80 percent to the maximum allowed by the statute.

Contributions

Public Act 300 of 1980, as amended, required the School District to contribute amounts necessary to finance the coverage of pension benefits of active and retired members. Contribution provisions are specified by state statute and may be amended only by action of the state Legislature. Under these provisions, each school district's contribution is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability.

Under the OPEB plan, retirees electing this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent, or 20 percent for those not Medicare eligible, of the monthly premium amount for the health, dental, and vision coverage at the time of receiving the benefits. The MPSERS board of trustees annually sets the employer contribution rate to fund the benefits. Participating employers are required to contribute at that rate.

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

The School District's contributions are determined based on employee elections. There are multiple different pension and health care benefit options included in the plan available to employees based on date of hire and the elections available at that time. Contribution rates are adjusted annually by the ORS.

The ranges of rates are as follows:

	Pension	OPEB
October 1, 2023 - September 30, 2024	13.90% - 23.03%	7.06% - 8.31%
October 1, 2024 - September 30, 2025	20.96% - 30.11%	0.00% - 1.25%

June 30, 2025**Note 11 - Michigan Public School Employees' Retirement System (Continued)**

Depending on the plan selected, member pension contributions range from 0 percent up to 7.0 percent of gross wages. For certain plan members, a 4 percent employer contribution to the defined contribution pension plan is required. In addition, for certain plan members, a 3 percent employer match is provided to the defined contribution pension plan.

The School District's required and actual pension contributions to the plan for the year ended June 30, 2025 were \$39,708,240, which includes the School District's contributions required for those members with a defined contribution benefit. For the year ended June 30, 2025, the School District's required and actual pension contributions include an allocation of \$9,870,250 in revenue received from the State of Michigan and remitted to the System to fund the MPSERS unfunded actuarial accrued liability (UAAL) stabilization rate as well as \$2,243,547 of a one-time state payment received and remitted to the System for the purpose of contributing additional assets to the System.

The School District's required and actual OPEB contributions to the plan for the year ended June 30, 2025 were \$3,452,232, which includes the School District's contributions required for those members with a defined contribution benefit.

Net Pension Liability

At June 30, 2025, the School District reported a liability of \$226,138,107 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2023, which used update procedures to roll forward the estimated liability to September 30, 2024. The School District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2024 and 2023, the School District's proportion was approximately 0.92 percent and 0.90 percent, respectively, representing a change of 3.16 percent.

Net OPEB Asset

At June 30, 2025, the School District reported an asset of \$38,821,988 for its proportionate share of the net OPEB asset. The net OPEB asset for fiscal year 2025 was measured as of September 30, 2024, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of September 30, 2023, which used update procedures to roll forward the estimated liability to September 30, 2024. The School District's proportion of the net OPEB asset was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2024 and 2023, the School District's proportion was approximately 0.90 percent and 0.94 percent, respectively, representing a change of (4.14) percent.

June 30, 2025

Note 11 - Michigan Public School Employees' Retirement System (Continued)***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

For 2025, the School District recognized pension expense of \$28,751,369, inclusive of payments to fund the MPSERS UAAL stabilization rate. At June 30, 2025, the School 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	\$ 6,135,286	\$ (2,457,021)
Changes in assumptions	23,576,238	(16,568,771)
Net difference between projected and actual earnings on pension plan investments	-	(43,156,737)
Changes in proportion and differences between the School District's contributions and proportionate share of contributions	21,546,203	(1,891,883)
The School District's contributions to the plan subsequent to the measurement date	33,249,324	-
Total	<u>\$ 84,507,051</u>	<u>\$ (64,074,412)</u>

The \$12,113,796 reported as deferred inflows of resources resulting from the pension portion of state aid payments received pursuant to the UAAL payment will be recognized as state appropriations revenue for the year ending June 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending	Amount
2026	\$ 1,633,403
2027	8,279,412
2028	(12,299,135)
2029	(10,430,365)
Total	<u>\$ (12,816,685)</u>

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year.

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

For the year ended June 30, 2025, the School District recognized OPEB recovery of \$12,791,693.

June 30, 2025

Note 11 - Michigan Public School Employees' Retirement System (Continued)

At June 30, 2025, the School 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
Difference between expected and actual experience	\$ -	\$ (41,139,451)
Changes in assumptions	8,479,281	(974,623)
Net difference between projected and actual earnings on OPEB plan investments	-	(7,349,447)
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	5,247,249	(1,311,961)
Employer contributions to the plan subsequent to the measurement date	858,937	-
Total	<u>\$ 14,585,467</u>	<u>\$ (50,775,482)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (note that employer contributions subsequent to the measurement date will reduce the net OPEB asset and, therefore, will not be included in future OPEB expense):

Years Ending	Amount
2026	\$ (11,677,713)
2027	(7,212,766)
2028	(7,045,395)
2029	(6,588,791)
2030	(3,739,797)
Thereafter	(784,490)
Total	<u>\$ (37,048,952)</u>

Actuarial Assumptions

The total pension liability and total OPEB liability as of September 30, 2024 are based on the results of an actuarial valuation as of September 30, 2023 and rolled forward. The total pension liability and OPEB liability were determined using the following actuarial assumptions:

Actuarial cost method		Entry age normal
Investment rate of return - Pension	6.00%	Net of investment expenses based on the groups
Investment rate of return - OPEB	6.00%	Net of investment expenses based on the groups
Salary increases	2.75% - 11.55%	Including wage inflation of 2.75 percent
Health care cost trend rate - OPEB	6.50% - 7.25%	Year 1 graded to 3.5 percent in year 15
Mortality basis		PubT-2010 Male and Female Employee Mortality Tables, scaled 100 percent (retirees: 116 percent for males and 116 percent for females) and adjusted for mortality improvements using projection scale MP-2021 from 2010
Cost of living pension adjustments	3.00%	Annual noncompounded for MIP members

Assumption changes as a result of an experience study for the periods from 2017 through 2022 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2023 valuation. The total pension liability and OPEB liability as of September 30, 2024 are based on the results of an actuarial valuation date of September 30, 2023 and rolled forward using generally accepted actuarial procedures, including the experience study.

June 30, 2025

Note 11 - Michigan Public School Employees' Retirement System (Continued)

Significant assumption changes since the prior measurement date, September 30, 2023, for the OPEB plan include a decrease in the health care cost trend rate of 0.25 percentage points for members under 65 and an increase of 0.25 percentage points for members over 65. There was no significant benefit terms changes for the pension or OPEB plans since the prior measurement date of September 30, 2023.

Discount Rate

The discount rate used to measure the total pension liability and OPEB liability was 6.00 percent as of September 30, 2024. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that district contributions will be made at statutorily required rates.

Based on those assumptions, the pension plan's fiduciary net position and the OPEB plan's fiduciary net position were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension liability and total OPEB liability.

The long-term expected rate of return on pension plan and 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 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity pools	25.00 %	5.30 %
Private equity pools	16.00	9.00
International equity pools	15.00	6.50
Fixed-income pools	13.00	2.20
Real estate and infrastructure pools	10.00	7.10
Absolute return pools	9.00	5.20
Real return/opportunistic pools	10.00	6.90
Short-term investment pools	2.00	1.40
Total	100.00 %	

Long-term rates of return are net of administrative expense and inflation of 2.3 percent.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the School District, calculated using the discount rate depending on the plan option. The following also reflects what the School District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net pension liability of the School District	\$ 331,520,895	\$ 226,138,107	\$ 138,386,661

June 30, 2025

Note 11 - Michigan Public School Employees' Retirement System (Continued)***Sensitivity of the Net OPEB Asset to Changes in the Discount Rate***

The following presents the net OPEB asset of the School District, calculated using the current discount rate. It also reflects what the School District's net OPEB asset would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net OPEB asset of the School District	\$ (30,001,952)	\$ (38,821,988)	\$ (46,447,841)

Sensitivity of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB asset of the School District, calculated using the current health care cost trend rate. It also reflects what the School District's net OPEB asset would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease	Current Rate	1 Percentage Point Increase
Net OPEB asset of the School District	\$ (46,447,924)	\$ (38,821,988)	\$ (30,643,214)

Pension Plan and OPEB Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued MPSERS financial report.

Payable to the Pension Plan and OPEB Plan

At June 30, 2025, the School District reported a payable of \$4,870,218 and \$124,999 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2025.

Note 12 - Tax Abatements

For the fiscal year ended June 30, 2025, the School District had no significant tax abatements.

Note 13 - Subsequent Event

The financial statements and related disclosures include evaluation of events up through and including October 9, 2025, which is the date the financial statements were available to be issued.

Required Supplementary Information

Wayne-Westland Community Schools

Required Supplementary Information Budgetary Comparison Schedule General Fund

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	\$ 21,182,198	\$ 22,589,451	\$ 25,571,612	\$ 2,982,161
State sources	116,054,384	105,957,638	104,124,075	(1,833,563)
Federal sources	143,000	160,816	211,129	50,313
Interdistrict sources	9,823,872	8,280,916	8,791,286	510,370
Total revenue	147,203,454	136,988,821	138,698,102	1,709,281
Expenditures				
Current:				
Instruction:				
Basic programs	60,906,153	64,079,736	62,344,822	(1,734,914)
Added needs	21,626,843	17,479,181	17,135,107	(344,074)
Adult/Continuing education	175,458	25,000	16,471	(8,529)
Support services:				
Pupil	12,161,950	9,291,364	9,132,851	(158,513)
Instructional staff	5,537,709	4,282,017	4,632,054	350,037
General administration	2,898,860	2,606,731	2,566,985	(39,746)
School administration	8,260,488	7,909,212	8,631,065	721,853
Business	1,287,551	1,460,063	1,463,337	3,274
Operations and maintenance	21,289,526	16,840,395	17,632,566	792,171
Pupil transportation services	10,295,135	6,890,172	7,502,514	612,342
Central	5,699,850	4,827,227	5,560,968	733,741
Other	-	-	136,767	136,767
Athletics	2,409,191	2,281,585	2,324,002	42,417
Community services	122,378	111,625	112,877	1,252
Debt Service	-	181,644	181,644	-
Total expenditures	152,671,092	138,265,952	139,374,030	1,108,078
Excess of Revenue (Under) Over Expenditures	(5,467,638)	(1,277,131)	(675,928)	601,203
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	187,600	187,600
Transfers in	939,000	2,948,981	3,101,643	152,662
Transfers out	(8,000,000)	(400,085)	(1,018,425)	(618,340)
Total other financing (uses) sources	(7,061,000)	2,548,896	2,270,818	(278,078)
Net Change in Fund Balance	(12,528,638)	1,271,765	1,594,890	323,125
Fund Balance - Beginning of year	32,170,364	32,170,364	32,170,364	-
Fund Balance - End of year	<u>\$ 19,641,726</u>	<u>\$ 33,442,129</u>	<u>\$ 33,765,254</u>	<u>\$ 323,125</u>

Wayne-Westland Community Schools

Required Supplementary Information Budgetary Comparison Schedule - Major Special Revenue Fund Federal, State, and Local Grant Programs Fund

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	(Under) Over Final Budget
Revenue				
Local sources	\$ 450,000	\$ 267,206	\$ 173,105	\$ (94,101)
State sources	9,000,000	14,848,633	11,169,023	(3,679,610)
Federal sources	14,018,878	20,797,488	15,581,832	(5,215,656)
Interdistrict sources	2,000,000	3,456,182	3,190,387	(265,795)
Total revenue	25,468,878	39,369,509	30,114,347	(9,255,162)
Expenditures				
Current:				
Instruction	8,475,540	17,502,677	13,164,058	(4,338,619)
Support services	16,993,338	20,313,246	15,628,731	(4,684,515)
Community services	-	1,432,059	539,335	(892,724)
Capital outlay	-	-	72,000	72,000
Other expenditures	-	-	52,620	52,620
Total expenditures	25,468,878	39,247,982	29,456,744	(9,791,238)
Excess of Revenue Over Expenditures	-	121,527	657,603	536,076
Other Financing Sources (Uses)				
Transfers in	-	400,000	11,391	(388,609)
Transfers out	-	(521,527)	(668,994)	(147,467)
Total other financing uses	-	(121,527)	(657,603)	(536,076)
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Wayne-Westland Community Schools

Required Supplementary Information Schedule of the School District's Proportionate Share of the Net Pension Liability Michigan Public School Employees' Retirement System

	Last Ten Fiscal Years									
	Plan Years Ended September 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
School District's proportion of the net pension liability	0.92369 %	0.89539 %	0.82743 %	0.79823 %	0.77490 %	0.75239 %	0.78147 %	0.79252 %	0.79846 %	0.80569 %
School District's proportionate share of the net pension liability	\$ 226,138,107	\$ 289,802,638	\$ 311,187,567	\$ 188,984,394	\$ 266,187,428	\$ 249,167,513	\$ 234,923,827	\$ 205,376,286	\$ 199,209,317	\$ 196,791,039
School District's covered payroll	\$ 94,746,832	\$ 93,800,432	\$ 81,431,906	\$ 71,993,271	\$ 70,936,312	\$ 64,684,563	\$ 66,155,580	\$ 66,346,717	\$ 67,182,765	\$ 67,287,675
School District's proportionate share of the net pension liability as a percentage of its covered payroll	238.68 %	308.96 %	382.14 %	262.50 %	375.25 %	385.20 %	355.11 %	309.55 %	296.52 %	292.46 %
Plan fiduciary net position as a percentage of total pension liability	74.44 %	65.91 %	60.77 %	72.32 %	59.49 %	60.08 %	62.12 %	63.96 %	63.01 %	62.92 %

Wayne-Westland Community Schools

Required Supplementary Information Schedule of Pension Contributions Michigan Public School Employees' Retirement System

	Last Ten Fiscal Years Years Ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 38,622,813	\$ 39,771,833	\$ 40,904,345	\$ 27,707,064	\$ 24,236,699	\$ 21,452,805	\$ 20,200,490	\$ 20,157,276	\$ 19,248,704	\$ 18,723,482
Contributions in relation to the statutorily required contribution	38,622,813	39,771,833	40,904,345	27,707,064	24,236,699	21,452,805	20,200,490	20,157,276	19,248,704	18,723,482
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's Covered Payroll	\$ 94,453,599	\$ 96,183,053	\$ 90,738,525	\$ 76,257,179	\$ 70,939,418	\$ 70,172,100	\$ 64,464,552	\$ 66,468,856	\$ 68,972,120	\$ 66,966,671
Contributions as a Percentage of Covered Payroll	40.89 %	41.35 %	45.08 %	36.33 %	34.17 %	30.57 %	31.34 %	30.33 %	27.91 %	27.96 %

Wayne-Westland Community Schools

Required Supplementary Information

Schedule of the School District's Proportionate Share of the Net OPEB (Asset) Liability

Michigan Public School Employees' Retirement System

	Last Eight Plan Years							
	Plan Years Ended September 30							
	2024	2023	2022	2021	2020	2019	2018	2017
School District's proportion of the net OPEB (asset) liability	0.90191	0.94090 %	0.84031 %	0.79675 %	0.79938 %	0.73915 %	0.77598 %	0.79373 %
School District's proportionate share of the net OPEB (asset) liability	\$ (38,821,988)	\$ (5,322,642)	\$ 17,798,371	\$ 12,161,409	\$ 42,825,071	\$ 53,054,107	\$ 61,681,968	\$ 70,288,095
School District's covered payroll	\$ 94,746,832	\$ 93,800,432	\$ 81,431,906	\$ 71,993,271	\$ 70,936,312	\$ 64,684,563	\$ 66,155,580	\$ 66,346,717
School District's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll	(40.97)%	(5.67)%	21.86 %	16.89 %	60.37 %	82.02 %	93.24 %	105.94 %
Plan fiduciary net position as a percentage of total OPEB liability	143.08 %	105.04 %	83.09 %	88.87 %	59.76 %	48.67 %	43.10 %	36.53 %

Wayne-Westland Community Schools

Required Supplementary Information Schedule of OPEB Contributions Michigan Public School Employees' Retirement System

	Last Eight Fiscal Years Plan Years Ended June 30							
	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required contribution	\$ 2,812,356	\$ 7,901,847	\$ 7,303,725	\$ 6,214,350	\$ 5,903,401	\$ 5,638,749	\$ 5,063,707	\$ 4,800,863
Contributions in relation to the statutorily required contribution	2,812,356	7,901,847	7,303,725	6,214,350	5,903,401	5,638,749	5,063,707	4,800,863
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 94,453,599	\$ 96,183,053	\$ 90,738,525	\$ 76,257,179	\$ 70,939,418	\$ 70,172,100	\$ 64,464,552	\$ 66,468,856
Contributions as a Percentage of Covered Payroll	2.98 %	8.22 %	8.05 %	8.15 %	8.32 %	8.04 %	7.86 %	7.22 %

June 30, 2025

Pension Information

The required contributions for the year ended June 30, 2025 include a one-time contribution of \$2,243,547, referred to as 147c(2), related to funding received from the State and remitted to the System for the purpose of contributing additional assets to the System.

Benefit Changes

There were no changes of benefit terms for each of the reported plan years ended September 30.

Changes in Assumptions

There were no significant changes of assumptions for each of the reported plan years ended September 30 except for the following:

- 2023 - The valuation includes the impact of an updated experience study for periods from 2017 to 2022.
- 2022 - The discount rate and investment rate of return used in the September 30, 2021 actuarial valuation decreased by 0.80 percentage points.
- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.25 percentage points.
- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.45 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017.
- 2017 - The discount rate used in the September 30, 2016 actuarial valuation decreased by 0.50 percentage points.

OPEB Information

Ultimately, 10 years of data will be presented in both of the OPEB-related schedules. The number of years currently presented represents the number of years since the accounting standard requiring these schedules first became applicable.

Benefit Changes

There were no changes of benefit terms for each of the reported plan years ended September 30.

Changes in Assumptions

There were no significant changes of assumptions for each of the reported plan years ended September 30 except for the following:

- 2024 - The health care cost trend rate used in the September 30, 2024 actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 0.25 percentage points for members over 65.
- 2023 - The health care cost trend rate used in the September 30, 2023 actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 1.00 percentage points for members over 65. In addition, actual per person health benefit costs were lower than projected. The valuation includes the impact of an updated experience study for periods from 2017 to 2022.
- 2022 - The discount rate and investment rate of return used in the September 30, 2021 actuarial valuation decreased by 0.95 percentage points. This resulted in a lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.1 billion in 2022.

June 30, 2025

- 2021 - The health care cost trend rate used in the September 30, 2020 actuarial valuation increased by 0.75 percentage points for members under 65 and decreased by 1.75 percentage points for members over 65. In addition, actual per person health benefit cost was lower than projected. This reduced the plan's total OPEB liability by \$1.3 billion in 2021.
- 2020 - The health care cost trend rate used in the September 30, 2019 actuarial valuation decreased by 0.50 percentage points. This, in addition to the actual per person health benefit cost being lower than projected, reduced the plan's total OPEB liability by an additional \$1.8 billion in 2020.
- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.20 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017. This resulted in a lower than projected per person health benefit cost to reduce the plan's total OPEB liability by an additional \$1.4 billion in 2019.
- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.35 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017. This resulted in a lower than projected per person health benefit cost to reduce the plan's total OPEB liability by \$1.4 billion in 2018.

Other Supplementary Information

Wayne-Westland Community Schools

Other Supplementary Information Combining Balance Sheet Nonmajor Governmental Funds

June 30, 2025

	Special Revenue Funds			Debt Service Fund	Capital Projects Funds		
	Milk and Hot Lunch Fund	Student Activities Fund	Special Education Fund	2019 Bond Fund	Sinking Fund	2019 Building and Site Fund	Total
Assets							
Cash and investments	\$ -	\$ 1,291,618	\$ -	\$ -	\$ -	\$ -	\$ 1,291,618
Receivables	17,434	-	1,549,052	-	-	-	1,566,486
Due from other funds	1,153,276	-	2,922,665	351,680	-	2,736,468	7,164,089
Inventory	70,145	-	-	-	-	-	70,145
Prepaid expenses	274,594	-	-	-	-	-	274,594
Restricted assets	-	-	-	4,503,030	8,967,446	5,273	13,475,749
Total assets	\$ 1,515,449	\$ 1,291,618	\$ 4,471,717	\$ 4,854,710	\$ 8,967,446	\$ 2,741,741	\$ 23,842,681
Liabilities							
Accounts payable	\$ 192,707	\$ 252	\$ 751,115	\$ -	\$ -	\$ 2,741,741	\$ 3,685,815
Due to other funds	-	227,568	-	-	535,436	-	763,004
Accrued liabilities and other	204,850	-	1,736,015	-	-	-	1,940,865
Unearned revenue	-	-	624,005	-	-	-	624,005
Deferred Inflows of Resources -							
Unavailable revenue	-	-	664,289	-	-	-	664,289
Total liabilities and deferred inflows of resources	397,557	227,820	3,775,424	-	535,436	2,741,741	7,677,978
Fund Balances							
Nonspendable	344,739	-	-	-	-	-	344,739
Restricted:							
Debt service	-	-	-	4,854,710	-	-	4,854,710
Capital projects	-	-	-	-	8,432,010	-	8,432,010
Special education	-	-	696,293	-	-	-	696,293
Food service	773,153	-	-	-	-	-	773,153
Committed - Student activities	-	1,063,798	-	-	-	-	1,063,798
Total fund balances	1,117,892	1,063,798	696,293	4,854,710	8,432,010	-	16,164,703
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,515,449	\$ 1,291,618	\$ 4,471,717	\$ 4,854,710	\$ 8,967,446	\$ 2,741,741	\$ 23,842,681

Wayne-Westland Community Schools

Other Supplementary Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds

Year Ended June 30, 2025

	Special Revenue Funds			Debt Service Fund	Capital Projects Funds		
	Milk and Hot Lunch Fund	Student Activities Fund	Special Education Fund	2019 Bond Fund	Sinking Fund	2019 Building and Site Fund	Total
Revenue							
Local sources	\$ 242,538	\$ 901,338	\$ -	\$ 11,432,571	\$ 2,572,434	\$ 548,627	\$ 15,697,508
State sources	429,768	-	6,262,263	476,271	105,481	-	7,273,783
Federal sources	7,567,502	-	-	-	-	-	7,567,502
Interdistrict sources	-	-	13,594,218	-	-	-	13,594,218
Total revenue	8,239,808	901,338	19,856,481	11,908,842	2,677,915	548,627	44,133,011
Expenditures							
Current:							
Instruction	-	-	10,642,834	-	-	-	10,642,834
Support services	-	798,773	7,979,881	-	-	-	8,778,654
Milk and hot lunch	8,161,600	-	-	-	-	-	8,161,600
Other:							
Principal	-	-	-	5,590,000	-	-	5,590,000
Interest	-	-	-	4,881,713	-	-	4,881,713
Other	-	-	-	1,458	-	759,287	760,745
Capital outlay	-	-	159,832	-	853,442	17,367,975	18,381,249
Total expenditures	8,161,600	798,773	18,782,547	10,473,171	853,442	18,127,262	57,196,795
Excess of Revenue Over (Under) Expenditures	78,208	102,565	1,073,934	1,435,671	1,824,473	(17,578,635)	(13,063,784)
Other Financing Sources (Uses)							
Transfers in	62	-	1,007,034	-	-	-	1,007,096
Transfers out	(200,000)	(151,742)	(2,080,969)	-	-	-	(2,432,711)
Total other financing uses	(199,938)	(151,742)	(1,073,935)	-	-	-	(1,425,615)
Net Change in Fund Balances	(121,730)	(49,177)	(1)	1,435,671	1,824,473	(17,578,635)	(14,489,399)
Fund Balances - Beginning of year, as adjusted or restated	1,239,622	1,112,975	696,294	3,419,039	6,607,537	17,578,635	30,654,102
Fund Balances - End of year	<u>\$ 1,117,892</u>	<u>\$ 1,063,798</u>	<u>\$ 696,293</u>	<u>\$ 4,854,710</u>	<u>\$ 8,432,010</u>	<u>\$ -</u>	<u>\$ 16,164,703</u>

Wayne-Westland Community Schools

Other Supplementary Information Schedule of Bonded Indebtedness

June 30, 2025

Years Ending June 30	2019 Building and Site Bond (Series III) Principal	2019 Building and Site Bond (Series II) Principal	2019 Building and Site Bond (Series I) Principal	Total
2026	\$ 3,415,000	\$ 705,000	\$ 2,080,000	\$ 6,200,000
2027	1,720,000	810,000	2,080,000	4,610,000
2028	1,390,000	950,000	2,075,000	4,415,000
2029	275,000	1,095,000	2,070,000	3,440,000
2030	160,000	1,240,000	2,070,000	3,470,000
2031	185,000	1,395,000	2,070,000	3,650,000
2032	220,000	1,545,000	2,070,000	3,835,000
2033	255,000	1,690,000	2,070,000	4,015,000
2034	290,000	1,835,000	2,070,000	4,195,000
2035	320,000	1,990,000	2,070,000	4,380,000
2036	340,000	2,155,000	2,070,000	4,565,000
2037	435,000	2,260,000	2,065,000	4,760,000
2038	550,000	2,350,000	2,065,000	4,965,000
2039	695,000	2,420,000	2,065,000	5,180,000
2040	930,000	2,405,000	2,065,000	5,400,000
2041	1,300,000	2,255,000	2,065,000	5,620,000
2042	1,555,000	2,230,000	2,065,000	5,850,000
2043	1,880,000	2,135,000	2,065,000	6,080,000
2044	3,285,000	990,000	2,065,000	6,340,000
2045	5,630,000	985,000	-	6,615,000
2046	5,925,000	980,000	-	6,905,000
2047	5,875,000	495,000	-	6,370,000
Total remaining payments	\$ 36,630,000	\$ 34,915,000	\$ 39,315,000	\$ 110,860,000
Principal payments due	May 1 and November 1	May 1 and November 1	May 1 and November 1	
Interest rate	4.5% to 5.0%	3.0% to 4.0%	3.25% to 5.0%	
Original issue	\$ 36,760,000	\$ 45,355,000	\$ 64,770,000	

Interest payments for the bond issues are due on May 1 and November 1 of each year.

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*

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*

Independent Auditor's Report

To Management and the Board of Education
Wayne-Westland Community Schools

We have audited, 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, the basic financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of Wayne-Westland Community Schools (the "School District") as of and for the year ended June 30, 2025 and the related notes to the basic financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 9, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School 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 School District's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

To Management and the Board of Education
Wayne-Westland Community Schools

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 School District'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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moreau, PLLC

October 9, 2025