# West Shore Community College

Years Ended June 30, 2025 and 2024

# Financial Statements and Supplementary Information

Rehmann

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# WEST SHORE COMMUNITY COLLEGE

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# INDEPENDENT AUDITORS' REPORT

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Rehmann

**INDEPENDENT AUDITORS' REPORT**

November 5, 2025

Board of Trustees
West Shore Community College
Scottville, Michigan

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the financial statements of the business-type activities and the discretely presented component unit of ***West Shore Community College*** (the "College"), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College, as of June 30, 2025 and 2024, and the results of their operations and cash flows, where applicable, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. The financial statements of West Shore Community College Foundation were not audited in accordance with *Government Auditing Standards.* We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

HLB We are an independent member of THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Independent Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 College'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 College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and the schedules for the pension and other postemployment benefits (OPEB) plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Management is responsible for the other information included in the financial statements. The other information comprises the combining statements of net position, the combining statements of revenues, expenses, transfers and changes in net position, and the combining schedules of auxiliary activities fund, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards,* we have also issued, under separate cover, our report dated November 5, 2025, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College'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 College's internal control over financial reporting and compliance.

Rehmann Lohan LLC

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# MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of West Shore Community College's (the "College") financial statements provides an overview of the College's financial activities for the years ended June 30, 2025, 2024, and 2023. Management has prepared the financial statements and the related footnote disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the College's management.

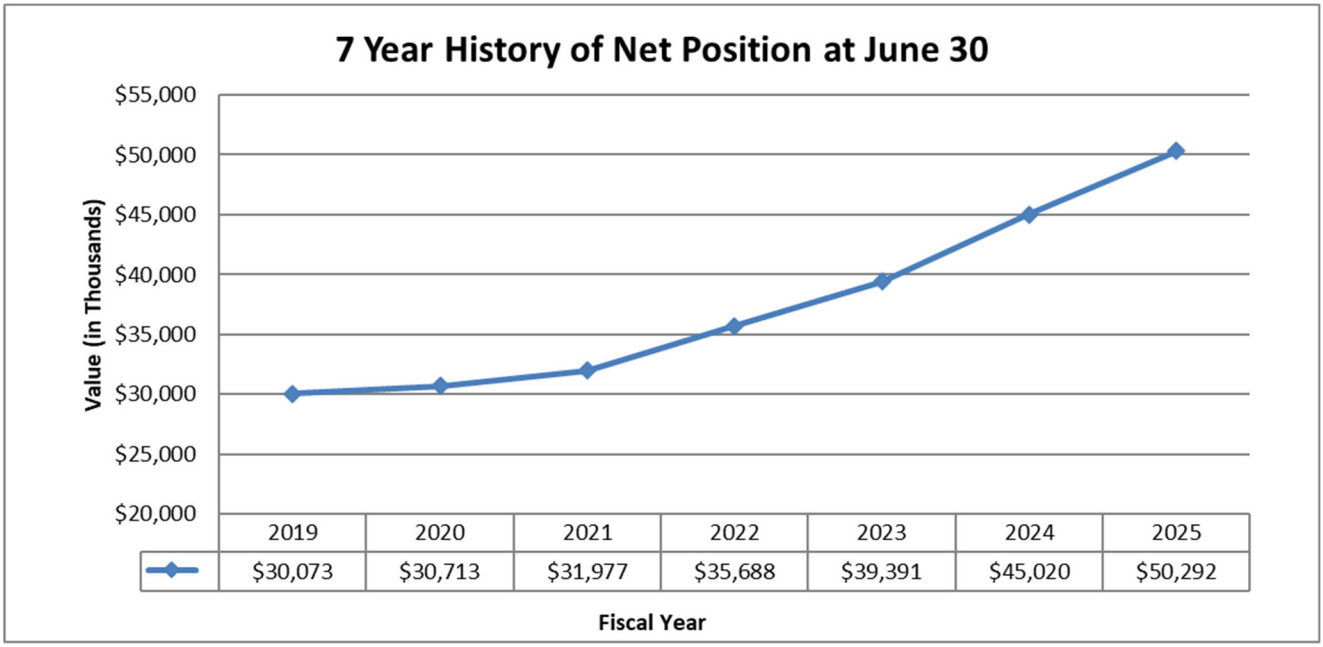
This annual financial report contains the report of independent auditors, the management's discussion and analysis, the basic financial statements, and notes to the basic financial statements along with required supplementary information, notes to required supplementary information, and other information. The basic financial statements include the Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position, and the Statements of Cash Flows. The College's financial statements provide information about the activities of the College as a whole, presenting both an aggregate view of the College's finances and a long-term view of the College's financial position. Combining financial statements are also included as other information. Combining financial statements include the Combining Statements of Net Position and the Combining Statements of Revenues, Expenses, Transfers, and Changes in Net Position. These statements show how the activities of the College were financed in the short-term, as well as what remains for future spending. The combining financial statements report the College's operations in more detail than the basic financial statements by providing information about activities by fund.

The basic financial statements include not only the College itself but also a legally separate discretely presented component unit, the West Shore Community College Foundation. Financial information for this component unit is reported separately from the financial information presented for the primary government, the College.

Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions (GASB 68),* and Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75),* have had significant impact on the assets, liabilities, deferred outflows and inflows, and net position of the College as discussed below. Additional information is also included in Note 5 to the financial statements, and in the required supplementary information following the footnotes.

## Financial Highlights

The College's financial position reflects an increase from the prior fiscal year of $5,271,475 resulting in a net position of $50,291,810 at June 30, 2025. During the fiscal year ended June 30, 2025, the College's revenues and other support totaled $24,143,128, while 2024's total was $23,614,279 and 2023's total was $22,650,287. Expenses during the 2025 fiscal year were $18,871,653 while 2024's total was $17,984,571 and 2023's total was $18,948,133. General Fund State appropriations decreased $19,587 or 0.53%, a nominal year-over-year change. State appropriations passed through the College for the MPSERS Unfunded Actuarial Accrued Liability (UAAL) payments were $482,692 in fiscal year 2025 compared to $631,918 in 2024 and $1,002,771 in 2023. In 2023, the College expended over $822,000 to be used on campus relative to the $2.3 million in Covid-19 funding awarded. There were no additional Covid-19 funding available for 2024 and 2025.




**Statement of Net Position**

The Statement of Net Position reports all assets, deferred outflows, liabilities and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most private sector institutions. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Revenues and expenses are separated into categories of operating revenues and expenses and non-operating revenues.

Following is a three-year comparison of the major components of the Statement of Net Position of the College as of June 30:

| | 2025 | 2024 | 2023 |
|---|---|---|---|
| **Assets** | | | |
| Current assets | $ 21,088,628 | $ 23,460,428 | $ 16,747,801 |
| Investments | 167,983 | 163,293 | 1,751,329 |
| Lease Receivable | 3,461,891 | 3,629,120 | 3,787,920 |
| Capital assets, net | 43,856,422 | 36,923,599 | 37,583,515 |
| Net OPEB asset | 1,521,733 | 191,213 | - |
| **Total assets** | **70,096,657** | **64,367,653** | **59,870,565** |
| **Deferred outflows of resources** | 3,089,538 | 3,923,429 | 5,453,374 |
| **Liabilities** | | | |
| Current liabilities | 3,458,850 | 2,637,302 | 1,744,543 |
| Noncurrent liabilities | 9,550,036 | 11,380,864 | 15,912,580 |
| **Total liabilities** | **13,008,886** | **14,018,166** | **17,657,123** |
| **Deferred inflows of resources** | 9,885,499 | 9,252,581 | 8,276,189 |
| **Net position** | | | |
| Net investment in capital assets | 42,460,537 | 36,923,599 | 37,583,515 |
| Restricted for: | | | |
| Nonexpendable scholarships | 116,945 | 116,028 | 161,203 |
| Expendable student loans | 94,120 | 90,938 | 89,875 |
| Expendable capital projects | 6,442,879 | 9,962,237 | 7,334,606 |
| Expendable OPEB | 1,521,733 | 191,213 | - |
| Unrestricted deficit | (344,404) | (2,263,680) | (5,778,572) |
| **Total net position** | **$ 50,291,810** | **$ 45,020,335** | **$ 39,390,627** |

Significant changes in the Statement of Net Position were the result of the following:

The net pension liability and OPEB asset was $6,876,203 respectively, as of June 30, 2025 a decrease of $4,313,448 from June 30, 2024's net pension and OPEB asset balance of $11,189,651.

Deferred outflows of resources decreased from $3,923,429 in 2024 to $3,089,538 in 2025. These changes were predominantly recorded from changes in actuarial assumptions to the net pension liability and OPEB asset and College contributions to the MPSERS plan subsequent to the plan's measurement date. Deferred outflows represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until that time.

Deferred inflows for the net pension liability and OPEB asset increased by $860,944 to $6,525,671 in 2025 as compared to $5,664,727 in 2024. These changes were predominantly recorded from the difference between projected and actual earnings on pension plan investments and changes in proportion and differences between employer contributions and proportionate change of contributions. Deferred inflows represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

It is important to note that while the impact of GASB 68 and GASB 75 raises awareness of potential future obligations of the College, there is no immediate impact on the cash position of the College or its ability to meet current obligations. See footnotes to the financial statements for more information.

In 2022 the College implemented GASB 87, *Leases*, requiring leases classified as operating leases to be recognized on the Statement of Net Position. In 2025, lease receivable amounts were recorded at $3,629,120 compared to $3,787,922 in 2024. Deferred inflows for the lease receivable decreased by $228,026 to $3,359,828 in 2025 as compared to $3,587,854 in 2024. This resulted from normal reductions in current open leases.

Current assets decreased by $2,371,800 primarily due to additional resources required for the Recreation Center renovation requiring cashing in of short term CD investments. Returns on Funds invested in bank CDs continue to average between 3-4% in returns. Capital assets increased by $6,932,823 primarily due to the addition of the driver training pad on campus, the major renovation being performed on the Recreation Center, and the addition of Subscription Assets. Overall total assets increased by $5,729,004 from June 30, 2024 to June 30, 2025. More detailed information about the College's capital assets is presented in the footnotes to the financial statements.

The net position of expendable capital projects decreased in 2025 by $3,519,358 and increased in 2024 by $2,627,631 with the addition of the driver training pad and the current renovation of the campus' Recreation Center, requiring use of our capital millage funding.

Over time, increases or decreases in the College's net position are an indicator of whether its financial health is improving or deteriorating. You will need to consider many other nonfinancial factors, such as trends in college applicants, student retention, condition of the buildings and infrastructure, and strength of its human resources to assess the overall health of the College.

**Statement of Revenues, Expenses, and Changes in Net Position**

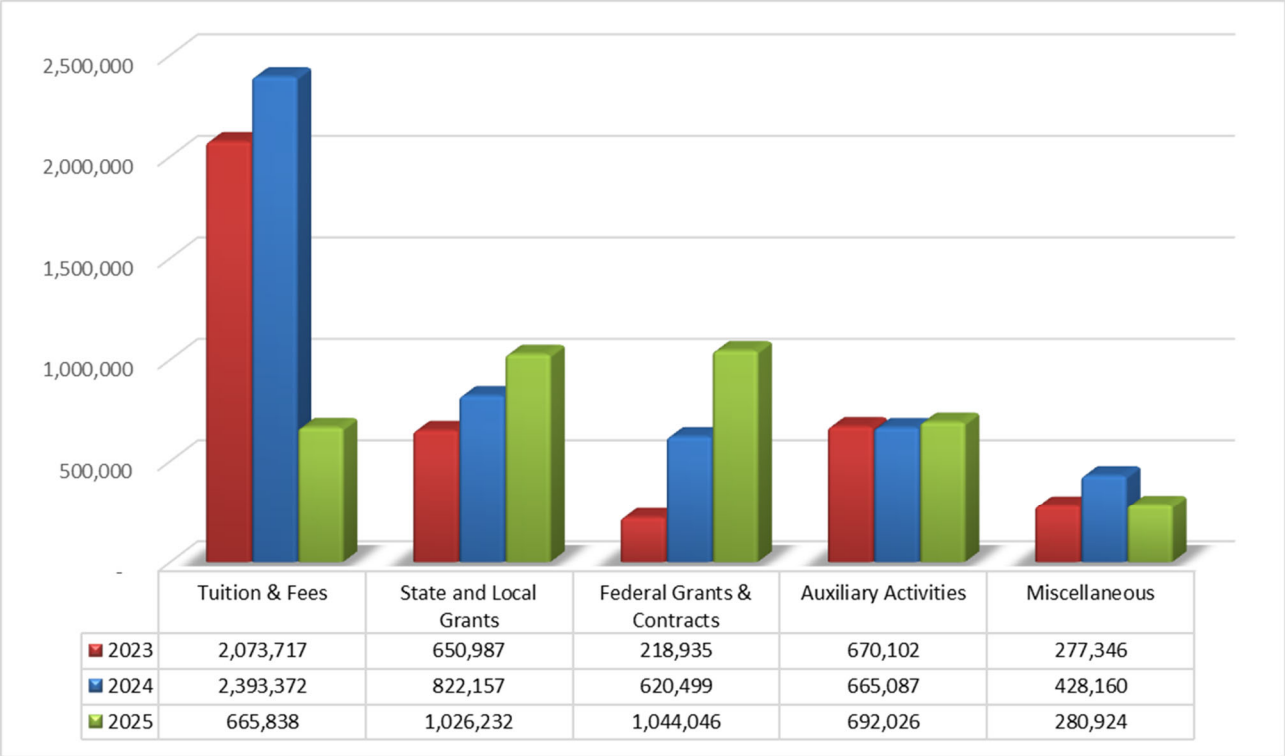
Following is a three-year comparison of the major components of the Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30:

| | 2025 | 2024 | 2023 |
|---|---|---|---|
| Operating revenues | $ 3,709,066 | $ 4,929,275 | $ 3,891,087 |
| Operating expenses | 18,871,653 | 17,984,571 | 18,948,133 |
| Operating loss | **(15,162,587)** | **(13,055,296)** | **(15,057,046)** |
| Net nonoperating revenues | 20,434,062 | 18,685,004 | 18,759,200 |
| Increase in net position | **5,271,475** | **5,629,708** | **3,702,154** |
| Net position - beginning of year | 45,020,335 | 39,390,627 | 35,688,473 |
| Net position - end of year | **$ 50,291,810** | **$ 45,020,335** | **$ 39,390,627** |

## Operating Revenue

Operating revenues include all transactions that result in sales and/or receipts from goods and services such as tuition and fees and bookstore operations. In addition, certain federal, state, and private grants are considered operating if they are not for capital purposes and are considered a contract for services. The following is a comparison of operating revenue for fiscal years 2023, 2024, and 2025:

**Operating Revenues Comparison of Fiscal Year 2023, 2024, 2025**




| | Tuition & Fees | State and Local Grants | Federal Grants & Contracts | Auxiliary Activities | Miscellaneous |
|---|---|---|---|---|---|
| 2023 | 2,073,717 | 650,987 | 218,935 | 670,102 | 277,346 |
| 2024 | 2,393,372 | 822,157 | 620,499 | 665,087 | 428,160 |
| 2025 | 665,838 | 1,026,232 | 1,044,046 | 692,026 | 280,924 |

Operating revenue changes between 2025 and 2024 was the result of the following:

- Due to a change in statement presentation, that portion of Tuition & Fees revenue that was funded by federal, state, or institutional grants and scholarships to students reduces net Tuition & Fees revenue in a more complete method. Previously it was based on a percentage calculation reduction. This change presents net Tuition & Fees revenue to be down over 70% to prior year due to the statement presentation change in scholarship allowances. However, overall enrollment increased approximately 30% from prior year.

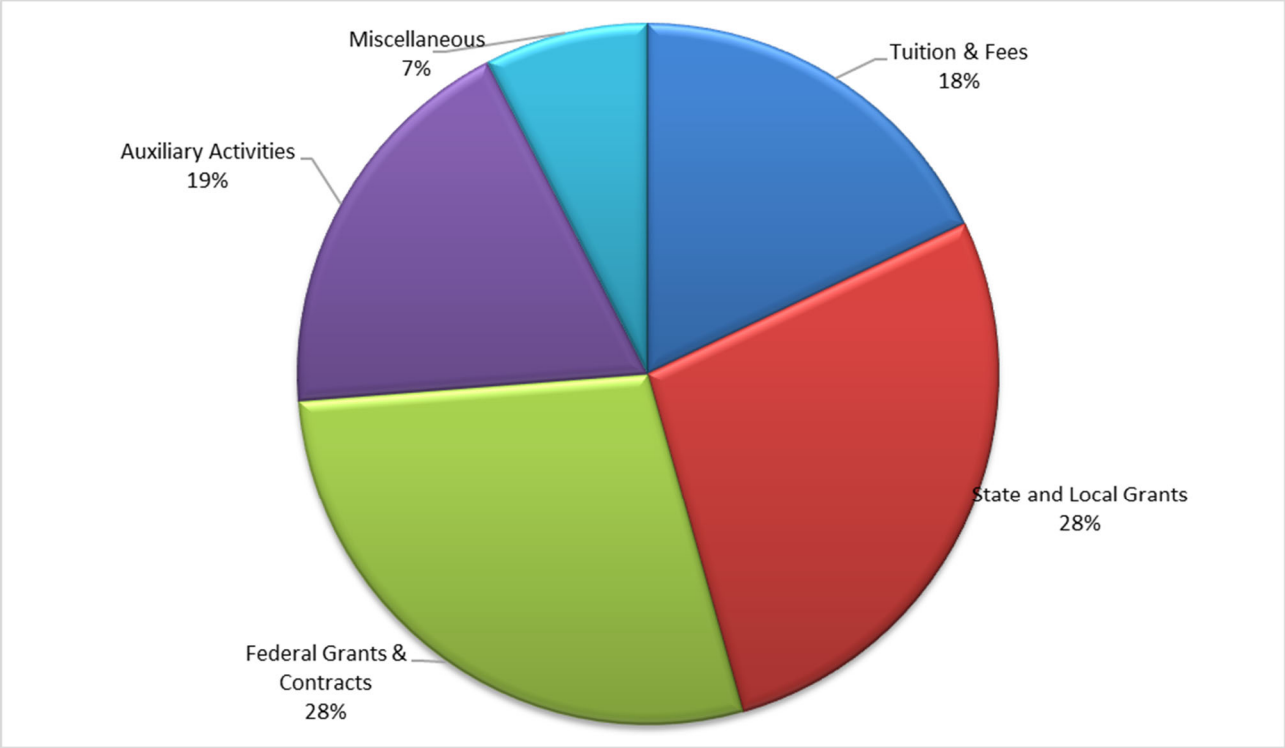
- State & Local Grants are up 25% over prior year from changes in multiple state incentivized grants.

- Federal Grants are up 68% from the continued support for both the ADN to BSN grant program and the Academic Catch-Up grant program.

Operating revenue changes between 2024 and 2023 was the result of the following:

- Tuition & Fees revenue is up 15% over prior year due to an increase in tuition and fees rates in addition to higher enrollment by contact hour.
- State & Local Grants are up 26% over prior year from changes in multiple state incentivized grants.
- Federal Grants are up 183% from the introduction of the ADN to BSN grant program and the Academic Catch-Up grant program.

The following is a graphic illustration of operating revenues by source for the year ended June 30, 2025:

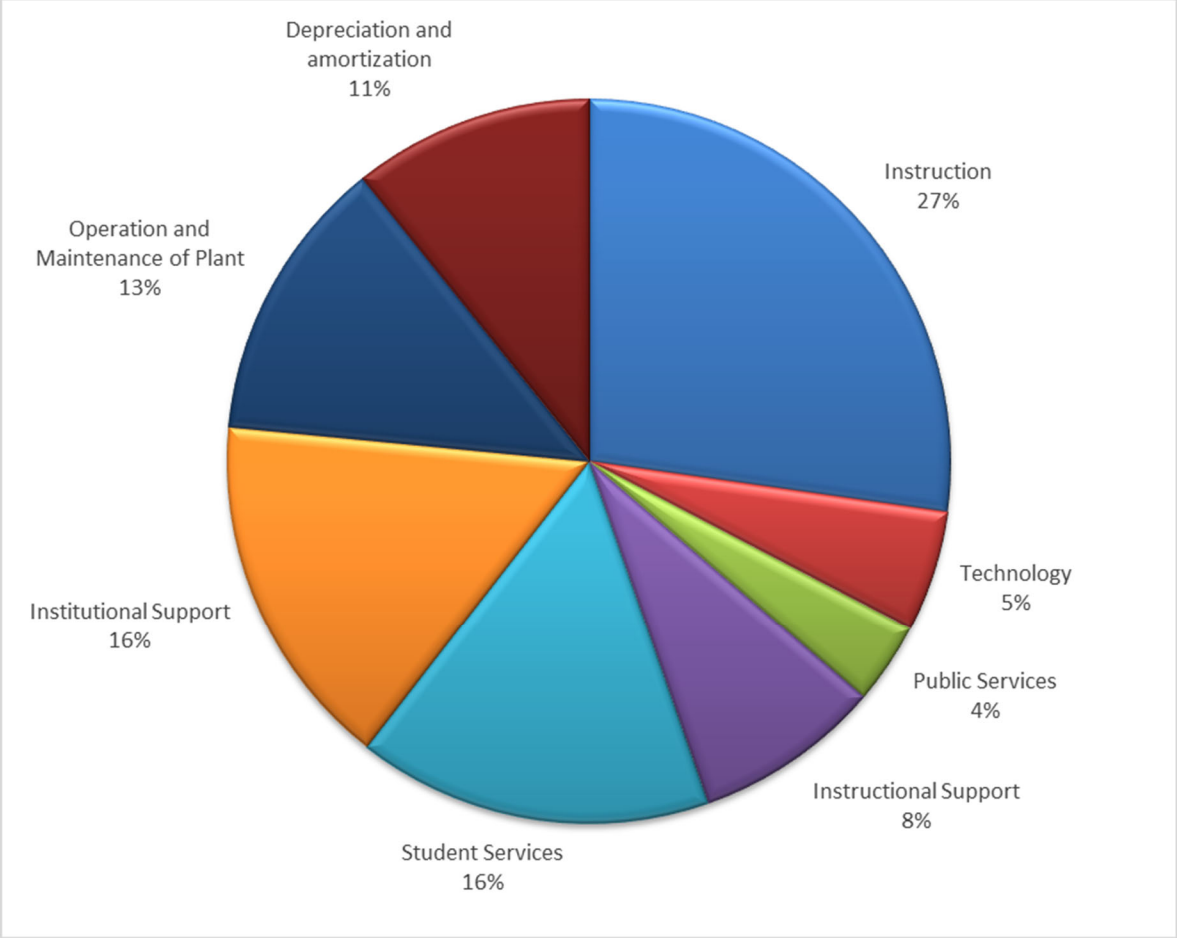


**Operating Expenses**

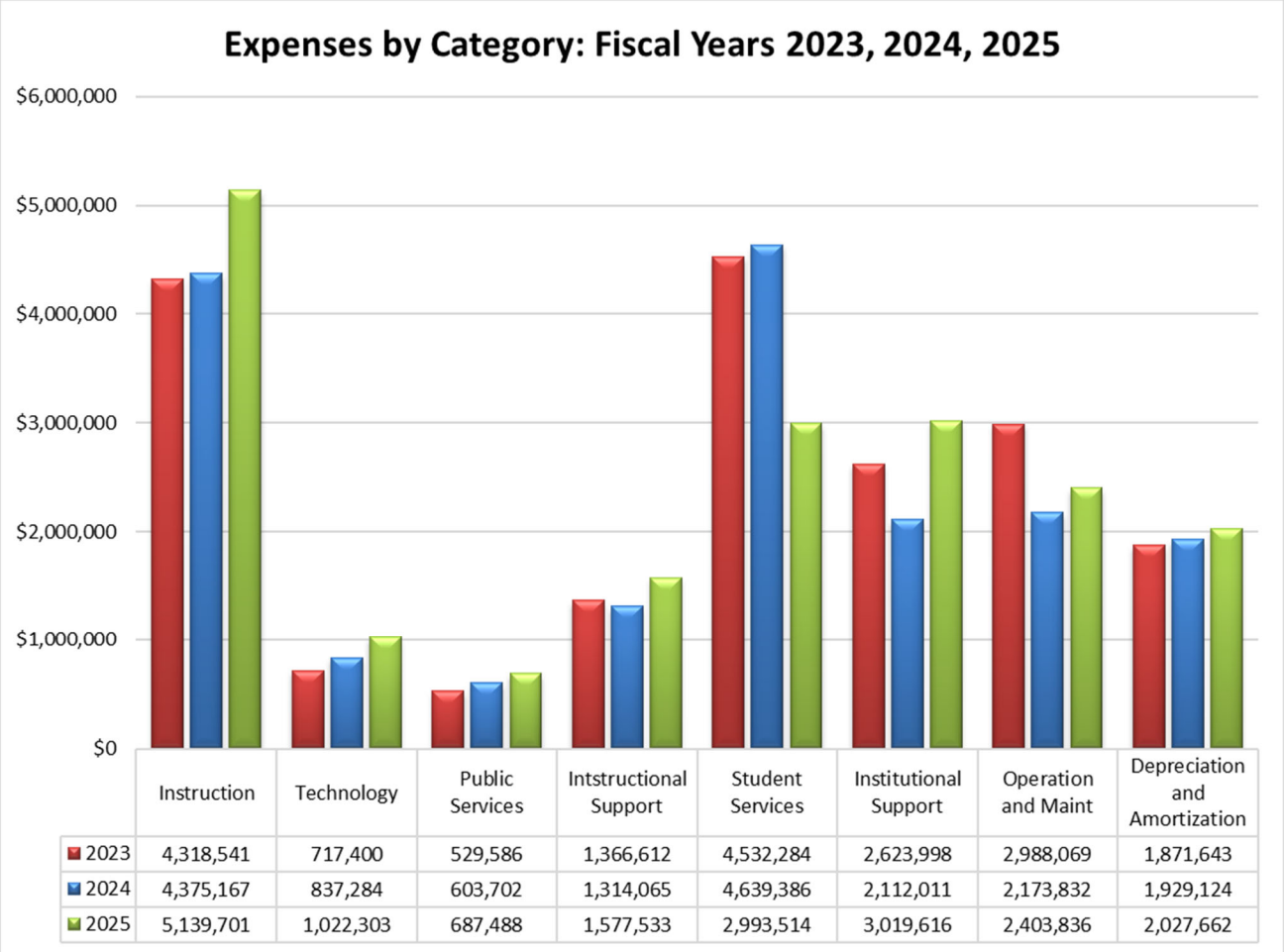
Operating expenses include all the costs necessary to perform and conduct the programs and primary purposes of the College such as wages and benefits, professional services, utilities, supplies, staff development and depreciation and amortization expense. For purposes of the audit, operating expenses are presented according to the State of Michigan's Activities Classification Structure (ACS). Operating expenses for the fiscal year ended June 30, 2025 consist of the following:

| | |
|---|---|
| Instruction | $5,139,701 |
| Technology | 1,022,303 |
| Public Services | 687,488 |
| Instructional Support | 1,577,533 |
| Student Services | 2,993,514 |
| Institutional Support | 3,019,616 |
| Operation and Maintenance of Plant | 2,403,836 |
| Depreciation | 2,027,662 |
| **Total** | **$18,871,653** |

The following pie chart depicts the percentage of operating expenses by function for the year ended June 30, 2025:



Operating expenses in 2025 increased by 5% from 2024. A comparison of current year expenses to the prior two years is presented below:




| | Instruction | Technology | Public Services | Intstructional Support | Student Services | Institutional Support | Operation and Maint | Depreciation and Amortization |
|---|---|---|---|---|---|---|---|---|
| 2023 | 4,318,541 | 717,400 | 529,586 | 1,366,612 | 4,532,284 | 2,623,998 | 2,988,069 | 1,871,643 |
| 2024 | 4,375,167 | 837,284 | 603,702 | 1,314,065 | 4,639,386 | 2,112,011 | 2,173,832 | 1,929,124 |
| 2025 | 5,139,701 | 1,022,303 | 687,488 | 1,577,533 | 2,993,514 | 3,019,616 | 2,403,836 | 2,027,662 |

The reduction in the pension liability and increase in OPEB asset did favorably impact operating expenses. That adjustment created the largest reduction in expenses against prior year for most categories. The other changes are as follows:

- Instruction expenditures increased by 17% from the introduction of the Michigan Workforce Training and Education Collaboration program into the College curriculum and the increase in the Public Safety Programs enrollment.

- Technology expenditures increased by 22% from an increase in staffing and software necessary to stay ahead of the continual cybersecurity threats that higher education is experiencing.

- Public Service expenditures increased by 14%, from the increase in Performing Arts events offered throughout the fiscal year.

- Student Services expenditures decreased by 35% mainly from shifts made in staffing to better support the student experience.

- Institutional Support expenditures increased by 43% most significantly from the increase in staffing to better support the growth the College is currently experiencing. This included the introduction of a full-time Vice-President of Administration.

- Operation and Maintenance of Plant increased by 11% mostly from the continued demands required of the aging facilities and the increased costs to maintain them. The introduction of the preventative maintenance program has curtailed this increase.

Significant changes in expenses from 2023 to 2024 occurred. Both support staff and faculty contracts were renegotiated. Support staff and Administration staff received significant increases in compensation based on a study performed throughout 2024. Faculty staff also saw increases in their contract. Additional changes are as follows:

- Technology expenditure increased by 17% from an overall increase in staffing necessary and software necessary to stay ahead of the continual cybersecurity threats that higher education is experiencing.

- Public Service expenditure increased by 14%, from the increase in Performing Arts events seen throughout the fiscal year.

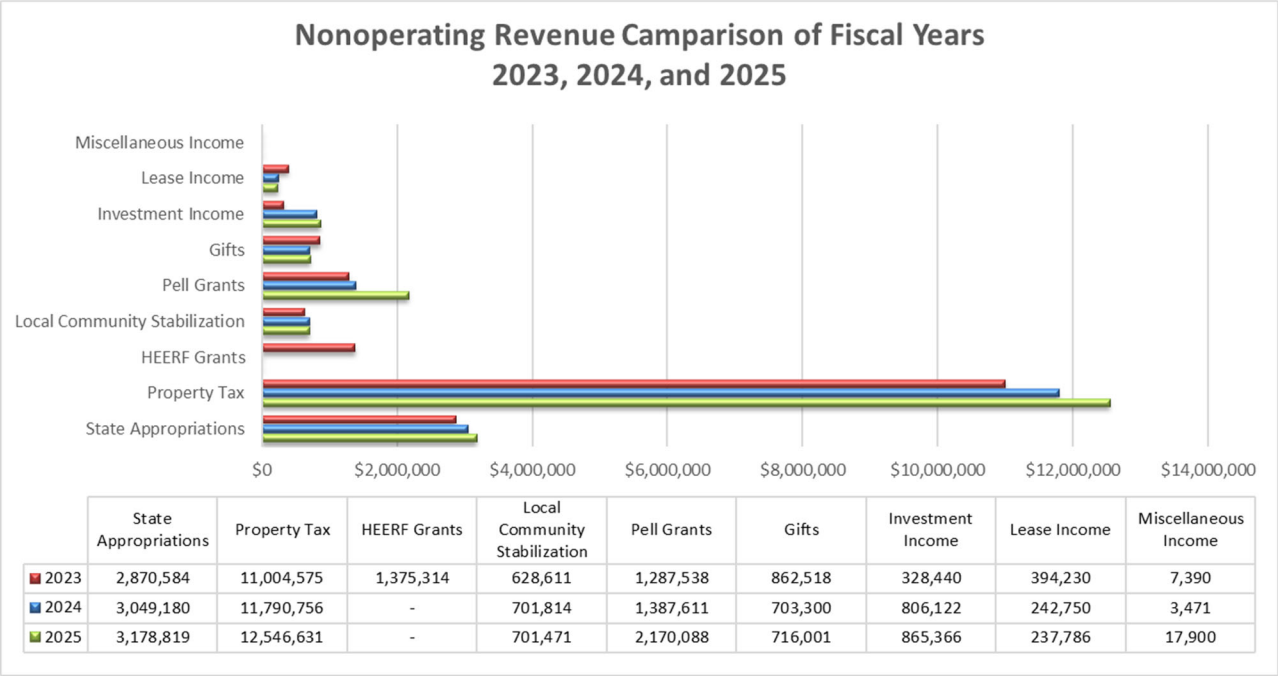
- Student Services expenditure increased by 2% mainly from the increase for scholarship allowances provided throughout the fiscal year.

- Institutional Support expenditure decreased by 20% most significantly from the favorable reduction in benefit expenses compared with prior year.

- Operation and Maintenance of Plant decreased by 27% from the seasonal weather conditions, lower energy costs and the reduction in emergent maintenance issues that had occurred in prior years. These improvements were seen from the introduction of a preventative maintenance program.

**Nonoperating Revenues**

Nonoperating revenues are revenue sources that are primarily non-exchange in nature. They consist primarily of property tax revenue, state appropriations, Pell grants, gifts to the College, and investment income. In 2023 we have also recorded revenues from the Federal Higher Education Emergency Relief Fund grants (HEERF).




| | State Appropriations | Property Tax | HEERF Grants | Local Community Stabilization | Pell Grants | Gifts | Investment Income | Lease Income | Miscellaneous Income |
|---|---|---|---|---|---|---|---|---|---|
| 2023 | 2,870,584 | 11,004,575 | 1,375,314 | 628,611 | 1,287,538 | 862,518 | 328,440 | 394,230 | 7,390 |
| 2024 | 3,049,180 | 11,790,756 | - | 701,814 | 1,387,611 | 703,300 | 806,122 | 242,750 | 3,471 |
| 2025 | 3,178,819 | 12,546,631 | - | 701,471 | 2,170,088 | 716,001 | 865,366 | 237,786 | 17,900 |

Nonoperating revenue changes for 2025, 2024, and 2023 were the result of the following factors:

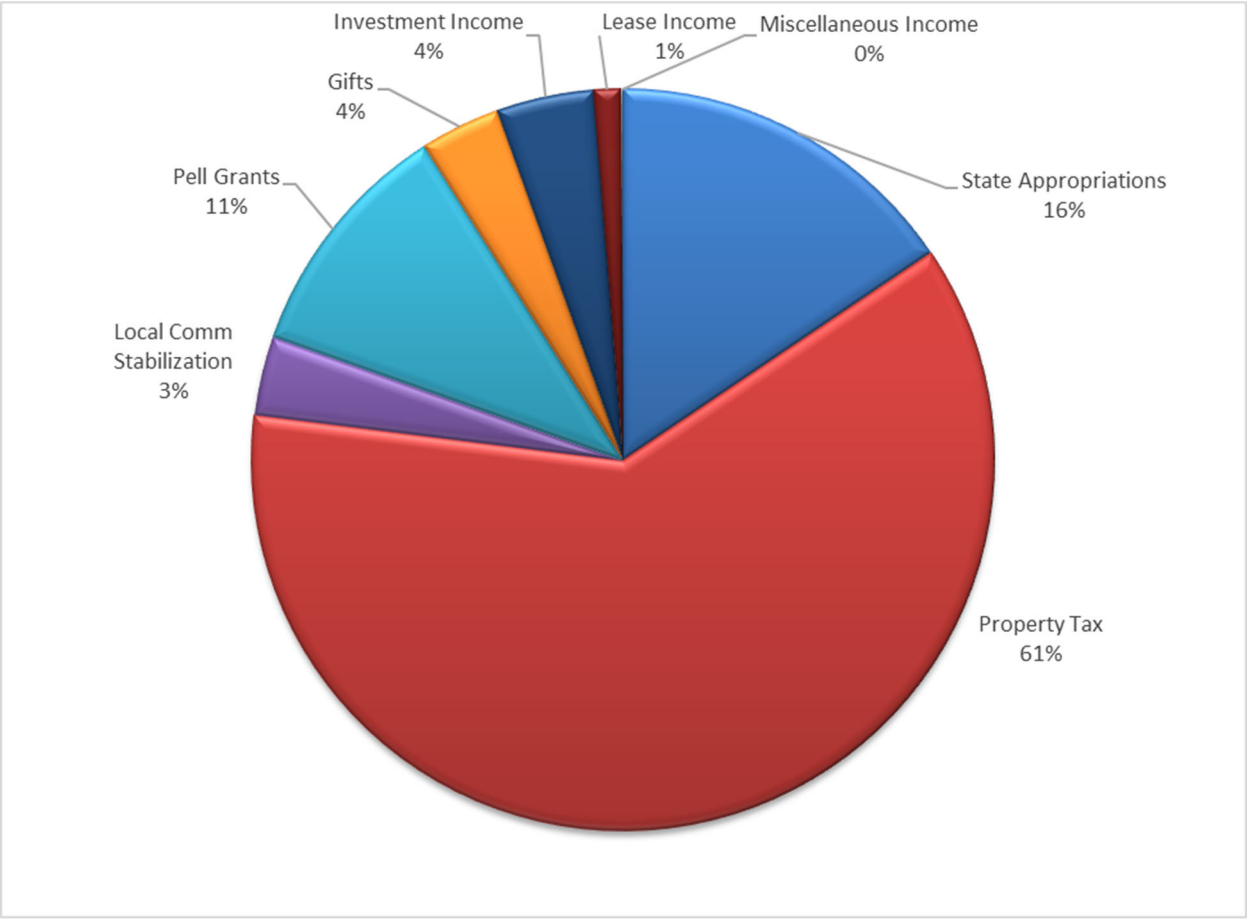
- Total state appropriations to the College have continued to increase year over year with an increase of 4.3% between 2025 and 2024 and 6.2% between 2024 and 2023.

- Property tax revenue increased 6.4% from 2024 to 2025. The College had received a Truth in Taxation adjustment which the College Board of Directors voted to opt not to take. A 7.1% increase from 2023 to 2024 was from normal planned inflationary changes. In 2023, the College was also subject to a Headlee permanent millage reduction of 0.0032 mils.

- During the years ended June 30, 2025, June 30, 2024, and June 30, 2023, the College received $701,471, $701,814, and $628,611, respectively, from the Local Community Stabilization Authority which is issuing personal property tax reimbursements. The College received a secondary adjusting payment in May of 2025, allowing for nominal increase from 2024.

- Federal Pell grants continue to be a funding source for students for financial aid, increasing 56.4% due to an increase in enrollment from 2024 to 2025 and the mix of students eligible to receive such funding. Pell grants increased 7.8% due to an increase in enrollment from 2023 to 2024.

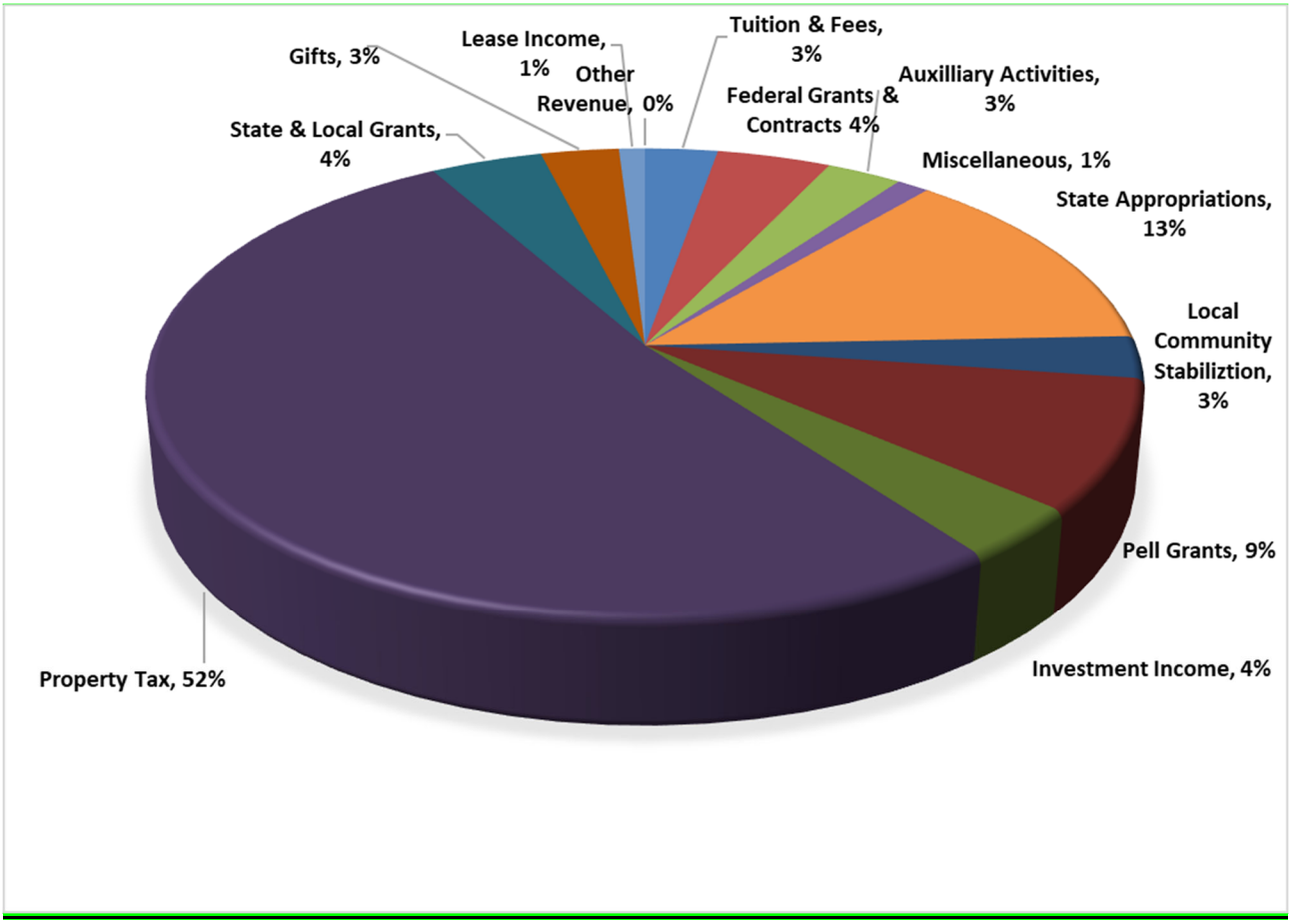
The following chart is representative of nonoperating revenues by source for the year ended June 30, 2025:



## Revenue Summary

Total revenue for the year ended June 30, 2025 was $24,143,128, an increase from 2024 total revenue of $23,614,279 and an increase from 2023 total revenue of $22,650,287.

The following pie chart illustrates the breakdown of total revenues by source for the year ended June 30, 2025:



## Statement of Cash Flows

The primary purpose of this statement is to provide relevant information about the cash receipts and cash disbursements of the College during the fiscal year. The Statement of Cash Flows may also help users assess:

- The College's ability to generate future net cash flows
- The College's ability to meet obligations as they come due
- The College's need for external financing

Following is a comparison of the major components of the cash flows of the College for years ended June 30:

| | 2025 | 2024 | 2023 |
|---|---|---|---|
| Cash provided (used) by: | | | |
| Operating activities | $ (14,958) | $ (12,456) | $ (13,935) |
| Noncapital financing activities | 15,419 | 13,946 | 14,573 |
| Capital and related financing activities | (4,167) | 2,411 | 1,914 |
| Investing activities | 3,118 | (2,826) | (7,781) |
| **Net increase (decrease) in cash** | **(588)** | **1,076** | **(5,229)** |
| Cash and equivalents - beginning of year | 4,288 | 3,212 | 8,441 |
| **Cash and equivalents - end of year** | **$ 3,700** | **$ 4,288** | **$ 3,212** |

Overall, the College's year end cash position decreased by approximately $588,000. Major sources of funds from operations came from tuition, fees, grants, and auxiliary activities. These sources were offset by expenditures for operations such as payments to employees and suppliers. Noncapital financing activities had receipts from State appropriations, Pell grants, and property taxes. Investing activities have increased spending due to the purchase of investments. It was necessary to utilize those favorable investments over the course of this past fiscal year to help fund the renovation projects that have been identified earlier. This explains the $5.9 million reduction in investing activities between 2025 and 2024. Funds that remain invested are in shorter term investments to ensure readily available cash as we move towards our project in Hart, Michigan. More detailed information about the College's cash flow is presented in the financial statements.

## Capital Assets

At June 30, 2025, the College had $43.9 million invested in capital assets, net of accumulated depreciation and amortization of $32.3 million. Depreciation charges totaled $2,027,662 for the year ended June 30, 2025. Details of these assets at June 30 are shown in the following table.

**Capital Assets as of June 30**
**(in thousands)**

| | 2025 | 2024 | 2023 |
|---|---|---|---|
| Land and land improvements | $ 4,482 | $ 2,796 | $ 2,413 |
| Buildings and improvements | 57,109 | 56,878 | 56,828 |
| Furniture, fixtures, and equipment | 6,452 | 5,689 | 5,278 |
| Library materials | 650 | 645 | 637 |
| Artwork | 801 | 801 | 768 |
| Construction in progress | 5,598 | 417 | 34 |
| Subscription Assets | 1,094 | - | - |
| | 76,186 | 67,225 | 65,957 |
| Less: accumulated depreciation | (32,330) | (30,302) | (28,373) |
| **Net capital assets** | **$ 43,856** | **$ 36,924** | **$ 37,584** |

A capital millage renewed in 2015 for an additional ten years, is due for renewal in 2025. The capital millage brings in nearly $3.9 million annually for equipment, technology, deferred maintenance and capital projects. The ability of the College to address deferred maintenance with capital millage funds has allowed the College to keep buildings up to exceptional standards and make improvements of physical space and energy efficiencies for operational savings. Additionally, through these dollars, major construction projects to date have been completed free of debt.

More detailed information about the College's capital assets is presented in the footnotes to the financial statements.

## Economic Factors That Will Affect the Future

In addition to the MWTEC collaboration, the College has built an agreement with Michigan Great Lakes Virtual Academy – a full-time online public school for students in grades K through 12. The collaboration has created an Early Middle College (EMC) program between the two institutions allowing students, in five years, to both graduate from high school and earn college credits towards their associate's degree and potentially a four-year degree. It can also offer certifications and registered apprenticeship programs. The Academy has over 3,000 students, creating a significant pipeline of potential students once again to increase enrollment within West Shore via an online presence.

The ADN-BSN collaborative with Ferris State University has been functioning very favorably since January 2024. In our first semester, we far exceeded our budgeted expectations of enrollment and have been a leader in fulfilling the need to address the shortage of qualified nurses within the state. We anticipate that our funding will be unable to address the demand needed for the duration of the grant program and have requested additional aid to support the initiative.

The College continues to receive strong State support from a varied number of grant initiatives. We continue to receive support through the Michigan TIP program, the Future for Frontliners program, the Achievement Scholarship program, and the Reconnect program, to name a few. The Reconnect program expanded to include Ages 21-24, again increasing the opportunity for students to enroll and receive financial support. We also received State funding through initiatives designed to support high school students who may struggle with the decision to attend community college. The CATCH-UP program provided the opportunity for students to engage in a college atmosphere before making the decision to attend, building their confidence levels to make the decision to register. This initiative brought 40 students on campus, with a successful outcome in enrollment.

Our West Shore Community Foundation has seen significant growth in the past two years in its investment portfolio. Although overall distributions to the College decreased by 6%, the impact that the College has been able to make to students through both Operating Fund support and Federal and State awards, overall financial support has increased to students from FY24 to FY25.

The College is in the midst of a major renovation to our Recreation Center. The infrastructure within the building is approximately 40 years old, requiring extensive work to replace and upgrade in order to make the facility more state-of-the-art for all that partake. It will also improve classrooms for the Career Tech Education's public safety program, and the MSU Extension office, in addition to creating improved fitness rooms. The strong capital funding that we have available, has allowed the College to make this large renovation without any need for debt funding.

West Shore recently purchased a building in the City of Hart to expand the College's presence on the west side of the state by embarking on another initiative similar to the Manistee Downtown Education Center. By building collaborations with partners in this community, we believe that the College can greatly drive economic growth within Oceana County through the ability to provide education necessary in this financially distressed area.

It is very apparent that West Shore has been aggressively seeking out ways to ensure the success of the College. The economic situation within the state and nationwide continues to limit the funding that families have available to support continued education. It is important as a community college to ensure that we can be the catalyst to provide as many resources as possible to bring all interested parties onto campus, either in person or virtually, to not only obtain a degree with the College but to become a contributing member of society geared towards improving the overall stability of the nation.

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# FINANCIAL STATEMENTS

## WEST SHORE COMMUNITY COLLEGE

### Statements of Net Position

| | June 30 | |
|---|---|---|
| | 2025 | 2024 |
| **Assets** | | |
| **Current assets** | | |
| Cash and cash equivalents | $ 3,700,482 | $ 4,287,653 |
| State appropriation receivable | 606,212 | 635,910 |
| Accounts receivable, net | 486,787 | 462,562 |
| Federal and state grants receivable | 488,363 | 275,430 |
| Lease receivables, current portion | 167,229 | 158,802 |
| Inventories | 55,986 | 50,006 |
| Prepaid expenses | 455,773 | 373,922 |
| Short-term investments | 15,027,417 | 16,986,683 |
| Due from Foundation | 100,379 | 229,460 |
| **Total current assets** | **21,088,628** | **23,460,428** |
| **Noncurrent assets** | | |
| Investments | 167,983 | 163,293 |
| Lease receivables, net of current portion | 3,461,891 | 3,629,120 |
| Capital assets not being depreciated/amortized | 6,550,378 | 1,369,435 |
| Capital assets being depreciated/amortized, net | 37,306,044 | 35,554,164 |
| Net OPEB asset | 1,521,733 | 191,213 |
| **Total noncurrent assets** | **49,008,029** | **40,907,225** |
| **Total assets** | **70,096,657** | **64,367,653** |
| **Deferred outflows of resources** | | |
| Deferred pension amounts | 2,682,505 | 3,244,642 |
| Deferred OPEB amounts | 407,033 | 678,787 |
| **Total deferred outflows of resources** | **3,089,538** | **3,923,429** |
| **Liabilities** | | |
| **Current liabilities** | | |
| Accounts payable | 1,030,819 | 548,367 |
| Accrued payroll and other liabilities | 944,996 | 1,084,552 |
| Current portion of accrued compensated absences | 391,754 | 265,694 |
| Current portion of subscription based IT agreements liabilities | 209,608 | - |
| Deposits | 41,692 | 19,517 |
| Unearned revenue | 839,981 | 652,749 |
| **Total current liabilities** | **3,458,850** | **2,570,879** |
| **Noncurrent liabilities** | | |
| Accrued compensated absences, net of current portion | 508,980 | 66,423 |
| Subscription based IT agreements liabilities, net of current portion | 643,120 | - |
| Net pension liability | 8,397,936 | 11,380,864 |
| **Total noncurrent liabilities** | **9,550,036** | **11,447,287** |
| **Total liabilities** | **13,008,886** | **14,018,166** |
| **Deferred inflows of resources** | | |
| Deferred pension amounts | 4,274,870 | 3,735,092 |
| Deferred OPEB amounts | 2,250,801 | 1,929,635 |
| Deferred lease amounts | 3,359,828 | 3,587,854 |
| **Total deferred inflows of resources** | **9,885,499** | **9,252,581** |
| **Net position** | | |
| Investment in capital assets | 42,460,537 | 36,923,599 |
| Restricted for: | | |
| Nonexpendable scholarships | 116,945 | 116,028 |
| Expendable student loans | 94,120 | 90,938 |
| Expendable capital projects | 6,442,879 | 9,962,237 |
| Expendable OPEB | 1,521,733 | 191,213 |
| Unrestricted deficit (Note 2) | (344,404) | (2,263,680) |
| **Total net position** | **$ 50,291,810** | **$ 45,020,335** |

The accompanying notes are an integral part of these financial statements.

## WEST SHORE COMMUNITY COLLEGE

### Statements of Revenues, Expenses and Changes in Net Position

| | Year Ended June 30 | |
|---|---|---|
| | 2025 | 2024 |
| **Operating revenues** | | |
| Tuition and fees, net of scholarship allowance of $3,954,541 in 2025 and $1,156,000 in 2024 | $ 665,838 | $ 2,393,372 |
| Federal grants | 1,044,046 | 620,499 |
| State and local grants | 1,026,232 | 822,157 |
| Auxiliary activities, net of scholarship allowance of $19,631 in 2024 | 692,026 | 665,087 |
| Miscellaneous | 280,924 | 428,160 |
| **Total operating revenues** | **3,709,066** | **4,929,275** |
| **Operating expenses** | | |
| Instruction | 5,139,701 | 4,375,167 |
| Technology | 1,022,303 | 837,284 |
| Public service | 687,488 | 603,702 |
| Instructional support | 1,577,533 | 1,314,065 |
| Student services | 2,993,514 | 4,639,386 |
| Institutional administration | 3,019,616 | 2,112,011 |
| Operation and maintenance of plant | 2,403,836 | 2,173,832 |
| Depreciation and amortization | 2,027,662 | 1,929,124 |
| **Total operating expenses** | **18,871,653** | **17,984,571** |
| **Operating loss** | **(15,162,587)** | **(13,055,296)** |
| **Nonoperating revenues** | | |
| State appropriations | 3,178,819 | 3,049,180 |
| Local community stabilization | 701,471 | 701,814 |
| Property taxes | 12,546,631 | 11,790,756 |
| Pell grants | 2,170,088 | 1,387,611 |
| Gifts | 716,001 | 703,300 |
| Investment income | 865,366 | 806,122 |
| Lease income | 237,786 | 242,750 |
| Miscellaneous income | 17,900 | 3,471 |
| **Total nonoperating revenues** | **20,434,062** | **18,685,004** |
| **Increase in net position** | **5,271,475** | **5,629,708** |
| Net position, beginning of year | 45,020,335 | 39,390,627 |
| **Net position, end of year** | **$ 50,291,810** | **$ 45,020,335** |

The accompanying notes are an integral part of these financial statements.

## WEST SHORE COMMUNITY COLLEGE

### Statements of Cash Flows

| | Year Ended June 30 | |
|---|---|---|
| | 2025 | 2024 |
| **Cash flows from operating activities** | | |
| Tuition and fees | $ 828,845 | $ 2,734,425 |
| Grants | 1,857,345 | 1,402,035 |
| Payments to suppliers | (7,328,869) | (6,452,597) |
| Payments to employees | (11,831,035) | (11,232,698) |
| Auxiliary activities receipts | 692,026 | 665,087 |
| Other receipts | 280,924 | 428,160 |
| **Net change in cash from operating activities** | **(15,500,764)** | **(12,455,588)** |
| **Cash flows from noncapital financing activities** | | |
| Property taxes - operations | 8,623,383 | 8,113,768 |
| Pell grants | 2,170,088 | 1,387,611 |
| State appropriations | 3,208,517 | 3,039,802 |
| Local Community Stabilization | 701,471 | 701,814 |
| Federal direct lending receipts | 272,686 | 273,099 |
| Federal direct lending disbursements | (272,686) | (273,099) |
| Gifts and contributions for other than capital purposes | 716,001 | 703,300 |
| **Net change in cash from noncapital financing activities** | **15,419,460** | **13,946,295** |
| **Cash flows from capital and related financing activities** | | |
| Property taxes - capital | 3,923,248 | 3,676,988 |
| Principal paid on subscription-based IT arrangement liabilities | (218,093) | - |
| Purchase of capital assets | (7,416,806) | (1,269,208) |
| Other | 88,199 | 3,471 |
| **Net change in cash from capital and related financing activities** | **(3,623,452)** | **2,411,251** |
| **Cash flows from investing activities** | | |
| Proceeds from sales of investments | 3,685,087 | 44,525 |
| Investment income | 134,855 | 154,084 |
| Purchase of investments | (1,000,000) | (3,000,000) |
| Lease payments received | 168,562 | 165,460 |
| Net receipts to (advances) - College Foundation | 129,081 | (190,455) |
| **Net change in cash from investing activities** | **3,117,585** | **(2,826,386)** |
| **Net change in cash and cash equivalents** | **(587,171)** | **1,075,572** |
| Cash and cash equivalents, beginning of year | 4,287,653 | 3,212,081 |
| **Cash and cash equivalents, end of year** | **$ 3,700,482** | **$ 4,287,653** |

continued…

# WEST SHORE COMMUNITY COLLEGE

## Statements of Cash Flows

| | Year Ended June 30 | |
|---|---|---|
| | 2025 | 2024 |
| **Reconciliation of operating loss to net change in cash from operating activities** | | |
| Operating loss | $ (15,162,587) | $ (13,055,296) |
| Adjustments to reconcile operating loss to net cash used in operating activities | | |
| Depreciation and amortization | 2,027,662 | 1,929,124 |
| Change in operating assets and liabilities which (used) provided cash | | |
| Accounts receivable, net | (24,225) | (112,048) |
| Federal and state grants receivable | (212,933) | (40,621) |
| Inventories | (5,980) | 3,623 |
| Prepaid expenses | (81,851) | (84,562) |
| Accounts payable | (60,705) | 43,714 |
| Accrued payroll and other liabilities | (139,556) | 376,906 |
| Compensated absences | 568,617 | 20,446 |
| Deposits | 22,175 | (1,408) |
| Unearned revenue | 187,232 | 453,101 |
| Net pension liability | (2,982,928) | (3,719,244) |
| Pension deferred outflows | 562,137 | 1,168,734 |
| Pension deferred inflows | 539,778 | 1,385,474 |
| Net OPEB asset | (1,330,520) | (1,003,685) |
| OPEB deferred outflows | 271,754 | 361,211 |
| OPEB deferred inflows | 321,166 | (181,057) |
| **Net cash used in operating activities** | **$ (15,500,764)** | **$ (12,455,588)** |
| **Non-cash activities** | | |
| Change in payable related to acquisition of capital assets | $ 543,157 | $ - |
| Subscription additions | 1,093,535 | - |

concluded

The accompanying notes are an integral part of these financial statements.

# WEST SHORE COMMUNITY COLLEGE FOUNDATION

## Statements of Financial Position

| | June 30 | |
|---|---|---|
| | 2025 | 2024 |
| **Assets** | | |
| Investments | $ 12,610,008 | $ 11,519,938 |
| Pledges receivable, net | 200,082 | 244,733 |
| **Total assets** | **$ 12,810,090** | **$ 11,764,671** |
| **Liabilities** | | |
| Due to WSCC | $ 100,379 | $ 229,460 |
| **Net assets** | | |
| Without donor restrictions | 3,932,220 | 3,618,631 |
| With donor restrictions | 8,777,491 | 7,916,580 |
| **Total net assets** | **12,709,711** | **11,535,211** |
| **Total liabilities and net assets** | **$ 12,810,090** | **$ 11,764,671** |

The accompanying notes are an integral part of these financial statements.

# WEST SHORE COMMUNITY COLLEGE FOUNDATION

## Statements of Activities and Changes in Net Assets

| | Year Ended June 30 | |
|---|---|---|
| | 2025 | 2024 |
| **Revenues, support and gains** | | |
| Contributions | $ 185,797 | $ 283,533 |
| Net investment return | 1,361,073 | 1,313,995 |
| **Total revenues, support and gains** | **1,546,870** | **1,597,528** |
| **Expenses** | | |
| Program services: | | |
| Distributions to West Shore Community College | 363,252 | 387,052 |
| Supportive services: | | |
| General administration | 97,107 | 106,077 |
| Fundraising | 55,551 | 57,997 |
| **Total expenses** | **515,910** | **551,126** |
| **Increase in net assets** | **1,030,960** | **1,046,402** |
| Equity transfer from College | 143,540 | - |
| Net assets, beginning of year | 11,535,211 | 10,488,809 |
| **Net assets, end of year** | **$ 12,709,711** | **$ 11,535,211** |

The accompanying notes are an integral part of these financial statements.

## Notes to Financial Statements

### 1. NATURE OF ENTITY AND BASIS OF PRESENTATION

***Reporting Entity***

***West Shore Community College*** (the "College") is a Michigan community college whose financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America (GAAP) as applicable to public colleges and universities outlined in Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities,* and the *Manual for Uniform Financial Reporting – Michigan Public Community Colleges, 2001 (MUFR).*

West Shore Community College, established in 1967, is located near Scottville, Michigan. The College provides educational services to residents of Manistee and Mason Counties as well as portions of Lake, Oceana, and Newaygo Counties. A seven-member Board, which is elected by residents of the aforementioned counties who are located within the College's District, governs the College.

The accompanying financial statements have been prepared in accordance with criteria established by the GASB for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational or financial relationships with the College. Based on application of the criteria, the College has one component unit.

***Discretely Presented Component Unit***

The West Shore Community College Foundation (the "Foundation") is a not-for-profit corporation formed to solicit, collect, and invest donations made for the promotion of educational and cultural activities at the College. The Foundation is a discretely presented component unit reported in separate statements within these financial statements to emphasize that it is legally separate from the College. (See Note 10 for additional information.)

Although the College does not necessarily control the timing or amount of receipts from the Foundation, the majority of resources, or income earned thereon, and the Foundation's holdings and investments are restricted by the donors to the activities of the Foundation. The Foundation is a discretely presented component unit of the College because, in addition to meeting other GASB criteria, the Foundation's Board of Directors does not consist substantially of members who are also the College's Board of Trustees. Additionally, the restricted resources held by the Foundation can be used only by, or for the benefit of, the College.

***Subsequent Events***

In preparing these financial statements, management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to the most recent balance sheet presented herein, through the date these financial statements were available to be issued.

## Notes to Financial Statements

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies followed by the College are described below to enhance the usefulness of the financial statements to the reader:

***Basis of Presentation***

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

***Cash and Cash Equivalents***

Cash and cash equivalents consist of bank demand deposits and all highly liquid investments with an initial maturity of three months or less.

***Investments***

Investments consist of certificates of deposit. Investments are recorded at the initial investment amount plus earned interest. These investments earn interest at rates ranging from .05% to 4.75% and mature at various dates through August 2026. Short-term investments include certificates of deposit with initial maturities greater than three months and less than twelve months.

***Accounts Receivable, Net***

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense when necessary and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The accounts receivable allowance was $200,000 and $50,000 at June 30, 2025 and 2024, respectively.

***Leases***

The College is a lessor for noncancellable leases of various properties. The College recognizes a lease receivable and a deferred inflow of resources in the general fund of the financial statements.

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

Key estimates and judgments include how the College determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The College uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

More detailed information can be found in Note 11.

***Inventories***

Inventories are stated at the lower of cost or market using the first-in, first-out method. The inventory consists of food and supplies for food service, books and supplies for the bookstore and supplies for the ice arena pro-shop.

***Prepaid Expenses***

Payments made to vendors for services that will benefit periods beyond the fiscal year end are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which services are consumed.

***Capital Assets and Depreciation***

Capital assets are recorded at cost or, if acquired by gift, at the estimated acquisition cost as of the date of donation. Capital assets are assets with an initial cost of more than $5,000 and an estimated useful life in excess of one year. Library materials are recorded at cost at date of acquisition. Expenditures for maintenance and repairs are expensed as incurred. Depreciation is provided for capital assets on a straight-line basis of the estimated useful life of the assets.

The following estimated useful lives are used to compute depreciation:

| | |
|---|---|
| Land improvements | 15-20 years |
| Buildings and improvements | 10-50 years |
| Furniture, fixtures and equipment | 3-15 years |
| Library materials | 5 years |
| Subscription assets | 2-5 years |

***Deferred Outflows of Resources***

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to one or more future periods and so will not be recognized as an outflow of resources (expense) until then. The College reports deferred outflows of resources for certain pension and other postemployment benefits (OPEB) related amounts, such as differences in expected and actual experience, changes in assumptions, net differences between projected and actual earnings on pension and OPEB plan investments, changes in proportion and differences between employer contributions and proportionate share of contributions, and certain contributions made to the plan subsequent to the measurement date. More detailed information can be found in Note 5.

***Deferred Inflows of Resources***

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The College reports deferred inflows of resources for certain pension and OPEB related amounts, such as the difference between projected and actual experience, changes in assumptions, net difference between projected and actual earnings on pension and OPEB plan investments, changes in proportion and differences between employer contributions and proportionate share of contributions, and the pension portion of Sec. 147C state aid revenue received subsequent to the measurement date. More detailed information can be found in Note 5. The College also, in accordance with GASB Statement No. 87, *Leases* , reports deferred inflows for the present value of leases for which the College is the Lessor. The amounts are deferred and income is recognized over the remaining life of the leases. More detailed information can be found in Note 11.

***Net Pension Liability***

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

***Net OPEB Asset***

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

## Notes to Financial Statements

***Revenue Recognition***

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

The College does not recognize as revenue sources held for others, such as Federal Direct Loans, where the institution serves only as a conduit.

Operating revenues of the College consist of tuition and fees, grants and contracts, and auxiliary enterprise revenues. Transactions related to capital and financing activities, noncapital financing activities, investing activities, state appropriations, property taxes, and Pell grants are components of nonoperating and other revenues. For financial reporting purposes, restricted resources are deemed to be utilized first when both restricted and unrestricted resources are available to satisfy expenses.

***Unearned Revenues***

Unearned revenue at June 30, 2025 and 2024, consists of revenues received prior to year end that are related to the next fiscal period. The $839,981 balance at June 30, 2025, includes $167,021 of unearned revenue on the summer semester which began on June 2, 2025, and ended on July 25, 2025. The remaining balance relates to grant revenue received but not yet spent. The $652,750 balance at June 30, 2024, includes $133,938 of unearned revenue on the summer semester which began on June 3, 2024, and ended on July 26, 2024. The remaining balance relates to grant revenue received but not yet spent.

***Gifts***

Gifts are recorded when received and pledges are recorded when it is determined that the gift is probable of collection at its net present value.

***Internal Service Activities***

Both revenue and expenses related to internal service activities including office equipment, telecommunications, and institutional computing have been eliminated.

## Notes to Financial Statements

***Compensated Absences***

The College recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences - vacation and sick leave. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation - The College's policy permits employees to accumulate earned but unused vacation benefits, to a maximum limit annually, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave - The College's policy permits employees to accumulate earned but unused sick leave to a maximum limit that can be carried over to subsequent years. All sick leave lapses when employees leave the employ of the College, and upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

***Subscription-Based Information Technology Arrangements (SBITA)***

The College has noncancellable subscription-based information technology agreements. The College recognizes a subscription liability and an intangible right-to-use subscription asset in the financial statements. The College recognizes subscription liabilities with an initial, individual value of $5,000 or more.

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

Key estimates related to subscriptions include how the College determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments. The College uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the College generally uses its estimated incremental borrowing rate as the discount rate. The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price (if applicable) that the College is reasonably certain to exercise.

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

## Notes to Financial Statements

***Property Taxes***

The College's property tax is levied and becomes a lien on July 1 and December 1, based on the assessed value listed as of the prior December 31. Local governmental units within the College's district collect and remit taxes until March 1, at which time the uncollected real property taxes are turned over to the County as delinquent. Delinquent real property taxes are funded by County bond issues and remitted to the College. Delinquent personal property taxes are recorded as revenue when received.

***Restricted Net Position***

Restricted net position represents amounts over which third parties have imposed restrictions that cannot be changed by the Board. The restricted balance consists primarily of funds restricted for endowments, scholarships, OPEB, grants and capital purposes. Funds held by the College for restricted purposes were $8,175,677 and $10,360,416 at June 30, 2025 and 2024, respectively.

***Investment in Capital Assets***

Investment in capital assets represents capital assets, net of accumulated depreciation.

***Unrestricted Net Position***

The College's unrestricted net position (deficit) is as follows at June 30:

| | 2025 | 2024 |
|---|---|---|
| Pension and OPEB liability fund deficit | $ (11,834,069) | $ (13,122,162) |
| Other unrestricted | 11,489,665 | 10,858,482 |
| **Total** | **$ (344,404)** | **$ (2,263,680)** |

## Notes to Financial Statements

***Use of Estimates***

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets, liabilities, and deferred outflows and inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Significant estimates include but are not limited to the assumptions based on historical trends and industry standards used in the actuarial valuations of the net pension and OPEB plans (asset) liabilities and deferred outflows and inflows. These estimates were independently developed by the Michigan Public School Employees Retirement System, and are not under the control of the College. Effective in fiscal year 2025, the College revised its methodology for estimating the scholarship allowance applied to gross tuition and fee revenue in alignment with the National Association of College and University Business Officer's most recent recommended approach. This change impacted the presentation of net tuition and fee revenue in the accompanying statement of revenues, expenses, and changes in net position for the year ended June 30, 2025.

***Change in Accounting Principle***

For 2025, the College adopted GASB Statement No. 101, *Compensated Absences.* This new standard replaces the existing guidance in GASB Statement No. 16 and establishes a more uniform approach for accounting and financial reporting of compensated absences, such as vacation, sick leave, and similar benefits. Under GASB 101, the College is required to recognize a liability for leave time that is attributable to services already rendered, is accumulated, and is more likely than not to be used. The implementation of the standard effective July 1, 2023, and as of and for the year ended June 30, 2024, did not have a significant impact on the College's liabilities, net position, or expenses. As a result, management elected not to apply the standard retrospectively to the earliest period presented. As such, the College recognized additional liability required under the provisions of this statement during fiscal year 2025. Additional information can be found in Note 6.

### 3. CASH AND INVESTMENTS

As of June 30, 2025 and 2024, cash and investments consist of deposits with financial institutions. Cash consists of depository accounts and investments consist of certificates of deposit.

***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 College has a formal investment policy; however, it does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

***Credit Risk***

State law limits investments in commercial paper and corporate bonds to the two highest classifications issued by nationally recognized statistical rating organizations. The College has no investment policy that would further limit its investment choices.

## Notes to Financial Statements

***Concentration of Credit Risk***

The College does not have a concentration of credit risk policy. Concentration of credit risk is the risk of loss attributed to the magnitude of the College's investment in a single issuer. By diversifying the investment portfolio, the impact of potential losses from any one type of security or issuer will be minimized.

***Custodial Credit Risk – Deposits***

In the case of deposits, there is the risk that in the event of a bank failure, the College's deposits may not be returned. As of June 30, 2025 and 2024, $208,071 and $328,784, respectively, of the College's bank balance of $18,895,882 and $21,357,807 was exposed to custodial credit risk because it was either uninsured or not collateralized with securities held by the pledging financial institution's trust department or agent, in the College's name.

***Custodial Credit Risk – Investments***

State law does not require and the College does not have a custodial credit risk policy for investments. This is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

***Foreign Currency Risk***

The College is not authorized by state law to invest in investments which have this type of risk.

## Notes to Financial Statements

### 4. CAPITAL ASSETS, NET

Capital asset activity for the years ended June 30 was as follows:

| | Balance July 1, 2024 | Additions | Transfers and Retirements | Balance June 30, 2025 |
|---|---|---|---|---|
| **Capital assets, not being depreciated/amortized** | | | | |
| Land | $ 151,000 | $ - | $ - | $ 151,000 |
| Artwork | 800,965 | - | - | 800,965 |
| Construction in progress | 417,470 | 5,182,103 | (1,160) | 5,598,413 |
| Subtotal capital assets, not being depreciated | 1,369,435 | 5,182,103 | (1,160) | 6,550,378 |
| **Capital assets, being depreciated/amortized** | | | | |
| Land improvements | 2,644,989 | 1,685,953 | - | 4,330,942 |
| Buildings and improvements | 56,877,506 | 230,999 | - | 57,108,505 |
| Furniture, fixtures and equipment | 5,688,925 | 855,417 | (91,853) | 6,452,489 |
| Library materials | 644,612 | 5,491 | - | 650,103 |
| Subscription assets | - | 1,093,535 | - | 1,093,535 |
| Subtotal capital assets, being depreciated/amortized | 65,856,032 | 3,871,395 | (91,853) | 69,635,574 |
| **Total** | **67,225,467** | **9,053,498** | **(93,013)** | **76,185,952** |
| **Less accumulated depreciation amortization** | | | | |
| Land improvements | 1,589,833 | 154,500 | - | 1,744,333 |
| Buildings and improvements | 24,179,062 | 1,440,774 | - | 25,619,836 |
| Furniture, fixtures and equipment | 3,917,976 | 293,148 | - | 4,211,124 |
| Library materials | 614,997 | 8,333 | - | 623,330 |
| Subscription assets | - | 130,907 | - | 130,907 |
| Total accumulated depreciation/ amortization | 30,301,868 | $ 2,027,662 | $ - | 32,329,530 |
| Total capital assets, being depreciated/amortized, net | 35,554,164 | | | 37,306,044 |
| **Total** | **$ 36,923,599** | | | **$ 43,856,422** |

## Notes to Financial Statements

| | Balance July 1, 2023 | Additions | Transfers and Retirements | Balance June 30, 2024 |
|---|---|---|---|---|
| **Capital assets, not being depreciated** | | | | |
| Land | $ 151,000 | $ - | $ - | $ 151,000 |
| Artwork | 767,965 | 33,000 | - | 800,965 |
| Construction in progress | 33,563 | 496,356 | (112,449) | 417,470 |
| Subtotal capital assets, not being depreciated | 952,528 | 529,356 | (112,449) | 1,369,435 |
| **Capital assets, being depreciated** | | | | |
| Land improvements | 2,261,910 | 383,079 | - | 2,644,989 |
| Buildings and improvements | 56,827,506 | 50,000 | - | 56,877,506 |
| Furniture, fixtures and equipment | 5,277,624 | 298,852 | 112,449 | 5,688,925 |
| Library materials | 636,691 | 7,921 | - | 644,612 |
| Subtotal capital assets, being depreciated | 65,003,731 | 739,852 | 112,449 | 65,856,032 |
| **Total** | **65,956,259** | **1,269,208** | **-** | **67,225,467** |
| **Less accumulated depreciation** | | | | |
| Land improvements | 1,508,009 | 81,824 | - | 1,589,833 |
| Buildings and improvements | 22,701,619 | 1,477,443 | - | 24,179,062 |
| Furniture, fixtures and equipment | 3,559,356 | 358,620 | - | 3,917,976 |
| Library materials | 603,760 | 11,237 | - | 614,997 |
| Total accumulated depreciation | 28,372,744 | $ 1,929,124 | $ - | 30,301,868 |
| Total capital assets, being depreciated, net | 36,630,987 | | | 35,554,164 |
| **Total** | **$ 37,583,515** | | | **$ 36,923,599** |

As of June 30, 2025, construction in progress consists primarily of expenditures related to the Hart Center project and Recreation Center renovation. As of June 30, 2025, the College estimates total costs of completion of $7.5 million related to these projects.

Several of the buildings on campus were financed through the issuance of bonds by the State of Michigan Building Authority (SBA). The SBA bonds are secured by pledged rentals to be received from the State of Michigan pursuant to a lease agreement entered into among the SBA, the State of Michigan, and the College. During the lease term, the SBA will hold title to the buildings, the State of Michigan will make all lease payments to the SBA, and the College will be responsible for all operating and maintenance costs. At the expiration of the lease, the SBA will transfer title of the buildings to the College.

## 5. PENSION AND OTHER POSTEMPLOYMENT BENEFIT PLANS

**Defined Benefit Plan**

***Plan Description***

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

The System's pension plan was established by the State to provide retirement, survivor and disability benefits to public school employees. In addition, the System's health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

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

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

***Pension Benefits Provided***

Benefit provisions of the defined benefit pension 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 (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25% to 1.50%. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

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

Participants in the defined contribution plan consist of one of the following: (1) members who worked for a Michigan public school on or after September 4, 2012 and elected to be enrolled in the defined contribution plan; (2) members who elected to transfer from the defined benefit plan to the defined contribution plan under the reform (P.A. 300) of 2012; or (3) members who worked for a Michigan public school on or after February 1, 2018 and did not elect participation in the Pension Plus 2 plan. Members who worked for a Michigan public school on or after September 4, 2012 and elected to be enrolled in the defined contribution plan receive a 100% match of the member contribution rate up to a maximum of 3% based on the member's gross earnings. Additionally, there is a mandatory employer contribution of 4% of the member's gross earnings for MPSERS members who elected to convert from a Basic or MIP benefit plan to the defined contribution benefit plan. Members electing the Pension Plus or Pension Plus 2 benefit plan receive a 50% match of the member's contribution percent up to a maximum of 1% based on the member's gross earnings. Effective October 1, 2017, there is a mandatory employer contribution of 4% of the member's gross earnings for members who elect the Defined Contribution benefit plan. The employer must match 100% of the employee contribution for any member who elected the Personal Healthcare Fund up to a maximum of 2% of the member's gross earnings. For all members with a Personal Health Care Fund (PHF), the first 2% of DC contributions must go into the PHF and must be matched 100% by the employer.

***Other Postemployment Benefits Provided***

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

## Notes to Financial Statements

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

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

***Contributions***

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2023 valuation will be amortized over a 15-year period beginning October 1, 2023 and ending September 30, 2038.

The table below summarizes pension contribution rates in effect for fiscal year 2025, which excludes supplemental MPSERS UAAL employer stabilization contributions that are passed through the College to MPSERS based on rates ranging from 10.58% - 17.02% on prior year covered payroll:

| Benefit Structure | Member Rates | Employer Rates |
|---|---|---|
| Basic | 0.00% - 4.00% | 23.03% - 30.11% |
| Member Investment Plan (MIP) | 3.00% - 7.00% | 23.03% - 30.11% |
| Pension Plus | 3.00% - 6.40% | 19.17% - 26.27% |
| Pension Plus 2 | 6.20% | 20.10% - 27.16% |
| Defined Contribution | 0.00% | 13.90% - 20.96% |

Required contributions to the pension plan from the College were $1,758,252, $1,485,939 and $1,791,209 for the years ended June 30, 2025, 2024, and 2023, respectively.

## Notes to Financial Statements

The table below summarizes OPEB contribution rates in effect for fiscal year 2025:

| Benefit Structure | Member Rates | Employer Rates |
|---|---|---|
| Premium Subsidy | 3.00% | 1.25% - 8.31% |
| Personal Healthcare Fund (PHF) | 0.00% | 0.00% - 7.06% |

Required contributions to the OPEB plan from the College were $103,330, $320,925 and $321,576 for the years ended June 30, 2025, 2024 and 2023, respectively.

The table below summarizes defined contribution rates in effect for fiscal year 2025:

| Benefit Structure | Member Rates | Employer Rates |
|---|---|---|
| Defined Contribution | 0.00% - 3.00% | 0.00% - 7.00% |
| Personal Healthcare Fund (PHF) | 0.00% - 2.00% | 0.00% - 2.00% |

For the years ended June 30, 2025, 2024 and 2023 required and actual contributions from the College for those members with a defined contribution benefit were $26,821, $21,831 and $21,778, respectively.

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

At June 30, 2025 and 2024, the College reported a liability of $8,397,936 and $11,380,864, respectively, for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2024 and 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 30, 2023 and 2022. The College's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2024, the College's proportion was 0.03430%, which was a decrease of 0.00086% points from its proportion measured as of September 30, 2023 of 0.03516%.

## Notes to Financial Statements

For the year ended June 30, 2025, the College recognized pension benefit of $47,195. At June 30, 2025, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| 2025 | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Outflows (Inflows) of Resources |
|---|---|---|---|
| Differences between expected and actual experience | $ 227,842 | $ 91,245 | $ 136,597 |
| Changes in assumptions | 875,535 | 615,303 | 260,232 |
| Net difference between projected and actual earnings on pension plan investments | - | 1,602,682 | (1,602,682) |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 18,398 | 1,482,948 | (1,464,550) |
| | 1,121,775 | 3,792,178 | (2,670,403) |
| College contributions subsequent to the measurement date | 1,560,730 | - | 1,560,730 |
| Pension portion of Sec 147c state aid award subsequent to the measurement date | - | 482,692 | (482,692) |
| **Total** | **$ 2,682,505** | **$ 4,274,870** | **$ (1,592,365)** |

The amount reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. The amount reported as deferred inflows of resources resulting from the pension portion of state aid payments received pursuant to Sec 147c of the State School Aid Act (PA 94 of 1979), will be recognized as State appropriations revenue for the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30, | Amount |
|---|---|
| 2026 | $ (960,222) |
| 2027 | (464,607) |
| 2028 | (801,394) |
| 2029 | (444,180) |
| **Total** | **$ (2,670,403)** |

## Notes to Financial Statements

For the year ended June 30, 2024, the College recognized pension expense of $555,113. At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| 2024 | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Outflows (Inflows) of Resources |
|---|---|---|---|
| Differences between expected and actual experience | $ 359,259 | $ 17,434 | $ 341,825 |
| Changes in assumptions | 1,542,159 | 889,174 | 652,985 |
| Net difference between projected and actual earnings on pension plan investments | - | 232,889 | (232,889) |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 32,949 | 1,963,677 | (1,930,728) |
| | 1,934,367 | 3,103,174 | (1,168,807) |
| College contributions subsequent to the measurement date | 1,310,275 | - | 1,310,275 |
| Pension portion of Sec 147c state aid award subsequent to the measurement date | - | 631,918 | (631,918) |
| **Total** | **$ 3,244,642** | **$ 3,735,092** | **$ (490,450)** |

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

At June 30, 2025 and 2024, the College reported an asset of $1,521,733 and $191,213, respectively, for its proportionate share of the MPSERS net OPEB asset. The net OPEB asset was measured as of September 30, 2024 and 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation rolled forward from September 30, 2023 and 2022. The College's proportion of the net OPEB asset was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2024, the College's proportion was 0.03535%, which was an increase of 0.00155% from its proportion measured as of September 30, 2023 of 0.03380%.

## Notes to Financial Statements

For the year ended June 30, 2025, the College recognized OPEB benefit of $662,615. At June 30, 2025, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| 2025 | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Outflows (Inflows) of Resources |
|---|---|---|---|
| Differences between expected and actual experience | $ - | $ 1,612,572 | $ (1,612,572) |
| Changes in assumptions | 332,368 | 38,203 | 294,165 |
| Net difference between projected and actual earnings on OPEB plan investments | - | 288,081 | (288,081) |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 44,022 | 311,945 | (267,923) |
| | 376,390 | 2,250,801 | (1,874,411) |
| College contributions subsequent to the measurement date | 30,643 | - | 30,643 |
| **Total** | **$ 407,033** | **$ 2,250,801** | **$ (1,843,768)** |

The amount reported as deferred outflows of resources related to OPEB resulting from College contributions subsequent to the measurement date will be recognized as an adjustment to the net OPEB asset in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ended June 30 | Amount |
|---|---|
| 2026 | $ (601,182) |
| 2027 | (390,799) |
| 2028 | (381,982) |
| 2029 | (313,549) |
| 2030 | (160,255) |
| Thereafter | (26,644) |
| **Total** | **$ (1,874,411)** |

## Notes to Financial Statements

For the year ended June 30, 2024, the College recognized OPEB benefit of $558,738. At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| 2024 | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Outflows (Inflows) of Resources |
|---|---|---|---|
| Differences between expected and actual experience | $ - | $ 1,444,900 | $ (1,444,900) |
| Changes in assumptions | 425,672 | 51,259 | 374,413 |
| Net difference between projected and actual earnings on OPEB plan investments | 583 | - | 583 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 3,018 | 433,476 | (430,458) |
| | 429,273 | 1,929,635 | (1,500,362) |
| College contributions subsequent to the measurement date | 249,514 | - | 249,514 |
| **Total** | **$ 678,787** | **$ 1,929,635** | **$ (1,250,848)** |

***Actuarial Assumptions***

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

The total pension and OPEB liabilities in the September 30, 2023 and 2022 actuarial valuations (for the fiscal years ended June 30, 2025 and 2024) were determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Actuarial cost method | Entry age, normal |
| Wage inflation rate | 2.75% |
| Investment rate of return: | |
| MIP and Basic plans (non-hybrid) | 6.00% |
| Pension Plus plan (hybrid) | 6.00% |
| Pension Plus 2 plan (hybrid) | 6.00% |
| OPEB plans | 6.00% |

| | |
|---|---|
| Projected salary increases | 2.75% - 11.55%, including wage inflation at 2.75% |
| Cost of living adjustments | 3% annual non-compounded for MIP members |
| Healthcare cost trend rate | Pre-65: 7.25% Year 1 graded to 3.5% Year 15 (7.50% Year 1 graded to 3.5% Year 15 in 2022)<br>Post-65: 6.50% Year 1 graded to 3.5% Year 15 (6.25% Year 1 graded to 3.5% Year 15 in 2022) |
| Mortality | Retirees: PubT-2010 Male and Female Retiree Mortality Tables scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.<br>Active: PubT-2010 Male and Female Employee Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010. |
| Other OPEB assumptions: | |
| Opt-out assumptions | 21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt-out of the retiree health plan. |
| Survivor coverage | 80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death. |
| Coverage election at retirement | 75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents. |

Assumption changes as a result of an experience study for the period 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 and OPEB liabilities 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. The recognition period for pension liabilities is 4.4612 years which is the average of the expected remaining service lives of all employees. The recognition period for OPEB liabilities is 6.2834 years which is the average of the expected remaining service lives of all employees. The recognition period for assets is 5 years.

Assumption changes as a result of an experience study for the period 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 and OPEB liabilities as of September 30, 2023, are based on the results of an actuarial valuation date of September 30, 2022, and rolled forward using generally accepted actuarial procedures, including the experience study. The recognition period for pension liabilities is 4.4406 years which is the average of the expected remaining service lives of all employees. The recognition period for OPEB liabilities is 6.5099 years which is the average of the expected remaining service lives of all employees. The recognition period for assets is 5 years.

*Changes in assumptions - September 30, 2023 Valuation.* The method for amortizing UAAL transitioned from the level percent of payroll to the level dollar method. In addition, healthcare cost trend rates for pre-65 decreased from 7.50% to 7.25% and post-65 increased from 6.25% to 6.50%.

## Notes to Financial Statements

*Changes in assumptions - September 30, 2022 Valuation.* The payroll growth assumption for amortization purposes used in determining the fiscal year 2025 and 2026 employer contributions decreased from 2.00% to 1.50% and 1.50% to 0.75%, respectively. In addition, the PubT-2010 mortality tables were used in the September 2022 valuation compared to the RP-2014 mortality tables used in the September 2021 valuation. Finally, healthcare cost trend rates for pre-65 decreased from 7.75% to 7.50% and post-65 increased from 5.25% to 6.25%.

***Long-term Expected Return on Pension and OPEB Plan Assets***

The long-term expected rate of return on pension 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 pension/OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension and OPEB plans' target asset allocation as of September 30, 2024 and 2023, are summarized in the following tables:

***Pension***

| 2024<br>Asset Class | Target Allocation | Long-Term Expected Real Rate of Return | Expected Money - Weighted Rate of Return |
|---|---|---|---|
| Domestic equity pools | 25.00% | 5.02% | 1.26% |
| Private equity pools | 16.00% | 8.53% | 1.36% |
| International equity pools | 15.00% | 6.16% | 0.92% |
| Fixed income pools | 13.00% | 2.08% | 0.27% |
| Real estate and infrastructure pools | 10.00% | 6.73% | 0.67% |
| Absolute return pools | 9.00% | 4.93% | 0.44% |
| Real return/opportunistic pools | 10.00% | 6.54% | 0.65% |
| Short-term investment pools | 2.00% | 1.33% | 0.03% |
| | **100.00%** | | 5.60% |
| Inflation | | | 2.30% |
| Risk adjustment | | | -1.90% |
| **Investment rate of return** | | | **6.00%** |

## Notes to Financial Statements

***OPEB***

| 2024<br>Asset Class | Target Allocation | Long-Term Expected Real Rate of Return | Expected Money - Weighted Rate of Return |
|---|---|---|---|
| Domestic equity pools | 25.00% | 5.02% | 1.26% |
| Private equity pools | 16.00% | 8.53% | 1.36% |
| International equity pools | 15.00% | 6.16% | 0.92% |
| Fixed income pools | 13.00% | 1.88% | 0.24% |
| Real estate and infrastructure pools | 10.00% | 6.73% | 0.67% |
| Absolute return pools | 9.00% | 4.93% | 0.44% |
| Real return/opportunistic pools | 10.00% | 6.54% | 0.65% |
| Short-term investment pools | 2.00% | 1.33% | 0.03% |
| | **100.00%** | | 5.57% |
| Inflation | | | 2.30% |
| Risk adjustment | | | -1.87% |
| **Investment rate of return** | | | **6.00%** |

***Pension and OPEB***

| 2023<br>Asset Class | Target Allocation | Long-Term Expected Real Rate of Return | Expected Money - Weighted Rate of Return |
|---|---|---|---|
| Domestic equity pools | 25.00% | 5.43% | 1.36% |
| Private equity pools | 16.00% | 8.99% | 1.44% |
| International equity pools | 15.00% | 6.37% | 0.95% |
| Fixed income pools | 13.00% | 1.22% | 0.16% |
| Real estate and infrastructure pools | 10.00% | 5.99% | 0.60% |
| Absolute return pools | 9.00% | 4.49% | 0.40% |
| Real return/opportunistic pools | 10.00% | 6.83% | 0.68% |
| Short-term investment pools | 2.00% | 0.28% | 0.01% |
| | **100.00%** | | 5.60% |
| Inflation | | | 2.70% |
| Risk adjustment | | | -2.30% |
| **Investment rate of return** | | | **6.00%** |

***Rate of Return***

For the fiscal year ended September 30, 2024, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 15.47% and 15.45%, respectively. For the fiscal year ended September 30, 2023, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 8.29% and 7.94%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

***Discount Rate***

For the fiscal year ended September 30, 2024 and 2023, a discount rate of 6.00% was used to measure the total pension and OPEB liabilities. This discount rate was based on the long-term expected rate of return on pension and OPEB plan investments of 6.00%. The projection of cash flows used to determine these discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension and OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities.

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

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 6.00%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2025:

| | 1% Decrease (5.00%) | Current Discount Rate (6.00%) | 1% Increase (7.00%) |
|---|---|---|---|
| College's proportionate share of the net pension liability | $ 12,311,465 | $ 8,397,936 | $ 5,139,171 |

## Notes to Financial Statements

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 6.00%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2024:

| | 1% Decrease (5.00%) | Current Discount Rate (6.00%) | 1% Increase (7.00%) |
|---|---|---|---|
| College's proportionate share of the net pension liability | $ 15,375,514 | $ 11,380,864 | $ 8,055,173 |

***Sensitivity of the College's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate***

The following presents the College's proportionate share of the net OPEB asset calculated using the discount rate of 6.00%, as well as what the College's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2025:

| | 1% Decrease (5.00%) | Current Discount Rate (6.00%) | 1% Increase (7.00%) |
|---|---|---|---|
| College's proportionate share of the net OPEB asset | $ (1,176,008) | $ (1,521,733) | $ (1,820,649) |

The following presents the College's proportionate share of the net OPEB asset calculated using the discount rate of 6.00%, as well as what the College's proportionate share of the net OPEB (asset)/liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2024:

| | 1% Decrease (5.00%) | Current Discount Rate (6.00%) | 1% Increase (7.00%) |
|---|---|---|---|
| College's proportionate share of the net OPEB (asset)/liability | $ 198,230 | $ (191,213) | $ (525,900) |

## Notes to Financial Statements

***Sensitivity of the College's Proportionate Share of the Net OPEB Asset to Healthcare Cost Trend Rate***

The following presents the College's proportionate share of the net OPEB asset calculated using the assumed trend rates, as well as what the College's proportionate share of the net OPEB asset would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2025:

| | 1% Decrease | Current Healthcare Cost Trend Rate | 1% Increase |
|---|---|---|---|
| College's proportionate share of the net OPEB asset | $ (1,820,652) | $ (1,521,733) | $ (1,201,144) |

The following presents the College's proportionate share of the net OPEB asset calculated using the assumed trend rates, as well as what the College's proportionate share of the net OPEB asset would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2024:

| | 1% Decrease | Current Healthcare Cost Trend Rate | 1% Increase |
|---|---|---|---|
| College's proportionate share of the net OPEB (asset)/liability | $ (526,735) | $ (191,213) | $ 171,932 |

***Pension and OPEB Plans Fiduciary Net Position***

Detailed information about the pension and OPEB plan's fiduciary net position is available in the separately issued MPSERS financial statements available on the State of Michigan Office of Retirement Services website at www.michigan.gov/orsschools.

***Payable to the Pension Plan***

At June 30, 2025, the College reported a payable of $145,653 for the outstanding amount of pension contributions to the Plan required for the year ended June 30, 2025. At June 30, 2024, the College reported a payable of $168,246 for the outstanding amount of pension contributions to the Plan required for the year ended June 30, 2024.

***Payable to the OPEB Plan***

At June 30, 2025, the College reported a payable of $2,283 for the outstanding amount of OPEB contributions to the Plan required for the year ended June 30, 2025. At June 30, 2024, the College reported a payable of $19,733 for the outstanding amount of OPEB contributions to the Plan required for the year ended June 30, 2024.

**Defined Contribution Plan – Optional Retirement Plan**

The College also offers an Optional Retirement Plan (ORP) administered by Teachers' Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF). The ORP is available for all full-time faculty and salaried administrative staff. Upon eligibility to participate, employees have 75 days in which to elect participation in the MPSERS plan and 90 days to elect to participate in the ORP plan.

The ORP is a non-voluntary defined-contribution plan in which the College contributes 11.0% and the employee contributes 4.0% of the participating employee's includible compensation. Participants are immediately 100% vested in all ORP contributions. Participating employees elect their own allocation of contributions among the available investment vehicles offered by TIAA-CREF. ORP retirement benefits are based on the accumulation of contributions and the related investment income for each participant. Distributions of retirement benefits are available under the ORP when participants attain age 55. At June 30, 2025 and 2024, the College had 35 and 32 plan participants, respectively. Employee contributions to the ORP for the years ended June 30, 2025 and 2024 were approximately $122,000 and $109,000, respectively. The College's contributions to the ORP for the years ended June 30, 2025 and 2023, were approximately $335,000 and $300,000, respectively.

## 6. COMPENSATED ABSENCES

Compensated absences liability activity for the year ended June 30, 2025 was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Compensated absences | $ 332,117 | $ 918,231 | $ 349,614 | $ 900,734 | $ 391,754 |

Compensated absences liability activity for the year ended June 30, 2024 was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Compensated absences | $ 311,671 | $ 324,751 | $ 304,305 | $ 332,117 | $ 265,694 |

## 7. RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the College carries commercial insurance. Liabilities in excess of insurance coverage, if any, are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

## Notes to Financial Statements

The College participates in the Michigan Community College Risk Management Authority (risk pool) for claims relating to general and auto liability, motor vehicle physical damage, and property. Member contributions, which provide for losses incurred, reinsurance premiums, and risk management fees are allocated according to the actual costs incurred for each member. A member stop-loss fund provides for losses exceeding $15,000 per occurrence or $45,000 in the aggregate, on a year-to-year basis from the fund. Reinsurance agreements provide for loss coverage in excess of the amounts to be retained by the members. The risk pool provides for withdrawal from membership at the end of any anniversary year.

### 8. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The College is involved in 6 agreements that qualify as long-term subscription-based information technology ("SBITA") agreements as of June 30, 2025. There were no such agreements at June 30, 2024. Below is a summary of the nature of these agreements. These agreements qualify as intangible, right-to-use subscription assets as the College has the control of the right to use another party's IT software and the noncancelable term of the agreement surpasses one year. The present values are discounted using the College's incremental borrowing interest rate of 3.68%.

| Asset Type | Remaining Term of Agreements |
|---|---|
| Subscription assets | 2 -5 years |

The assets acquired through subscription-based information technology agreements are summarized as follows at June 30, 2025:

| | |
|---|---|
| Subscription assets | $ 1,093,535 |
| Less accumulated amortization | (130,907) |
| **Net book value** | **$ 962,628** |

The net present value of future minimum payments as of June 30, 2025, were as follows:

| Year Ended June 30 | Principal | Interest |
|---|---|---|
| 2026 | $ 209,608 | $ 30,292 |
| 2027 | 231,087 | 23,667 |
| 2028 | 195,487 | 15,163 |
| 2029 | 216,546 | 7,969 |
| **Total** | **$ 852,728** | **$ 77,091** |

## Notes to Financial Statements

Subscription liability activity for the year ended June 30, 2025, was as follows:

| | Beginning Balance | Additions | Deductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Subscription payable | $ - | $ 1,070,821 | $ 218,093 | $ 852,728 | $ 209,608 |

### 9. COMMITMENTS AND CONTINGENCIES

Mason County, Michigan, built the West Shore Community Ice Arena, which opened in August 2002, on College property. The College entered into a land lease agreement with the County in which the County pays $1 annually to the College for the use of the land. In correlation with this they also entered into a management agreement for the building site and operation of the 36,000 square foot ice arena, by which the College is responsible for operating the facility and any associated costs for such operations. The land lease and management agreements are unconditional for a period of 50 years. At the end of the term, the property will revert back to the College.

The College entered into a 25 year agreement, ending July 2031, in relation to an educational facility constructed at the West Shore Medical Center in Manistee. The agreement gives the College the right to use the Education Center on a scheduled basis throughout the year. The agreement requires the College to pay for a percentage of the operating costs of the facility. The College began occupying the Education Center in August 2007 for fall college classes.

### 10. FOUNDATION

The West Shore Community College Foundation was established in 1971 for the purpose of:

a) Securing gifts of property, works of art, historical papers, etc.

b) Fundraising by means of gifts, grants and bequests for a broad variety of purposes, such as establishment of endowments, scholarships, and cultural events.

c) Acting in the capacity of a fiduciary or trustee in carrying out these purposes and objectives.

Separate financial statements are issued for the Foundation that are prepared in accordance with the accounting standards established by the Financial Accounting Standards Board. The management of the College should be contacted for copies of the Foundation's audit report.

## Notes to Financial Statements

### 11. LEASES

The College leases various segments of its Manistee Center as well as a portion of its Tech Building and a portion of its Recreation Center. The College leases space to various community organizations to build on the College's vision statement of serving and working in collaboration with its community. The College has lease agreements for its Manistee center with The Manistee Chamber of Commerce which expires December 2030, the MI Works/Networks Northwest which expires December 2030, the Manistee County Community Foundation which expires November 2041, and the City of Manistee Downtown Development Authority which expires May 2045. The lease agreements for the Manistee Center have various terms and conditions with some providing for annual payments of $20,000 and others with monthly payments ranging from approximately $3,000 to $4,000. The College leases a portion of its Tech Building to West Shore Educational Services District which expires in June 2046 and provides for annual payments ranging from approximately $152,000 to $193,000. The College leases a portion of its Recreation Center to Mason County which expires in March 2032 and provides for annual payments of $7,500.

These leases were discounted to their present value using the College's incremental borrowing rate of 4.20%.

The following is a summary of annual minimum future rentals "scheduled" or anticipated to be received on non-cancelable operating leases in excess of one year for the five years succeeding June 30, 2025 and thereafter:

| Year | Principal | Interest |
|---|---|---|
| 2026 | $ 167,229 | $ 146,644 |
| 2027 | 176,033 | 139,422 |
| 2028 | 185,231 | 131,822 |
| 2029 | 194,838 | 123,828 |
| 2030 | 204,875 | 115,421 |
| 2031-2035 | 554,082 | 479,064 |
| 2036-2040 | 814,957 | 320,436 |
| 2041-2045 | 956,962 | 123,450 |
| 2046 | 374,913 | 673 |
| **Total** | **$ 3,629,120** | **$ 1,580,760** |

## Notes to Financial Statements

| Asset Type | Remaining Term of Agreements |
|---|---|
| Buildings | 6 to 22 years |

Lease receivables activity for the year ended June 30, 2025, is as follows:

| | Beginning Balance | Additions | Deductions | Ending Balance |
|---|---|---|---|---|
| Lease receivable | $ 3,787,922 | $ - | $ (158,802) | $ 3,629,120 |

Lease receivables activity for the year ended June 30, 2024, is as follows:

| | Beginning Balance | Additions | Deductions | Ending Balance |
|---|---|---|---|---|
| Lease receivable | $ 3,938,657 | $ - | $ (150,735) | $ 3,787,922 |

The College has no significant long-term agreements as a lessee as of June 30, 2025 or 2024.

### 12. INSURANCE

The College was self-insured for medical reimbursements for eligible administrators, faculty, and support staff through December 31, 2024. In general, the College was liable for benefits up to $50,000 per contract; a family unit is considered on contract. Additionally, the College had stop-loss coverage if claims in the aggregate exceed $1,192,314 per contract year. Benefit payments in excess of $50,000 per contract or $1,192,314 in aggregate were payable by an insurance company.

Effective January 1, 2025, the College began participating in the Western Michigan Health Insurance Pool (WMHIP), a public entity risk pool established to provide health insurance benefits to employees of participating Michigan community colleges. WMHIP operates as a cooperative arrangement under Michigan law, allowing member institutions to pool resources and share risks related to employee health benefits.

As of June 30, 2025, the College's contributions to WMHIP totaled $688,674. These contributions are recognized as expenses in the accompanying financial statements. The College is not liable for claims beyond its annual contributions, and no additional assessments have been imposed. WMHIP is governed by a board comprised of representatives from member institutions.

As of June 30, 2025 and 2024, for the period in which the College was self insured, the liability for claims incurred but not reported is not material.

## Notes to Financial Statements

### 13. RELATED PARTY TRANSACTIONS

The College did not have any transactions with related parties other than with the Foundation as presented and disclosed throughout the accompanying basic financial statements and notes to the financial statements.

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# REQUIRED SUPPLEMENTARY INFORMATION
# MPSERS COST-SHARING MULTIPLE-EMPLOYER PLANS

## WEST SHORE COMMUNITY COLLEGE

### Schedule of the College's Proportionate Share of the Net Pension Liability (Unaudited)

| | Years Ended June 30 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| College's proportionate share of the net pension liability | $ 8,397,936 | $ 11,380,864 | $ 15,100,108 | $ 10,563,604 | $ 15,283,455 | $ 15,175,491 | $ 15,352,747 | $ 14,498,267 | $ 14,544,248 | $ 13,969,953 |
| College's proportion of the net pension liability | 0.03430% | 0.03516% | 0.04015% | 0.04462% | 0.04449% | 0.04582% | 0.05107% | 0.05595% | 0.05830% | 0.05720% |
| College's covered payroll | $ 3,695,996 | $ 3,358,071 | $ 3,713,324 | $ 3,932,549 | $ 3,886,188 | $ 3,849,607 | $ 4,000,894 | $ 4,622,618 | $ 4,899,244 | $ 4,862,367 |
| College's proportionate share of the net pension liability as a percentage of its covered payroll | 227.22% | 338.91% | 406.65% | 268.62% | 393.28% | 394.21% | 383.73% | 313.64% | 296.87% | 287.31% |
| Plan fiduciary net position as a percentage of the total pension liability | 74.44% | 65.91% | 60.77% | 72.60% | 59.72% | 60.31% | 62.36% | 64.21% | 63.27% | 63.17% |

See notes to required supplementary information.

## WEST SHORE COMMUNITY COLLEGE

### Schedule of the College's Pension Contributions (Unaudited)

| | Years Ended June 30 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Contractually required contribution | $ 1,758,252 | $ 1,485,939 | $ 1,791,209 | $ 1,528,362 | $ 1,474,902 | $ 1,346,632 | $ 1,349,506 | $ 1,638,190 | $ 1,255,595 | $ 1,374,725 |
| Contributions in relation to the contractually required contribution | (1,758,252) | (1,485,939) | (1,791,209) | (1,528,362) | (1,474,902) | (1,346,632) | (1,349,506) | (1,638,190) | (1,255,595) | (1,374,725) |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| College's covered payroll | $ 3,978,605 | $ 3,703,408 | $ 3,229,143 | $ 3,651,913 | $ 3,971,902 | $ 3,727,415 | $ 3,842,904 | $ 4,017,214 | $ 4,779,354 | $ 4,941,941 |
| Contributions as a percentage of covered payroll | 44.19% | 40.12% | 55.47% | 41.85% | 37.13% | 36.13% | 35.12% | 40.78% | 26.27% | 27.82% |

See notes to required supplementary information.

## WEST SHORE COMMUNITY COLLEGE

### Schedule of the College's Proportionate Share of the Net Other Postemployment Benefits (Asset) Liability (Unaudited)

| | Year Ended June 30 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| College's proportionate share of the net OPEB (asset) liability | $ (1,521,733) | $ (191,213) | $ 812,472 | $ 663,440 | $ 2,346,072 | $ 3,158,940 | $ 3,736,388 | $ 4,990,593 |
| College's proportion of the net OPEB (asset) liability | 0.03535% | 0.03380% | 0.03836% | 0.04347% | 0.04379% | 0.04401% | 0.04700% | 0.05636% |
| College's covered payroll | $ 3,695,996 | $ 3,358,071 | $ 3,713,324 | $ 3,932,549 | $ 3,886,188 | $ 3,849,607 | $ 4,000,894 | $ 4,622,618 |
| College's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll | -41.17% | -5.69% | 21.88% | 16.87% | 60.37% | 82.06% | 93.39% | 107.96% |
| Plan fiduciary net position as a percentage of the total OPEB (asset) liability | 143.08% | 105.04% | 83.09% | 87.33% | 59.44% | 48.46% | 42.95% | 36.39% |

See notes to required supplementary information.

## WEST SHORE COMMUNITY COLLEGE

### Schedule of the College's Other Postemployment Benefits Contributions (Unaudited)

| | Year Ended June 30 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| Statutorily required contribution | $ 103,330 | $ 320,925 | $ 321,576 | $ 334,206 | $ 410,708 | $ 365,310 | $ 323,101 | $ 248,727 |
| Contributions in relation to the statutorily required contribution | (103,330) | (320,925) | (321,576) | (334,206) | (410,708) | (365,310) | (323,101) | (248,727) |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| College's covered payroll | $ 3,978,605 | $ 3,703,408 | $ 3,229,143 | $ 3,651,913 | $ 3,971,902 | $ 3,727,415 | $ 3,842,904 | $ 4,017,214 |
| Contributions as a percentage of covered payroll | 2.60% | 8.67% | 9.96% | 9.15% | 10.34% | 9.80% | 8.41% | 6.19% |

See notes to required supplementary information.

## Notes to Required Supplementary Information

***Pension Information***

The amounts presented in the schedule of the College's Proportionate Share of the Net Pension Liability were determined as of September 30 of the preceding year (the plan year).

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:

- 2025 - The method for amortizing UAAL transitioned from the level percent of payroll to the level dollar method.
- 2024 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2025 and 2026 employer contributions decreased from 2.00% to 1.50% and 1.50% to 0.75%, respectively. In addition, the PubT-2010 mortality tables were used in the September 2022 valuation compared to the RP-2014 mortality tables used in the September 2021 valuation.
- 2023 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2024 employer contributions decreased from 2.5% to 2.0%. Additionally, the discount rate used in the September 30, 2021 actuarial valuation decreased to 6.00% for the MIP and Basic plans, and 6.00% for the Pension Plus Plan.
- 2022 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2023 employer contributions decreased from 3.0% to 2.5%.
- 2021 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2022 employer contributions decreased from 3.5% to 3.0%.
- 2020 - The discount rate used in the September 30, 2018 actuarial valuation decreased to 6.80% for the MIP and Basic plans, 6.80% for the Pension Plus Plan, and 6.00% for the Pension Plus 2 Plan.
- 2019 - The discount rate used in the September 30, 2017 actuarial valuation decreased to 7.05% for the MIP and Basic plans, 7.00% for the Pension Plus plan, and 6.00% for the Pension Plus 2 Plan.
- 2018 - The discount rate used in the September 30, 2016 actuarial valuation decreased to 7.50% for the MIP and Basic plans and 7.00% for the Pension Plus plan.

***OPEB Information***

GASB 75 was implemented in fiscal year 2018. The OPEB plan schedules are being built prospectively. Ultimately, 10 years of data will be presented.

The amounts presented in the schedule of the College's Proportionate Share of the Net OPEB (Asset) Liability were determined as of September 30 of the preceding year (the plan year).

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:

- 2025 - The method for amortizing UAAL transitioned from the level percent of payroll to the level dollar method. In addition, healthcare cost trend rates for pre-65 decreased from 7.50% to 7.25% and post-65 increased from 6.25% to 6.50%.
- 2024 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2025 and 2026 employer contributions decreased from 2.00% to 1.50% and 1.50% to 0.75%, respectively. In addition, the PubT-2010 mortality tables were used in the September 2022 valuation compared to the RP-2014 mortality tables used in the September 2021 valuation. Finally, healthcare cost trend rates for pre-65 decreased from 7.75% to 7.50% and post-65 increased from 5.25% to 6.25%.

## Notes to Required Supplementary Information

- 2023 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2024 employer contributions decreased from 2.5% to 2.0%. Additionally, the discount rate used in the September 30, 2021 actuarial valuation decreased to 6.00%.
- 2022 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2023 employer contributions decreased from 3.0% to 2.5%. The healthcare cost trend rate used in the September 30, 2020 actuarial valuation increased to 7.75%.
- 2021 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2022 employer contributions decreased from 3.5% to 3.0%. The healthcare cost trend rate used in the September 30, 2019 actuarial valuation decreased to 7.0%.
- 2020 - The discount rate used in the September 30, 2018 actuarial valuation decreased to 6.95%.
- 2019 - The discount rate used in the September 30, 2017 actuarial valuation decreased to 7.15%.

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# OTHER INFORMATION
# AS OF AND FOR THE YEARS ENDED
# JUNE 30, 2025 AND 2024

## WEST SHORE COMMUNITY COLLEGE

### Combining Statement of Net Position (Unaudited)

June 30, 2025

| | Combined Total | General Fund | Auxiliary Activities Fund | Pension and OPEB Liability Fund | Expendable Restricted Fund | Student Loan Fund | Plant Fund | Agency Fund | Endowment Fund |
|---|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | | |
| **Current assets** | | | | | | | | | |
| Cash and cash equivalents | $ 3,700,482 | $ 3,699,287 | $ 1,195 | $ - | $ - | $ - | $ - | $ - | $ - |
| State appropriation receivable | 606,212 | 606,212 | - | - | - | - | - | - | - |
| Accounts receivable, net | 486,787 | 486,787 | - | - | - | - | - | - | - |
| Federal and state grants receivable | 488,363 | - | - | - | 488,363 | - | - | - | - |
| Lease receivable, current portion | 167,229 | 167,229 | - | - | - | - | - | - | - |
| Inventories | 55,986 | - | 55,986 | - | - | - | - | - | - |
| Prepaid expenses | 455,773 | 455,773 | - | - | - | - | - | - | - |
| Short-term investments | 15,027,417 | 15,027,417 | - | - | - | - | - | - | - |
| Due from (to) other funds, including the Foundation | 100,379 | (13,812,951) | 271,841 | - | 1,678,431 | 94,120 | 11,847,725 | 41,692 | (20,479) |
| **Total current assets** | **21,088,628** | **6,629,754** | **329,022** | **-** | **2,166,794** | **94,120** | **11,847,725** | **41,692** | **(20,479)** |
| **Noncurrent assets** | | | | | | | | | |
| Investments | 167,983 | 30,559 | - | - | - | - | - | - | 137,424 |
| Lease receivable, net of current portion | 3,461,891 | 3,461,891 | - | - | - | - | - | - | - |
| Net OPEB asset | 1,521,733 | - | - | 1,521,733 | - | - | - | - | - |
| **Total noncurrent assets** | **5,151,607** | **3,492,450** | **-** | **1,521,733** | **-** | **-** | **-** | **-** | **137,424** |
| **Capital assets** | | | | | | | | | |
| Capital assets not being depreciated/amortized | 6,550,378 | - | - | - | - | - | 6,550,378 | - | - |
| Capital assets being depreciated/amortized, net | 37,306,044 | 962,628 | - | - | - | - | 36,343,416 | - | - |
| **Total capital assets, net** | **43,856,422** | **962,628** | **-** | **-** | **-** | **-** | **42,893,794** | **-** | **-** |
| **Total assets** | **70,096,657** | **11,084,832** | **329,022** | **1,521,733** | **2,166,794** | **94,120** | **54,741,519** | **41,692** | **116,945** |
| **Deferred outflows of resources** | | | | | | | | | |
| Deferred pension amounts | 2,682,505 | - | - | 2,682,505 | - | - | - | - | - |
| Deferred OPEB amounts | 407,033 | - | - | 407,033 | - | - | - | - | - |
| **Total deferred outflows of resources** | **3,089,538** | **-** | **-** | **3,089,538** | **-** | **-** | **-** | **-** | **-** |

continued...

## WEST SHORE COMMUNITY COLLEGE

### Combining Statement of Net Position (Unaudited)

June 30, 2025

| | Combined Total | General Fund | Auxiliary Activities Fund | Pension and OPEB Liability Fund | Expendable Restricted Fund | Student Loan Fund | Plant Fund | Agency Fund | Endowment Fund |
|---|---|---|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | | | | |
| **Current liabilities** | | | | | | | | | |
| Accounts payable | $ 1,030,819 | $ 958,755 | $ 227 | $ - | $ 71,837 | $ - | $ - | $ - | $ - |
| Accrued payroll and other liabilities | 944,996 | 944,996 | - | - | - | - | - | - | - |
| Current portion of accrued compensated absences | 391,754 | 391,754 | - | - | - | - | - | - | - |
| Current portion of subscription based IT agreements liabilities | 209,608 | 209,608 | - | - | - | - | - | - | - |
| Deposits | 41,692 | - | - | - | - | - | - | 41,692 | - |
| Unearned revenue | 839,981 | 219,849 | 3,286 | - | 616,846 | - | - | - | - |
| **Total current liabilities** | **3,458,850** | **2,724,962** | **3,513** | **-** | **688,683** | **-** | **-** | **41,692** | **-** |
| **Noncurrent liabilities** | | | | | | | | | |
| Accrued compensated absences, net of current portion | 508,980 | 508,980 | - | - | - | - | - | - | - |
| Subscription liability, net of current portion | 643,120 | 643,120 | - | - | - | - | - | - | - |
| Net pension liability | 8,397,936 | - | - | 8,397,936 | - | - | - | - | - |
| **Total noncurrent liabilities** | **9,550,036** | **1,152,100** | **-** | **8,397,936** | **-** | **-** | **-** | **-** | **-** |
| **Total liabilities** | **13,008,886** | **3,877,062** | **3,513** | **8,397,936** | **688,683** | **-** | **-** | **41,692** | **-** |
| **Deferred inflows of resources** | | | | | | | | | |
| Deferred pension amounts | 4,274,870 | - | - | 4,274,870 | - | - | - | - | - |
| Deferred OPEB amounts | 2,250,801 | - | - | 2,250,801 | - | - | - | - | - |
| Deferred lease amounts | 3,359,828 | 3,359,828 | - | - | - | - | - | - | - |
| **Total deferred inflows of resources** | **9,885,499** | **3,359,828** | **-** | **6,525,671** | **-** | **-** | **-** | **-** | **-** |
| **Net position (deficit)** | | | | | | | | | |
| Investment in capital assets | 42,460,537 | (433,257) | - | - | - | - | 42,893,794 | - | - |
| Restricted for | | | | | | | | | |
| Nonexpendable | | | | | | | | | |
| Scholarships | 116,945 | - | - | - | - | - | - | - | 116,945 |
| Expendable | | | | | | | | | |
| Student loans | 94,120 | - | - | - | - | 94,120 | - | - | - |
| Capital projects | 6,442,879 | - | - | - | - | - | 6,442,879 | - | - |
| OPEB | 1,521,733 | - | - | 1,521,733 | - | - | - | - | - |
| Unrestricted (deficit) | (344,404) | 4,281,199 | 325,509 | (11,834,069) | 1,478,111 | - | 5,404,846 | - | - |
| **Total net position (deficit)** | **$ 50,291,810** | **$ 3,847,942** | **$ 325,509** | **$ (10,312,336)** | **$ 1,478,111** | **$ 94,120** | **$ 54,741,519** | **$ -** | **$ 116,945** |

concluded

## WEST SHORE COMMUNITY COLLEGE

### Combining Statement of Net Position (Unaudited)

June 30, 2024

| | Combined Total | General Fund | Auxiliary Activities Fund | Pension and OPEB Liability Fund | Expendable Restricted Fund | Student Loan Fund | Plant Fund | Agency Fund | Endowment Fund |
|---|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | | |
| **Current assets** | | | | | | | | | |
| Cash and cash equivalents | $ 4,287,653 | $ 4,286,458 | $ 1,195 | $ - | $ - | $ - | $ - | $ - | $ - |
| State appropriation receivable | 635,910 | 635,910 | - | - | - | - | - | - | - |
| Accounts receivable, net | 462,562 | 461,820 | 742 | - | - | - | - | - | - |
| Federal and state grants receivable | 275,430 | - | - | - | 275,430 | - | - | - | - |
| Lease receivable, current portion | 158,802 | 158,802 | - | - | - | - | - | - | - |
| Inventories | 50,006 | - | 50,006 | - | - | - | - | - | - |
| Prepaid expenses | 373,922 | 373,922 | - | - | - | - | - | - | - |
| Short-term investments | 16,986,683 | 16,986,683 | - | - | - | - | - | - | - |
| Due from (to) other funds, including the Foundation | 229,460 | (16,589,099) | 350,142 | - | 2,498,992 | 90,938 | 13,876,247 | 19,517 | (17,277) |
| **Total current assets** | **23,460,428** | **6,314,496** | **402,085** | **-** | **2,774,422** | **90,938** | **13,876,247** | **19,517** | **(17,277)** |
| **Noncurrent assets** | | | | | | | | | |
| Investments | 163,293 | 29,988 | - | - | - | - | - | - | 133,305 |
| Lease receivable, net of current portion | 3,629,120 | 3,629,120 | - | - | - | - | - | - | - |
| Net OPEB asset | 191,213 | - | - | 191,213 | - | - | - | - | - |
| **Total noncurrent assets** | **3,983,626** | **3,659,108** | **-** | **191,213** | **-** | **-** | **-** | **-** | **133,305** |
| **Capital assets** | | | | | | | | | |
| Capital assets not being depreciated | 1,369,435 | - | - | - | - | - | 1,369,435 | - | - |
| Capital assets being depreciated, net | 35,554,164 | - | - | - | - | - | 35,554,164 | - | - |
| **Total capital assets, net** | **36,923,599** | **-** | **-** | **-** | **-** | **-** | **36,923,599** | **-** | **-** |
| **Total assets** | **64,367,653** | **9,973,604** | **402,085** | **191,213** | **2,774,422** | **90,938** | **50,799,846** | **19,517** | **116,028** |
| **Deferred outflows of resources** | | | | | | | | | |
| Deferred pension amounts | 3,244,642 | - | - | 3,244,642 | - | - | - | - | - |
| Deferred OPEB amounts | 678,787 | - | - | 678,787 | - | - | - | - | - |
| **Total deferred outflows of resources** | **3,923,429** | **-** | **-** | **3,923,429** | **-** | **-** | **-** | **-** | **-** |

continued...

## WEST SHORE COMMUNITY COLLEGE

### Combining Statement of Net Position (Unaudited)

June 30, 2024

| | Combined Total | General Fund | Auxiliary Activities Fund | Pension and OPEB Liability Fund | Expendable Restricted Fund | Student Loan Fund | Plant Fund | Agency Fund | Endowment Fund |
|---|---|---|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | | | | |
| **Current liabilities** | | | | | | | | | |
| Accounts payable | $ 548,367 | $ 433,294 | $ 179 | $ - | $ 114,894 | $ - | $ - | $ - | $ - |
| Accrued payroll and other liabilities | 1,084,552 | 1,083,402 | - | - | 1,150 | - | - | - | - |
| Current portion of accrued compensated absences | 265,694 | 265,694 | - | - | - | - | - | - | - |
| Deposits | 19,517 | - | - | - | - | - | - | 19,517 | - |
| Unearned revenue | 652,749 | 162,151 | 3,030 | - | 487,568 | - | - | - | - |
| **Total current liabilities** | **2,570,879** | **1,944,541** | **3,209** | **-** | **603,612** | **-** | **-** | **19,517** | **-** |
| **Noncurrent liabilities** | | | | | | | | | |
| Accrued compensated absences - net of current portion | 66,423 | 66,423 | - | - | - | - | - | - | - |
| Net pension liability | 11,380,864 | - | - | 11,380,864 | - | - | - | - | - |
| **Total noncurrent liabilities** | **11,447,287** | **66,423** | **-** | **11,380,864** | **-** | **-** | **-** | **-** | **-** |
| **Total liabilities** | **14,018,166** | **2,010,964** | **3,209** | **11,380,864** | **603,612** | **-** | **-** | **19,517** | **-** |
| **Deferred inflows of resources** | | | | | | | | | |
| Deferred pension amounts | 3,735,092 | - | - | 3,735,092 | - | - | - | - | - |
| Deferred OPEB amounts | 1,929,635 | - | - | 1,929,635 | - | - | - | - | - |
| Deferred lease amounts | 3,587,854 | 3,587,854 | - | - | - | - | - | - | - |
| **Total deferred inflows of resources** | **9,252,581** | **3,587,854** | **-** | **5,664,727** | **-** | **-** | **-** | **-** | **-** |
| **Net position (deficit)** | | | | | | | | | |
| Investment in capital assets | 36,923,599 | - | - | - | - | - | 36,923,599 | - | - |
| Restricted for | | | | | | | | | |
| Nonexpendable | | | | | | | | | |
| Scholarships | 116,028 | - | - | - | - | - | - | - | 116,028 |
| Expendable | | | | | | | | | |
| Student loans | 90,938 | - | - | - | - | 90,938 | - | - | - |
| Capital projects | 9,962,237 | - | - | - | - | - | 9,962,237 | - | - |
| OPEB | 191,213 | - | - | 191,213 | - | - | - | - | - |
| Unrestricted (deficit) | (2,263,680) | 4,374,786 | 398,876 | (13,122,162) | 2,170,810 | - | 3,914,010 | - | - |
| **Total net position (deficit)** | **$ 45,020,335** | **$ 4,374,786** | **$ 398,876** | **$ (12,930,949)** | **$ 2,170,810** | **$ 90,938** | **$ 50,799,846** | **$ -** | **$ 116,028** |

concluded

## WEST SHORE COMMUNITY COLLEGE

### Combining Statement of Revenues, Expenses, Transfers and Changes in Net Position (Unaudited)

For the Year Ended June 30, 2025

| | Combined Total | Eliminations | General Fund | Auxiliary Activities Fund | Pension and OPEB Liability Fund | Expendable Restricted Fund | Student Loan Fund | Plant Fund | Endowment Fund |
|---|---|---|---|---|---|---|---|---|---|
| **Operating revenues** | | | | | | | | | |
| Tuition and fees (net of scholarship allowance of $3,954,541) | $ 665,838 | $ (3,954,541) | $ 4,620,379 | $ - | $ - | $ - | $ - | $ - | $ - |
| Federal grants | 1,044,046 | - | 2,625 | - | - | 1,041,421 | - | - | - |
| State and local grants | 1,026,232 | - | - | - | - | 1,026,232 | - | - | - |
| Auxiliary activities | 692,026 | - | - | 692,026 | - | - | - | - | - |
| Miscellaneous | 280,924 | - | 276,440 | - | - | 4,484 | - | - | - |
| **Total operating revenues** | **3,709,066** | **(3,954,541)** | **4,899,444** | **692,026** | **-** | **2,072,137** | **-** | **-** | **-** |
| **Operating expenses** | | | | | | | | | |
| Instruction | 5,139,701 | (34,946) | 6,260,196 | - | (1,246,105) | 160,556 | - | - | - |
| Technology | 1,022,303 | (1,116) | 1,209,786 | - | (189,723) | - | - | 3,356 | - |
| Public service | 687,488 | (16,620) | 707,068 | - | (66,988) | 61,336 | - | 2,692 | - |
| Instructional support | 1,577,533 | (3,242) | 1,934,972 | - | (456,822) | 95,932 | - | 6,693 | - |
| Student services | 2,993,514 | (3,963,507) | 1,725,572 | 862,277 | (335,561) | 4,704,733 | - | - | - |
| Institutional administration | 3,019,616 | 54,677 | 3,042,767 | - | (569,166) | 387,691 | - | 103,647 | - |
| Operations and maintenance of plant | 2,403,836 | 10,213 | 2,529,994 | - | (236,940) | 21,419 | - | 79,150 | - |
| Depreciation and amortization | 2,027,662 | - | - | - | - | - | - | 2,027,662 | - |
| **Total operating expenses** | **18,871,653** | **(3,954,541)** | **17,410,355** | **862,277** | **(3,101,305)** | **5,431,667** | **-** | **2,223,200** | **-** |
| **Operating (loss) income** | **(15,162,587)** | **-** | **(12,510,911)** | **(170,251)** | **3,101,305** | **(3,359,530)** | **-** | **(2,223,200)** | **-** |

continued...

## WEST SHORE COMMUNITY COLLEGE

### Combining Statement of Revenues, Expenses, Transfers and Changes in Net Position (Unaudited)

For the Year Ended June 30, 2025

| | Combined Total | Eliminations | General Fund | Auxiliary Activities Fund | Pension and OPEB Liability Fund | Expendable Restricted Fund | Student Loan Fund | Plant Fund | Endowment Fund |
|---|---|---|---|---|---|---|---|---|---|
| **Nonoperating revenues (expenses)** | | | | | | | | | |
| State appropriations | $ 3,178,819 | $ - | $ 3,661,511 | $ - | $ (482,692) | $ - | $ - | $ - | $ - |
| Local community stabilization | 701,471 | - | 701,471 | - | - | - | - | - | - |
| Property taxes | 12,546,631 | - | 8,623,383 | - | - | - | - | 3,923,248 | - |
| Pell grants | 2,170,088 | - | - | - | - | 2,170,088 | - | - | - |
| Gifts | 716,001 | - | 28,473 | - | - | 533,076 | - | 154,452 | - |
| Investment income | 865,366 | - | 135,903 | 6,884 | - | - | 3,182 | 715,277 | 4,120 |
| Lease income | 237,786 | - | 237,786 | - | - | - | - | - | - |
| Miscellaneous income | 17,900 | - | - | - | - | - | - | 17,900 | - |
| **Total nonoperating revenues (expenses)** | **20,434,062** | **-** | **13,388,527** | **6,884** | **(482,692)** | **2,703,164** | **3,182** | **4,810,877** | **4,120** |
| **Change in net position before transfers** | **5,271,475** | **-** | **877,616** | **(163,367)** | **2,618,613** | **(656,366)** | **3,182** | **2,587,677** | **4,120** |
| Transfers (out) in | - | - | (1,404,460) | 90,000 | - | (36,333) | - | 1,353,996 | (3,203) |
| **Increase (decrease) in net position** | **5,271,475** | **-** | **(526,844)** | **(73,367)** | **2,618,613** | **(692,699)** | **3,182** | **3,941,673** | **917** |
| Net position (deficit), beginning of year | 45,020,335 | - | 4,374,786 | 398,876 | (12,930,949) | 2,170,810 | 90,938 | 50,799,846 | 116,028 |
| **Net position (deficit), end of year** | **$ 50,291,810** | **$ -** | **$ 3,847,942** | **$ 325,509** | **$ (10,312,336)** | **$ 1,478,111** | **$ 94,120** | **$ 54,741,519** | **$ 116,945** |

concluded

## WEST SHORE COMMUNITY COLLEGE

### Combining Statement of Revenues, Expenses, Transfers and Changes in Net Position (Unaudited)

For the Year Ended June 30, 2024

| | Combined Total | Eliminations | General Fund | Auxiliary Activities Fund | Pension and OPEB Liability Fund | Expendable Restricted Fund | Student Loan Fund | Plant Fund | Endowment Fund |
|---|---|---|---|---|---|---|---|---|---|
| **Operating revenues** | | | | | | | | | |
| Tuition and fees (net of scholarship allowance of $1,156,000) | $ 2,393,372 | $ (1,156,000) | $ 3,549,372 | $ - | $ - | $ - | $ - | $ - | $ - |
| Federal grants | 620,499 | - | 2,000 | - | - | 618,499 | - | - | - |
| State and local grants | 822,157 | - | - | - | - | 822,157 | - | - | - |
| Auxiliary activities (net of scholarship allowance of $19,631) | 665,087 | (19,631) | - | 684,718 | - | - | - | - | - |
| Miscellaneous | 428,160 | - | 424,538 | - | - | 3,622 | - | - | - |
| **Total operating revenues** | **4,929,275** | **(1,175,631)** | **3,975,910** | **684,718** | **-** | **1,444,278** | **-** | **-** | **-** |
| **Operating expenses** | | | | | | | | | |
| Instruction | 4,375,167 | (29,148) | 5,357,636 | - | (1,070,301) | 104,392 | - | 12,588 | - |
| Technology | 837,284 | (534) | 983,580 | - | (146,143) | - | - | 381 | - |
| Public service | 603,702 | (320) | 623,356 | - | (45,032) | 25,698 | - | - | - |
| Instructional support | 1,314,065 | (2,317) | 1,679,348 | - | (373,817) | 9,200 | - | 1,651 | - |
| Student services | 4,639,386 | (1,139,589) | 1,662,997 | 816,795 | (295,239) | 3,592,374 | - | 1,498 | 550 |
| Institutional administration | 2,112,011 | (3,698) | 2,565,715 | - | (486,316) | (2,500) | - | 38,810 | - |
| Operations and maintenance of plant | 2,173,832 | (25) | 2,314,862 | - | (203,637) | 21,395 | - | 41,237 | - |
| Depreciation | 1,929,124 | - | - | - | - | - | - | 1,929,124 | - |
| **Total operating expenses** | **17,984,571** | **(1,175,631)** | **15,187,494** | **816,795** | **(2,620,485)** | **3,750,559** | **-** | **2,025,289** | **550** |
| **Operating (loss) income** | **(13,055,296)** | **-** | **(11,211,584)** | **(132,077)** | **2,620,485** | **(2,306,281)** | **-** | **(2,025,289)** | **(550)** |

continued...

## WEST SHORE COMMUNITY COLLEGE

### Combining Statement of Revenues, Expenses, Transfers and Changes in Net Position (Unaudited)

For the Year Ended June 30, 2024

| | Combined Total | Eliminations | General Fund | Auxiliary Activities Fund | Pension and OPEB Liability Fund | Expendable Restricted Fund | Student Loan Fund | Plant Fund | Endowment Fund |
|---|---|---|---|---|---|---|---|---|---|
| **Nonoperating revenues (expenses)** | | | | | | | | | |
| State appropriations | $ 3,049,180 | $ - | $ 3,681,098 | $ - | $ (631,918) | $ - | $ - | $ - | $ - |
| Local community stabilization | 701,814 | - | 701,814 | - | - | - | - | - | - |
| Property taxes | 11,790,756 | - | 8,113,768 | - | - | - | - | 3,676,988 | - |
| Pell grants | 1,387,611 | - | - | - | - | 1,387,611 | - | - | - |
| Gifts | 703,300 | - | 51,880 | - | - | 518,845 | - | 132,575 | - |
| Investment income | 806,122 | - | 620,425 | 2,866 | - | - | 1,063 | 179,970 | 1,798 |
| Lease income | 242,750 | - | 242,750 | - | - | - | - | - | - |
| Miscellaneous income | 3,471 | - | - | - | - | - | - | 3,471 | - |
| **Total nonoperating revenues (expenses)** | **18,685,004** | **-** | **13,411,735** | **2,866** | **(631,918)** | **1,906,456** | **1,063** | **3,993,004** | **1,798** |
| **Change in net position before transfers** | **5,629,708** | **-** | **2,200,151** | **(129,211)** | **1,988,567** | **(399,825)** | **1,063** | **1,967,715** | **1,248** |
| Transfers (out) in | - | - | (1,710,997) | 102,000 | - | 1,216,423 | - | 438,997 | (46,423) |
| **Increase (decrease) in net position** | **5,629,708** | **-** | **489,154** | **(27,211)** | **1,988,567** | **816,598** | **1,063** | **2,406,712** | **(45,175)** |
| Net position (deficit), beginning of year | 39,390,627 | - | 3,885,632 | 426,087 | (14,919,516) | 1,354,212 | 89,875 | 48,393,134 | 161,203 |
| **Net position (deficit), end of year** | **$ 45,020,335** | **$ -** | **$ 4,374,786** | **$ 398,876** | **$ (12,930,949)** | **$ 2,170,810** | **$ 90,938** | **$ 50,799,846** | **$ 116,028** |

concluded

# WEST SHORE COMMUNITY COLLEGE

## Combining Schedule of Auxiliary Activities Fund (Unaudited)

For the Year Ended June 30, 2025

| | Bookstore | Food Service | Ice Arena | Recreation Services | Total |
|---|---|---|---|---|---|
| **Operating revenues** | | | | | |
| Auxiliary activities | $ 159,764 | $ 111,132 | $ 216,266 | $ 204,864 | $ 692,026 |
| **Operating expenses** | | | | | |
| Salaries and wages | 36,206 | 17,003 | 59,565 | 114,850 | 227,624 |
| Fringe benefits | 20,898 | 37,499 | 34,035 | 85,078 | 177,510 |
| Supplies and other expenses | 144,637 | 92,978 | 118,324 | 101,204 | 457,143 |
| **Total operating expenses** | **201,741** | **147,480** | **211,924** | **301,132** | **862,277** |
| Operating (loss) income | (41,977) | (36,348) | 4,342 | (96,268) | (170,251) |
| **Nonoperating revenues** | | | | | |
| Investment income | 6,884 | - | - | - | 6,884 |
| **Change in net position before transfers** | **(35,093)** | **(36,348)** | **4,342** | **(96,268)** | **(163,367)** |
| Transfers in | - | 25,000 | - | 65,000 | 90,000 |
| **(Decrease) increase in net position** | **(35,093)** | **(11,348)** | **4,342** | **(31,268)** | **(73,367)** |
| Net position (deficit), beginning of year | 251,587 | (17,672) | 62,723 | 102,238 | **398,876** |
| **Net position (deficit), end of year** | **$ 216,494** | **$ (29,020)** | **$ 67,065** | **$ 70,970** | **$ 325,509** |

# WEST SHORE COMMUNITY COLLEGE

## Combining Schedule of Auxiliary Activities Fund (Unaudited)

For the Year Ended June 30, 2024

| | Bookstore | Food Service | Ice Arena | Recreation Services | Total |
|---|---|---|---|---|---|
| **Operating revenues** | | | | | |
| Auxiliary activities | $ 124,852 | $ 114,410 | $ 217,347 | $ 228,109 | $ 684,718 |
| **Operating expenses** | | | | | |
| Salaries and wages | 32,887 | 10,185 | 61,110 | 138,239 | 242,421 |
| Fringe benefits | 21,188 | 21,184 | 25,144 | 71,121 | 138,637 |
| Supplies and other expenses | 125,790 | 76,143 | 123,792 | 110,012 | 435,737 |
| **Total operating expenses** | **179,865** | **107,512** | **210,046** | **319,372** | **816,795** |
| Operating (loss) income | (55,013) | 6,898 | 7,301 | (91,263) | (132,077) |
| **Nonoperating revenues** | | | | | |
| Investment income | 2,866 | - | - | - | 2,866 |
| **Change in net position before transfers** | **(52,147)** | **6,898** | **7,301** | **(91,263)** | **(129,211)** |
| Transfers in | - | 21,997 | - | 80,003 | 102,000 |
| **(Decrease) increase in net position** | **(52,147)** | **28,895** | **7,301** | **(11,260)** | **(27,211)** |
| Net position (deficit), beginning of year | 303,734 | (46,567) | 55,422 | 113,498 | **426,087** |
| **Net position (deficit), end of year** | **$ 251,587** | **$ (17,672)** | **$ 62,723** | **$ 102,238** | **$ 398,876** |

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