



# **Lansing Community College Board of Trustees**

(Part 3 of 3)

**Regular Meeting**  
October 27, 2025  
6:00 p.m.

**Lansing Community College – Board of Trustees**  
**October 27, 2025**

**Agenda Item:     Annual Comprehensive Financial Report**

**Presented for Acceptance**

**PURPOSE**

To accept the College's annual comprehensive financial report as presented by its auditors.

**BACKGROUND**

As required by the Board of Trustees By-Laws, the Audit Committee is responsible for reviewing the annual audit. Michelle Fowler, partner of the C.P.A. firm Rehmann Robson P.C., provided the Audit Committee with the final draft of the Annual Comprehensive Financial Report (ACFR). The Audit Committee accepted the report and recommends acceptance by the full board.

**IMPLICATIONS**

**Financial:**

As a condition of receiving state aid, the Community College Act requires Lansing Community College to publish a summary of our audit and to make our audits available for public inspection.

**Strategic Plan:**

The College's financial planning, forecasting, and annual budget provide resources for all of the strategic plan's goals. Accurate and timely financial reporting is a key component of that process.

**Human Resources:**

None

**RISKS**

There are no risk implications.

**OTHER OPTIONS/ALTERNATIVES**

There are no other alternatives.

**RECOMMENDATIONS**

The Administration respectfully requests that the Board of Trustees accept the annual audit report as presented.

**ATTACHMENTS: *(Separate Packet – Part 3 of 3)***

1. Annual Comprehensive Financial Report for the Fiscal Years Ended June 30, 2025 and 2024.

# Annual Comprehensive Financial Report

Fiscal Years Ended  
June 30, 2025 and June 30, 2024

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LANSING COMMUNITY COLLEGE · LANSING, MICHIGAN



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**LANSING COMMUNITY COLLEGE**  
**Lansing, Michigan**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**Fiscal Years Ended June 30, 2025 and June 30, 2024**

Prepared by:  
Financial Services Division

Donald L. Wilske  
Chief Financial Officer

Megan L. Garrett  
Controller

Francis M. Burch  
Associate Controller

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# Introductory Section

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October 10, 2025

Members of the Board of Trustees, and  
Citizens of Lansing Community College District

The Annual Comprehensive Financial Report of Lansing Community College (the "College") for the fiscal years ended June 30, 2025 and June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with College management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the net position and changes in net position of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities in relation to its mission have been included.

Rehmann Robson LLC, Certified Public Accountants, have issued an unmodified (clean) opinion on Lansing Community College's financial statements for the years ended June 30, 2025 and 2024. The Independent Auditors' Report is located at the front of the financial section of the report.

The Management Discussion and Analysis (MD&A) immediately follows the Independent Auditors' Report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal complements the MD&A and should be read in conjunction with it.

The College strives for fiscally responsible planning for our immediate and future needs. As the financial operations indicate in the recent Annual Comprehensive Financial Report, we continue to exercise fiscal prudence, to maintain a healthy financial condition and to protect tax dollars in the use of available resources while maintaining our commitment to academic excellence.

The Board of Trustees approved the College's 2025-2027 Strategic Plan in November 2024. The strategic plan was developed to promote student success and institutional growth. The strategic plan is comprised of the following goals: 1.) Achieving Academic Excellence with Purpose and Equity; 2.) Foster Student Enrollment, Retention and Completion; 3.) Strengthening Community Engagement and Partnerships; and, 4.) Establishing LCC as a Premier Workplace through Empowerment, Engagement, and Inclusion. The new strategic plan will be integrated into the College's planning and budgeting processes to support student success and institutional growth.

Also in November 2024, the Board of Trustees approved the College's 2025-2035 Ten-Year Campus Master Plan. The plan provides a strategic framework for the College's future development, addressing critical needs in infrastructure, space optimization, and campus community building. The team developing the plan worked closely with both the College's strategic planning consultant and campus master plan consultant to ensure that both plans complement one another and align with the College's long-term vision.

The College has remained flexible to provide services efficiently while maintaining its commitment to students. We are encouraged by the continued dedication of our employees and the Board of Trustees to make the College an excellent place for higher education. Lansing Community College ~ *"Where Success Begins"*.

## PROFILE OF THE COLLEGE

The College is a major urban community college, situated on 48 acres, in a nine-city block area in downtown Lansing, Michigan. Founded in 1957, the College is now the eighth largest community college in the state of Michigan. The College currently enrolls more than 13,000 college-credit students each year, and has over 700 full-time and almost 600 part-time employees. The College offers classes year-round in a three-semester curriculum. The College offers educational, business and community relevant degree and certificate programs and over 900 courses to match transfer curricula, career and workforce development pursuits, developmental, or special interest needs. Courses are offered in one of three academic divisions: Arts and Sciences; Health and Human Services; and Technical Careers. In addition, the Community Education and Workforce Development division provides community and continuing education and includes the College's Business & Community Institute that provides customized training directly to regional businesses.

In addition to the Downtown Campus, the College operates the West Campus in Delta Township that is home to the Michigan Technical Education Center, the East Campus in East Lansing, and the Aviation Maintenance Center at the Mason-Jewett Airport in Mason. After many years of operating the Livingston Center at Parker Campus in Howell, the campus was closed at the end of June 2025 based upon an analysis of the Center's strategic and financial viability.

The College is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. The College's accreditation was reaffirmed in 2025, for ten years. The next Reaffirmation of Accreditation is scheduled for 2034-35.

The following table illustrates the Fall enrollments over the last five years:

| <u>Enrollment</u>                 | <u>FALL 2024</u> | <u>FALL 2023</u> | <u>FALL 2022</u> | <u>FALL 2021</u> | <u>FALL 2020</u> |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|
| College (unduplicated head count) | 9,821            | 9,207            | 9,573            | 10,303           | 10,306           |
| Full-time Equivalents             | 5,320            | 4,924            | 5,118            | 5,600            | 5,783            |
| Total Credit Hours                | 85,587           | 80,539           | 84,161           | 92,142           | 93,116           |

## FINANCIAL PLANNING

As shown in the table below, one of the basic tenets of financial planning at the College is maintaining the affordability of tuition for students. Annual increases are in the 0% to 3% range.

|                                                 | <u>FY 2025</u> | <u>FY 2024</u> | <u>FY 2023</u> | <u>FY 2022</u> | <u>FY 2021</u> |
|-------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| In-District Tuition Rate (per billing hour)     | \$120          | \$117          | \$114          | \$114          | \$111          |
| In-District Tuition Increase (per billing hour) | \$3            | \$3            | \$0            | \$3            | \$3            |

With tuition and fees accounting for 29.0% of the general operating revenue mix and few viable options available to diversify revenue sources, the College finds itself with the challenge of balancing: (a) changes in student demand (b) tuition affordability, (c) increasing costs and (d) fluctuating revenue.

The College is well positioned to attract a diverse group of students, with its fiscal year 2026 \$120 in-district per billing hour rate well below the state average rate of community college in-district tuition of \$140, and remains as the sixth lowest in-district tuition rate in the state. High potential targets include those who are looking for a less expensive post-secondary education option and those looking to further their education in order to remain competitive in the job market. Additionally, as the price of four-year institutions continues to rise, cost becomes a preeminent concern and the College's value proposition to graduating high school students improves. The College's value is aided by the numerous transfer and articulation agreements the College maintains with four-year institutions in the State of Michigan as well as the partnerships at the College's Transfer Center.

As the financial report shows, we continue to exercise fiscal responsibility of the College's available resources to maintain a healthy financial condition and continue our commitment to academic excellence.

## **FINANCIAL INFORMATION**

### ***Internal Controls***

Management of the College is responsible for establishing and maintaining internal controls designed to protect the assets of the College, prevent loss from theft or misuse, and to provide that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal controls are designed to provide a reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. As demonstrated by the statements and schedules included in the financial section of this report, the College continues to meet its responsibility for sound financial management.

### ***Property Taxes***

The College's property tax levy per \$1,000 of taxable valuation will be 3.7611 mils in 2025 and will impact the College's property tax revenue for FY 2026. This rate represents a slight decrease from the 2024 levy of 3.7692 mils. The state average for all community colleges was 2.4863 mils in fiscal year 2025.

### ***Capital Project Planning***

The 10-year Campus Master Plan that was adopted by the Board of Trustees in November 2024, resulted from discussions with students, employees, and community members, facilitated by independent consultants. The Campus Master Plan aims to provide a strategic framework for the College's future development, addressing critical needs in infrastructure, space optimization, and campus community building. The Plan recommended changes in excess of \$100 million over a ten-year period.

## **MICHIGAN'S ECONOMIC OUTLOOK**

### ***Local Economy***

Michigan's economy spent the 2000 to 2010 period in an employment recession, largely driven by the same fundamental restructuring that affected manufacturing globally. Michigan's manufacturing sector experienced, and continues to experience, economic circumstances that limit the prospects for employment growth. In addition, Michigan's over-reliance on the motor vehicle industry has meant those impacts are transmitted through the rest of the Michigan economy. Economic changes in the motor vehicle sector affect the amount of money employees in the sector have available to spend on eating out, recreation, legal and financial services, and consumer goods, which affects economic activity in sectors across the State economy and creates feedback effects for those secondarily affected sectors.

### ***Forecast Summary***

The US economy is expected to grow at rates slower than those experienced in 2024. Throughout the forecast, Michigan is expected to grow more slowly than the nation as a whole, with inflation-adjusted personal income remaining relatively flat.

The Michigan economy will experience slowing employment growth over the forecast, as payroll employment slows from growth in 2024 to decline in 2027. As a result, Michigan unemployment rates will rise slightly but will remain low by historical standards. Inflationary pressures will be higher in 2025 and 2026, but will be less by 2027, reflecting events in the national economy.

## *Prospects for the Future*

### **State of Michigan FY 2024-25 Revised Revenue Estimate**

- General Fund/General Purpose (GF/GP) and School Aid Fund (SAF) revenue is expected to total \$32.8 billion in FY 2024-25. The revised estimate for FY 2024-25 is up 0.6%, or \$180.3 million, from the revenue for FY 2023-24. The projected revenue increase in FY 2024-25 reflects increases in net personal income taxes, internet gaming revenue, and sales tax, partially offset by decreases in lottery revenue, use tax and Michigan Business Tax. The revised estimate for FY 2024-25 is \$393.2 million below the January 2025 consensus revenue estimate.

### **State of Michigan FY 2025-26 Revised Revenue Estimate**

- GF/GP and SAF revenue is expected to total over \$33.8 billion in FY 2025-26. The revised estimate for FY 2025-26 is up 3.1%, or \$1,026.1 million, from the revised estimate for FY 2024-25. The revised estimate for FY 2025-26 is \$561.2 million below the January 2025 consensus revenue estimate.

### **State of Michigan FY 2026-27 Revised Revenue Estimate**

- GF/GP and SAF revenue is expected to total \$34.4 billion in FY 2026-27. The revised estimate for FY 2026-27 is up 1.7%, or \$565.0 million, from the revised estimate for FY 2025-26. The revised estimate for FY 2026-27 is \$725.0 million below the January 2025 consensus revenue estimate.

Source: MICHIGAN'S ECONOMIC OUTLOOK AND BUDGET REVIEW - FY 2024-25, FY 2025-26, and FY 2026-27 May 15, 2025 Senate Fiscal Agency, State of Michigan

## **OTHER INFORMATION**

### ***Awards***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the College for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The College has received a Certificate of Achievement for sixteen consecutive years. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The College has received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the GFOA for the fiscal year ended June 30, 2024. The GFOA established the Popular Annual Financial Reporting Awards Program to encourage and assist state and local governments to extract information from their annual comprehensive financial report to produce high quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance and then to recognize individual governments that are successful in achieving that goal. The College has received this award for fourteen consecutive years.

The College's Purchasing Department is the recipient of the 2025 Annual Achievement of Excellence in Procurement Award from the National Procurement Institute. The College has received the award for twenty-three consecutive years. The award criteria are designed to measure public procurement best practices in innovation, professionalism, e-procurement, productivity and leadership.

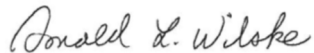
### ***Independent Audit***

State statutes require an annual audit by independent certified public accountants. The accounting firm of Rehmann Robson LLC was selected by the College's Board of Trustees. The Independent Auditors' Report on the financial statements is included in the financial section of this report.

### ***Acknowledgments***

The timely preparation of the Annual Comprehensive Financial Report was made possible by the dedicated service of the entire staff of the Financial Services Division. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

Respectfully submitted,

A handwritten signature in cursive script that reads "Donald L. Wilske".

Donald L. Wilske  
Chief Financial Officer

*Lansing Community College provides accessible high-quality education through relevant and innovative instructional methods to equip and empower a diverse community of learners to complete their educational goals while becoming engaged global citizens.*

## LANSING COMMUNITY COLLEGE

### PRINCIPAL OFFICIALS

#### BOARD OF TRUSTEES

| <b>Trustee</b>      | <b>Position</b> | <b>Term Expires</b> |
|---------------------|-----------------|---------------------|
| Angela L. Mathews   | Chair           | 2028                |
| Terrance L. Frazier | Vice Chair      | 2030                |
| Robert E. Proctor   | Treasurer       | 2028                |
| LaShunda Thomas     | Secretary       | 2026                |
| Noel Garcia, Jr.    | Trustee         | 2028                |
| Hope M. Lovell      | Trustee         | 2026                |
| Chatum Taylor       | Trustee         | 2030                |

#### OFFICERS OF THE COLLEGE

| <b>Officer</b>   | <b>Position</b>                                   |
|------------------|---------------------------------------------------|
| Steve Robinson   | President                                         |
| Sally Welch      | Provost/Senior Vice President of Academic Affairs |
| Seleana Samuel   | Senior Vice President of Business Operations      |
| Donald L. Wilske | Chief Financial Officer                           |

#### OFFICIALS ISSUING REPORT

| <b>Officer</b>   | <b>Position</b>         |
|------------------|-------------------------|
| Donald L. Wilske | Chief Financial Officer |
| Megan L. Garrett | Controller              |
| Francis M. Burch | Associate Controller    |

#### DIVISION ISSUING REPORT

Financial Services Division

# Lansing Community College





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Lansing Community College  
Michigan**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO



# Financial Section

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## INDEPENDENT AUDITORS' REPORT

October 10, 2025

Board of Trustees  
Lansing Community College  
Lansing, 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 **Lansing 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 respective changes in financial position, and, where applicable, cash flows thereof, for the years then ended in conformity 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 audit. The financial statements of Lansing 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.

#### *Implementation of GASB Statement No. 101*

As described in Notes 1, 11, and 18, in fiscal 2025, the College implemented the provisions of GASB Statement No. 101, *Compensated Absences*, effective July 1, 2023. Our opinion is not modified with respect to this matter.



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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for twelve months beyond the financial statement date, including 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 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 annual comprehensive financial report. The other information comprises the introductory, statistical and special reports sections 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 October 10, 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.



# LANSING COMMUNITY COLLEGE

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of **Lansing Community College's** ("College") financial statements provides an overview of the College's financial activities for the years ended June 30, 2025 and 2024. Management has prepared the fiscal year 2025 and 2024 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.

### Using this Report

The College's financial statements have been prepared in accordance with the following standards.

In June 1999, the Governmental Accounting Standards Board ("GASB") released Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Changes in Statement No. 34 require a comprehensive one-line look at the entity as a whole including capitalization and depreciation of assets. In November 1999, GASB issued Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, which applies these standards to public colleges and universities. The State of Michigan has adopted these standards and therefore, has revised and issued the *Manual for Uniform Financial Reporting for Michigan Public Community Colleges, 2001*. Subsequent GASB statements, when applicable, have been implemented as well.

This Annual Comprehensive Financial Report ("ACFR") includes the report of independent auditors, management's discussion and analysis, the basic financial statements in the above referred to format, notes to financial statements, required supplementary information, and additional information.

### Component Unit

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*, requires that separate legal entities associated with a primary government that meet certain criteria are included with the financial statements of the Primary Reporting Unit.

In compliance with this statement, the Lansing Community College Foundation is reported as a discretely presented component unit of the College and its financial position and financial activities are presented separately from the rest of the College's activities in the Statements of Net Position and Statements of Revenues, Expenses and Changes in Net Position, in separate columns headed "Component Unit".

### Financial Highlights

The College's financial position strengthened during the fiscal year ended June 30, 2025, with a \$30.3 million increase in total net position. The College's total assets increased \$14.5 million which is attributed to an increase to the College's share of the net other post-employment benefits ("OPEB") asset of the Michigan Public School Employees Retirement System ("MPSERS") plan; a decrease in accounts receivable and federal and state grants receivable, resulting from timely payments being made by state and local entities; and a decrease in cash and cash equivalents as well as short-term investments, offset by an increase in long-term investments following a portfolio reorganization. Deferred outflows of resources decreased by \$13.0 million, and deferred inflows of resources increased \$12.0 million. These adjustments reflect the recent valuation of deferred pension and OPEB-related amounts for the College's MPSERS participation, as well as a slight decrease in the amortization of the deferred charge on refunding.

## LANSING COMMUNITY COLLEGE

### MANAGEMENT'S DISCUSSION AND ANALYSIS

The College's total liabilities decreased \$40.9 million, primarily due to a \$36.4 million reduction in the net pension liability and a \$6.2 million reduction in debt and lease obligations. These were partially offset by increases in subscription obligations of \$0.9 million, and accrued payroll and compensated absences of \$0.8 million. The major categories of net position changed, as shown in the graph below. Total net position increased by \$30.3 million. Net investment in capital assets increased by \$6.1 million due to decreases in debt obligations and retainage payable. Restricted net position increased by \$18.9 million which consists of an increase in restricted fund activities of \$2.5 million, mainly due to a state appropriation for school safety, student mental health, academic interventions and educator workforce, and an increase of \$16.4 million to the net OPEB asset. Unrestricted net position improved by \$5.3 million, from (\$81.6) million to (\$76.3) million, due to an increase in College operations and a reduction in the recorded MPSERS long-term net pension and OPEB (asset) liability as required by GASB Statements 68, *Accounting And Financial Reporting For Pensions*, and 75, *Accounting And Financial Reporting For Postemployment Benefits Other Than Pensions*. While the provisions of GASB 68 and 75 continue to impact total net position, they do not affect the College's cash flow or operating budget.

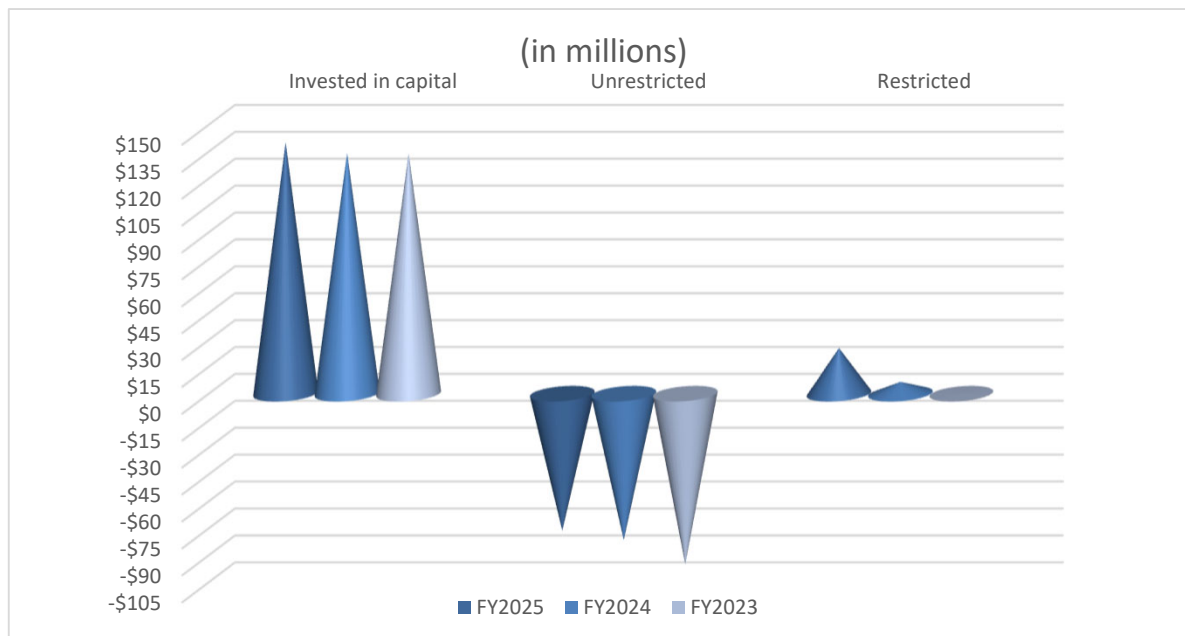
The College's financial position increased during the fiscal year ended June 30, 2024, with a \$19.9 million increase in total net position. The College's total assets increased \$0.7 million which is attributed to a recording of a net OPEB asset; an increase in accounts receivable due to more federal and state grants and larger state appropriations in the current fiscal year; a decrease in short-term investments due to operational needs; a decrease in capital assets net of accumulated depreciation and amortization due to fewer additions than annual depreciation and amortization expense. Deferred outflows of resources and deferred inflows of resources decreased \$13.9 million and increased \$7.6 million, respectively, due to the necessary adjustments to the deferred pension and OPEB amounts for the College's portion of the MPSERS plan; and by a slight decrease in the amortization of the deferred charge on refunding.

As of June 30, 2024, the College's total liabilities decreased \$40.6 million due to the decrease in the net pension and OPEB liabilities of \$38.2 million, a \$6.7 million decrease in debt and lease obligations offset by an increase in subscription obligations of \$0.9 million, a decrease of \$1.0 million in unearned revenue, and a \$4.3 million increase in compensated absences obligations as required by GASB Statement 101, *Compensated Absences*. The major categories of net position changed, as shown in the graph below. Total net position increased by \$19.9 million, due to an increase in restricted net position of \$6.3 million. Restricted fund activities increased by \$0.1 million, restricted capital projects increased by \$3.6 million due to a one-time state capital appropriation, and there was an increase of \$2.5 million due to recording a net other post-employment benefit asset. There was also an increase in unrestricted net position of \$13.5 million, from (\$95.1) million to (\$81.6) million due to a slight increase in College operations offset by a decrease in the recording of the College's share of the MPSERS plan long-term net pension and other postemployment benefits (asset) liability as required by GASB Statements 68, *Accounting And Financial Reporting For Pensions*, and 75, *Accounting And Financial Reporting For Postemployment Benefits Other Than Pensions*. While the provisions of GASB 68 and 75 continues to impact total net position, it did not have any impact on the College's cash flows or operating budgets.

# LANSING COMMUNITY COLLEGE

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Total Net Position



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

One of the most important questions to ask about the College's finances is, "Is Lansing Community College as a whole better off or worse off as a result of the year's activities?" The Statements of Net Position and Statements of Revenues, Expenses, and Changes in Net Position report information on the College as a whole and on its activities in a way that helps answer this question.

These two statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions, and all deferred outflows and inflows of resources. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These statements report Lansing Community College's net position and changes in them. When revenues and other support exceed expenses, the result is an increase in net position. When the reverse occurs, the result is a decrease in net position. The relationship between revenues and expenses may be thought of as Lansing Community College's operating results.

One can think of the College's net position - the difference between assets and deferred outflows less liabilities and deferred inflows - as one way to measure the College's financial health or net position. Over time, increases or decreases in the College's net position are one indicator of whether its financial health is improving or deteriorating. To assess the overall health of the College, consideration of many other non-financial factors, such as the trend in College enrollment, student retention, condition of the buildings, and strength of the faculty must be made.

# LANSING COMMUNITY COLLEGE

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Net Position (in millions) as of June 30:**

|                                                         | <b>2025</b>    | <b>Restated<br/>2024</b> | <b>Increase<br/>(Decrease)<br/>2025-2024</b> | <b>2023</b>    | <b>Increase<br/>(Decrease)<br/>2024-2023</b> |
|---------------------------------------------------------|----------------|--------------------------|----------------------------------------------|----------------|----------------------------------------------|
| Current and other assets                                | \$ 88.0        | \$ 94.5                  | \$ (6.5)                                     | \$ 92.5        | \$ 2.0                                       |
| Capital assets, net of<br>depreciation and amortization | 225.8          | 226.2                    | (0.4)                                        | 230.0          | (3.8)                                        |
| Long-term investments                                   | 5.0            | -                        | 5.0                                          | -              | -                                            |
| Net OPEB asset                                          | 18.9           | 2.5                      | 16.4                                         | -              | 2.5                                          |
| <b>Total assets</b>                                     | <b>337.7</b>   | <b>323.2</b>             | <b>14.5</b>                                  | <b>322.5</b>   | <b>0.7</b>                                   |
| Deferred outflows of resources                          | 37.7           | 50.7                     | (13.0)                                       | 64.6           | (13.9)                                       |
| Other liabilities                                       | 22.6           | 21.8                     | 0.8                                          | 18.4           | 3.4                                          |
| Debt, lease and subscription<br>obligations             | 86.4           | 91.7                     | (5.3)                                        | 97.5           | (5.8)                                        |
| Net pension and OPEB liabilities                        | 107.1          | 143.5                    | (36.4)                                       | 181.7          | (38.2)                                       |
| <b>Total liabilities</b>                                | <b>216.1</b>   | <b>257.0</b>             | <b>(40.9)</b>                                | <b>297.6</b>   | <b>(40.6)</b>                                |
| Deferred inflows of resources                           | 69.7           | 57.7                     | 12.0                                         | 50.1           | 7.6                                          |
| Net position (deficit)                                  |                |                          |                                              |                |                                              |
| Net investment in capital assets                        | 140.4          | 134.3                    | 6.1                                          | 134.2          | 0.1                                          |
| Restricted                                              | 25.5           | 6.6                      | 18.9                                         | 0.3            | 6.3                                          |
| Unrestricted                                            | (76.3)         | (81.6)                   | 5.3                                          | (95.1)         | 13.5                                         |
| <b>Total net position</b>                               | <b>\$ 89.6</b> | <b>\$ 59.3</b>           | <b>\$ 30.3</b>                               | <b>\$ 39.4</b> | <b>\$ 19.9</b>                               |

### Fiscal Year 2025 Compared to 2024

The College reduced its current and other assets by \$6.5 million, mainly due to a decline in accounts receivable, federal and state grants receivable, and the reallocation of cash and short-term investments into long-term investments. Capital assets, net of depreciation and amortization decreased \$0.4 million due to a higher volume of asset disposals during the year. Other liabilities increased \$0.8 million, primarily due to higher compensated absences obligations and an increase in accounts payable driven by the timing of year-end payment. Debt, lease, and subscription obligations decreased by \$5.3 million, primarily due to principal payments made on outstanding bond issues and the expiration of two leases. The decrease was partially offset by an increase in subscription obligations. Net pension and other post -employment benefits ("OPEB") liabilities decreased by \$36.4 million, reflecting a reduction in the actuarially determined unfunded obligations as calculated by the MPSERS plan governing board. The College's overall net position increased by \$30.3 million. This is due to a number of factors as discussed above in the Financial Highlights section.

### Fiscal Year 2024 Compared to 2023

The College increased its current and other assets by \$2.0 million primarily due to higher accounts receivable and prepaid expenses. Capital assets, net of depreciation and amortization decreased \$3.8 million due to fewer additions of new assets during the year. Other liabilities increased \$3.4 million, mainly due to the implementation of GASB Statement 101, *Compensated Absences*. The overall increase was partially offset by a decrease in unearned revenue from the Michigan New Jobs Training Program. Debt, lease, and subscription obligations decreased by \$5.8 million due to principal payments made on outstanding bond issues and amortization of lease and subscription obligations. The College's overall net position increased by \$19.9 million. This is due to a number of factors as discussed above in the Financial Highlights section.

# LANSING COMMUNITY COLLEGE

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Operating Results (in millions) for the Years Ended June 30:

|                                                       |         | Restated | Increase<br>(Decrease) |         | Increase<br>(Decrease) |
|-------------------------------------------------------|---------|----------|------------------------|---------|------------------------|
|                                                       | 2025    | 2024     | 2025-2024              | 2023    | 2024-2023              |
| Operating revenues:                                   |         |          |                        |         |                        |
| Tuition and fees (net of scholarship allowances)      | \$ 27.3 | \$ 27.8  | \$ (0.5)               | \$ 28.3 | \$ (0.5)               |
| Federal grants and contracts                          | 2.6     | 3.2      | (0.6)                  | 2.3     | 0.9                    |
| State grants and contracts                            | 0.9     | 1.1      | (0.2)                  | 1.1     | -                      |
| Local grants and contracts                            | 5.5     | 5.7      | (0.2)                  | 5.2     | 0.5                    |
| Auxiliary and other operating revenues                | 2.0     | 2.5      | (0.5)                  | 2.0     | 0.5                    |
| Total operating revenues                              | 38.3    | 40.3     | (2.0)                  | 38.9    | 1.4                    |
| Operating expenses:                                   |         |          |                        |         |                        |
| Instruction                                           | 25.9    | 25.3     | 0.6                    | 27.8    | (2.5)                  |
| Information technology                                | 11.0    | 10.1     | 0.9                    | 11.5    | (1.4)                  |
| Public services                                       | 2.1     | 2.0      | 0.1                    | 2.3     | (0.3)                  |
| Instructional support                                 | 15.9    | 15.9     | -                      | 15.8    | 0.1                    |
| Student services                                      | 19.5    | 17.2     | 2.3                    | 15.9    | 1.3                    |
| Institutional administration                          | 19.5    | 22.7     | (3.2)                  | 25.2    | (2.5)                  |
| Operation and maintenance of plant                    | 17.2    | 17.0     | 0.2                    | 15.0    | 2.0                    |
| Depreciation and amortization                         | 12.9    | 12.7     | 0.2                    | 12.3    | 0.4                    |
| Total operating expenses                              | 124.0   | 122.9    | 1.1                    | 125.8   | (2.9)                  |
| Operating loss                                        | (85.7)  | (82.6)   | (3.1)                  | (86.9)  | 4.3                    |
| Nonoperating revenues (expenses):                     |         |          |                        |         |                        |
| State appropriations                                  | 43.6    | 39.4     | 4.2                    | 36.4    | 3.0                    |
| Property tax levy                                     | 54.6    | 51.6     | 3.0                    | 48.6    | 3.0                    |
| Pell Grant revenue                                    | 17.7    | 11.9     | 5.8                    | 10.8    | 1.1                    |
| Federal nonoperating grants - CARES/HEERF             | -       | -        | -                      | 6.9     | (6.9)                  |
| Other nonoperating revenue (expenses) - net           | 0.1     | 0.1      | -                      | (1.2)   | 1.3                    |
| Net nonoperating revenues                             | 116.0   | 103.0    | 13.0                   | 101.5   | 1.5                    |
| Change in net position before other revenues          | 30.3    | 20.4     | 9.9                    | 14.6    | 5.8                    |
| Other revenues:                                       |         |          |                        |         |                        |
| State capital appropriations                          | -       | 3.6      | (3.6)                  | -       | 3.6                    |
| Change in net position                                | 30.3    | 24.0     | 6.3                    | 14.6    | 9.4                    |
| Net position - beginning of year, previously reported | 59.3    | 39.4     | 19.9                   | 24.8    | 14.6                   |
| Restatement for change in accounting principle        | -       | (4.1)    | 4.1                    | -       | (4.1)                  |
| Net position - beginning of year, as restated         | -       | 35.3     | (35.3)                 | 10.8    | 24.5                   |
| Net position- end of year                             | \$ 89.6 | \$ 59.3  | \$ 30.3                | \$ 39.4 | \$ 19.9                |

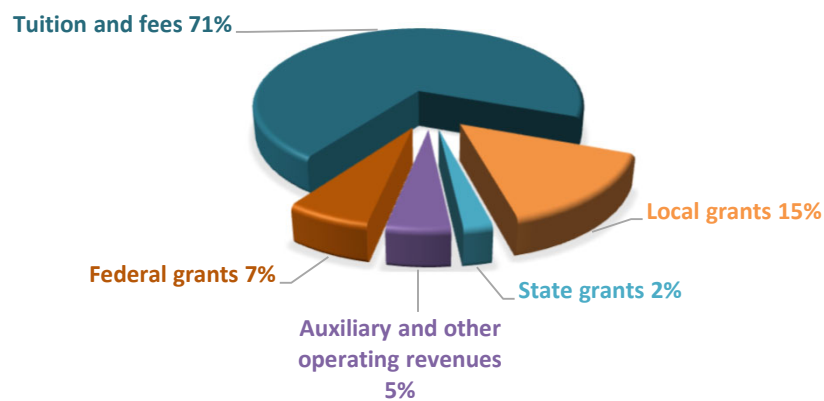
# LANSING COMMUNITY COLLEGE

## MANAGEMENT'S DISCUSSION AND ANALYSIS

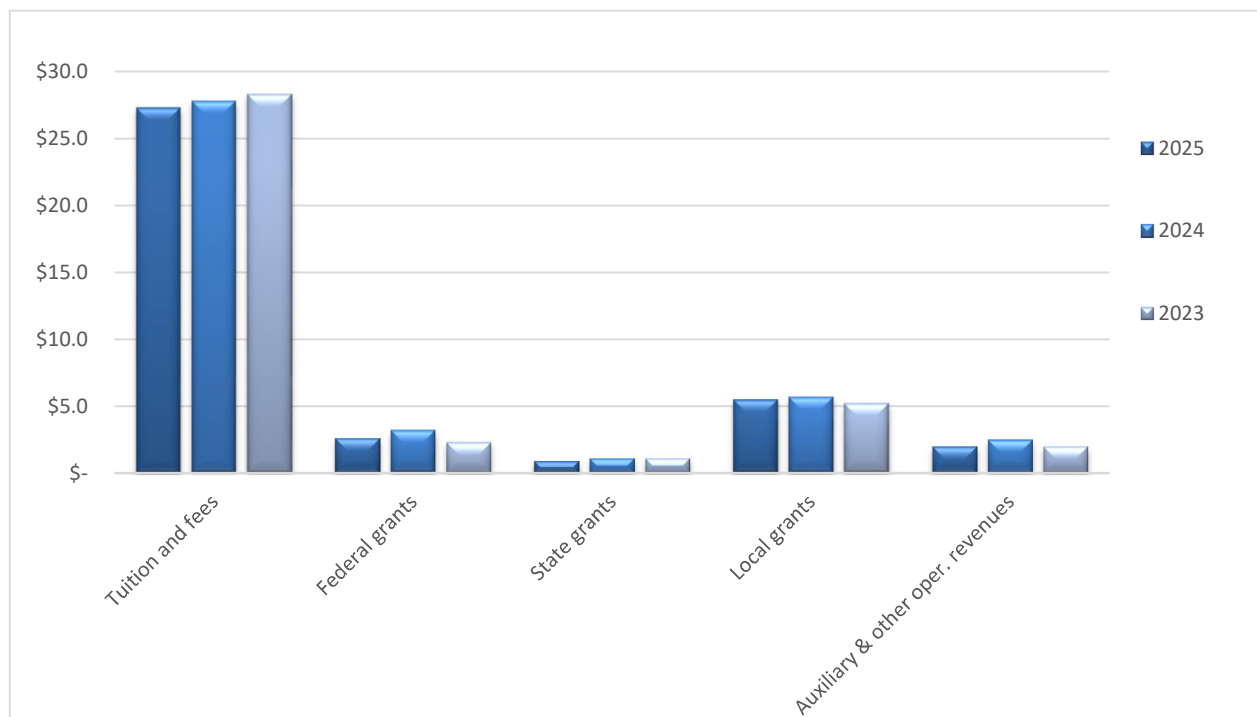
### Operating Revenue

Operating revenues include all transactions that result from the sales and/or receipts of goods and services such as tuition and fees. In addition, certain federal, state, and private grants are considered operating revenues if they are considered a contract for services and are not for capital or other purposes.

#### 2025 Operating Revenues by Source



#### 2025, 2024, 2023 Operating Revenues by Source (in millions)



# LANSING COMMUNITY COLLEGE

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Fiscal Year 2025 Compared to 2024

Operating revenue decreased \$2.0 million as the result of the following factors:

- Tuition and fee revenue decreased by \$0.5 million, mainly due to an increase in scholarship allowances driven by higher enrollment and an increase in Pell grant awards.
- Federal grants decreased by \$0.6 million due primarily to reduced activity in the Health Resources and Services Administration (HRSA) grant for a mobile skills lab and the pass-through federal funding from the State of Michigan for the ADN to BSN grant for the Nursing program.
- State grants decreased \$0.2 million due to the completion of the prior year state grant for the Critical Incident Mapping project.
- Local grants decreased \$0.2 million, primarily due to reduced scholarship funds received from external agencies.
- Sales of auxiliary and other operating revenues decreased \$0.5 million, mainly due to reduced activity in the Michigan New Jobs Training Program and less revenues from conference services.

### Fiscal Year 2024 Compared to 2023

Operating revenue increased \$1.4 million as the result of the following factors:

- Tuition and fee revenue decreased by \$0.5 million. The decrease is due to lower enrollment than budgeted.
- Federal grants increased by \$0.9 million due primarily to the Health Resources and Services Administration (HRSA) grant for a mobile skills lab and federal funds passed through the State of Michigan for the ADN to BSN grant for the Nursing program.
- Local grants increased \$0.5 million due primarily to increases in Foundation program funding, the Mental Health and Aging program, and additional revenue from high school service agreements.
- Sales of auxiliary activities had a slight increase due to an increase in the College's conference services. The jobs training programs increased \$0.3 million from the prior year due to the number of trainings in fiscal year 2024.

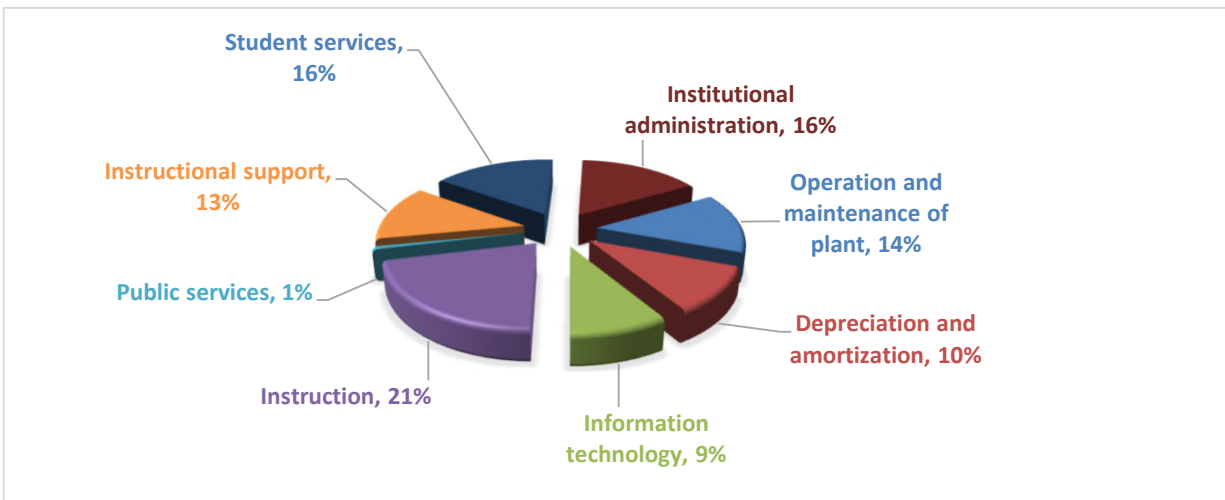
# LANSING COMMUNITY COLLEGE

## MANAGEMENT'S DISCUSSION AND ANALYSIS

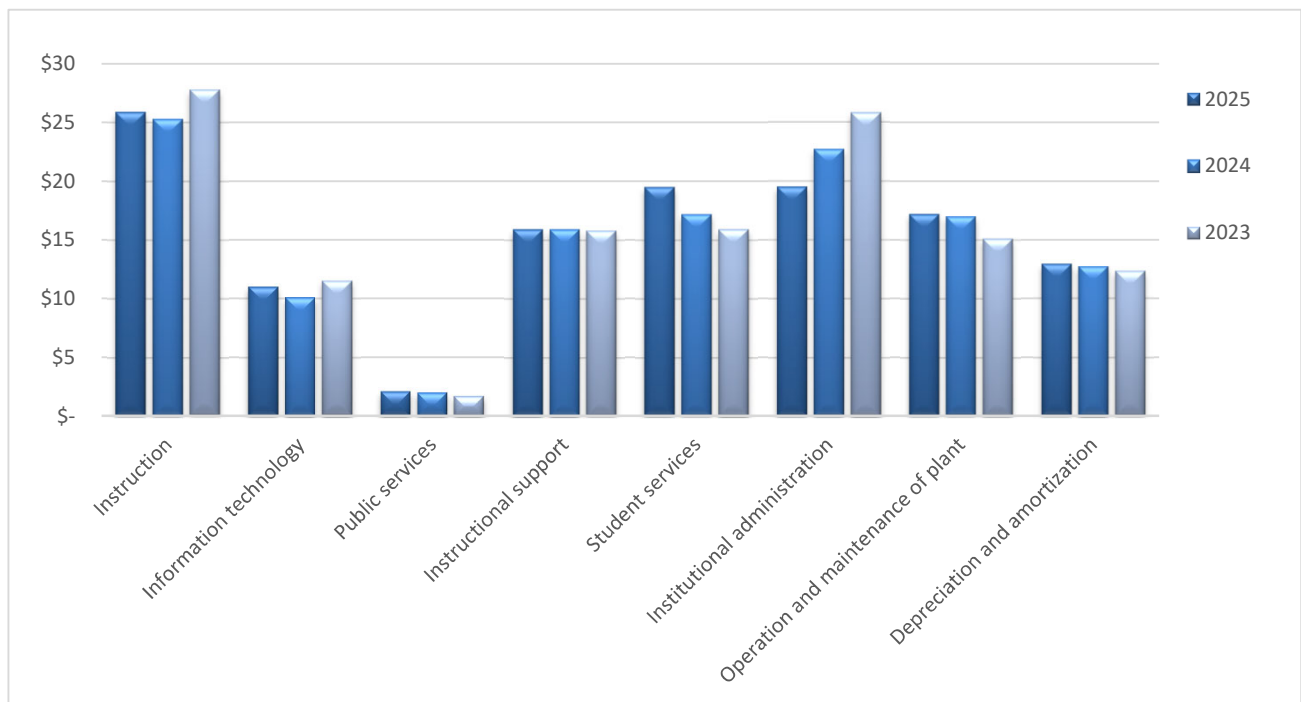
### Operating Expenses

Operating expenses are all the costs necessary to perform and conduct the programs and primary purposes of the College.

#### 2025 Operating Expenses by Function



#### 2025, 2024, 2023 Operating Expenses by Function (in millions)



# LANSING COMMUNITY COLLEGE

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Fiscal Year 2025 Compared to 2024

Total operating expenses increased \$1.1 million primarily as a result of the following factors:

- Increases of \$0.6 million in instruction were due to higher enrollment, which was partially offset by reductions to benefit expense related to the pension and OPEB adjustments.
- Increases of \$0.9 million in information technology primarily due to more purchases of computer and technical equipment.
- Increases of \$2.3 million in student services due to an increase in salaries and benefits as vacant positions have been filled and an increase in Pell awards.
- Decreases of \$3.2 million in institutional administration operating expenses due to decreases in legal fees and reductions to benefit expenses related to the pension and OPEB adjustments.

### Fiscal Year 2024 Compared to 2023

Total operating expenses decreased \$2.9 million primarily as a result of the following factors:

- Decreases of \$2.5 million in instruction due to reductions to benefit expense related to the pension and OPEB adjustments.
- Decreases of \$1.4 million in information technology operating expenses due to a decrease in purchased services, phone service charges, and fewer technical equipment purchases.
- Increases of \$1.3 million in student services due to an increase in salaries and benefits as vacant positions have been filled.
- Decreases of \$2.5 million in institutional administration primarily due to a one-time \$4.6 million state appropriation to the College in fiscal year 2023 as additional assets toward the unfunded liability, to be contributed to the retirement system. This is partially offset by an increase in temporary agency services, legal services and administrative consulting services.
- Increases of \$2.0 million in operation and maintenance of plant primarily due to higher services contract fees, architectural and engineering services for approved projects, and increased utility prices.

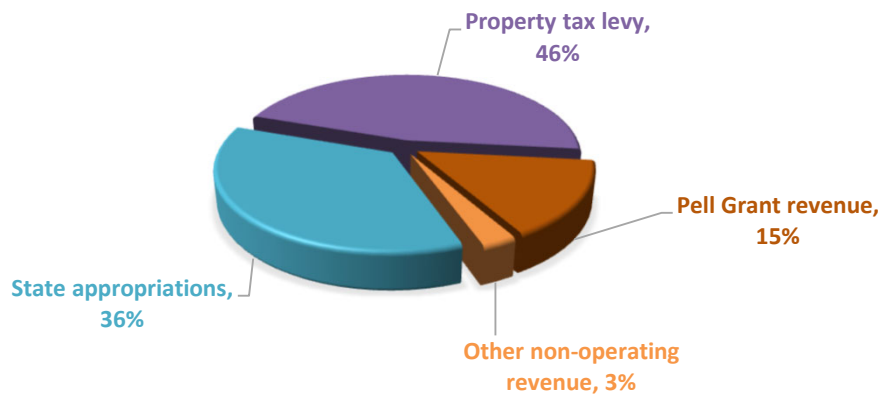
# LANSING COMMUNITY COLLEGE

## MANAGEMENT'S DISCUSSION AND ANALYSIS

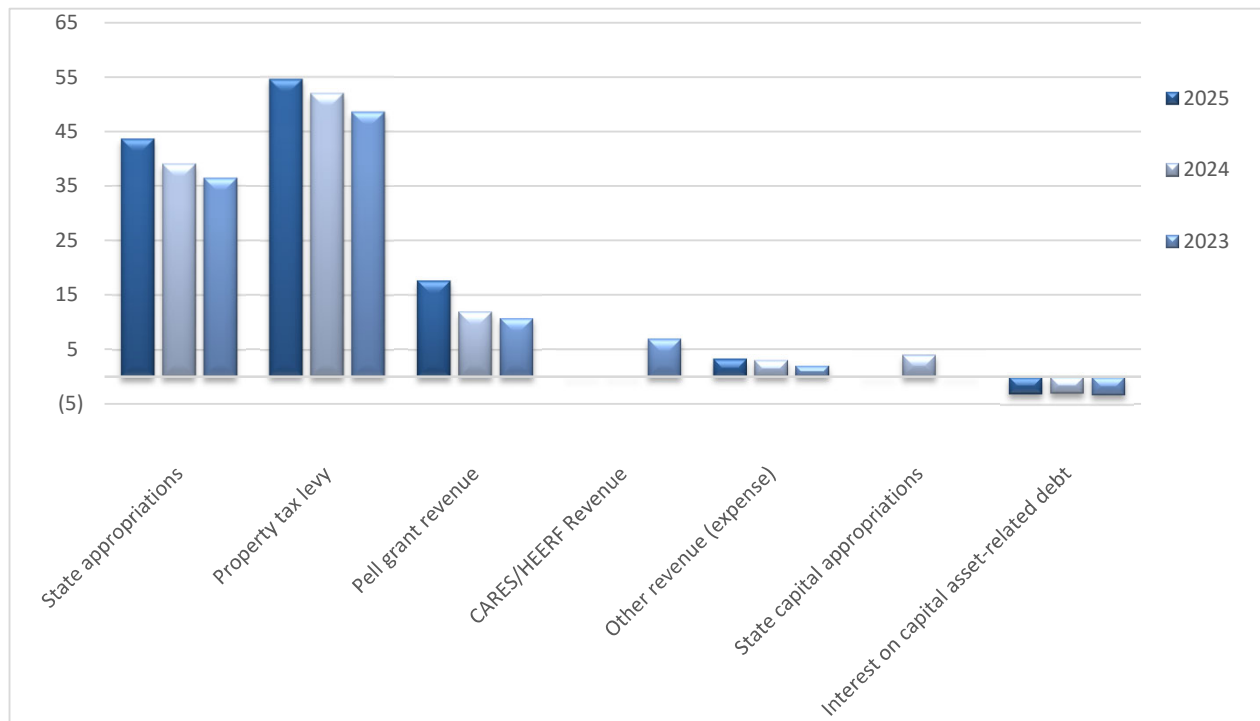
### Non-Operating Revenues

Non-operating revenues consist primarily of state appropriations, property tax revenue, Pell Grant, federal non-operating grants revenue, and other revenue.

#### 2025 Non-Operating & Other Revenue



#### 2025, 2024, 2023 Net Non-Operating Revenue (in millions)



# LANSING COMMUNITY COLLEGE

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Fiscal Year 2025 Compared to 2024

Total net non-operating revenues increased \$13.0 million. This increase was due to an increase in state operational appropriations along with a one-time appropriation of \$2.7 million to be used for school safety, student mental health, academic interventions and educator workforce, higher property taxes due to increased taxable value, and an increase in Pell grant awards. Other Revenues decreased by \$3.6 million due to a one-time appropriation received from the State of Michigan in fiscal year 2024.

### Fiscal Year 2024 Compared to 2023

Total net non-operating revenues increased \$1.5 million. This increase was due to higher appropriations attributed to Pension and OPEB, higher property taxes due to increased taxable value, an increase in Pell grants, and higher investment returns. This is offset by all HEERF grants being expended in fiscal year 2023. Other revenues increased by \$3.6 million due to a one-time State of Michigan appropriation for Information, Technology, Equipment and Maintenance (ITEM) funding.

### Statement of Cash Flows

Another way to assess the financial health of a college is to look at the statement of cash flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of an entity during a designated period. The statement of cash flows also helps users assess the College's:

- Ability to generate future net cash flows
- Ability to meet its obligations as they come due
- Needs for external financing

### Cash flows (*in millions*) for the years ended June 30:

|                                          | 2025      | Restated<br>2024 | Increase<br>(Decrease)<br>2025-2024 | 2023      | Increase<br>(Decrease)<br>2024-2023 |
|------------------------------------------|-----------|------------------|-------------------------------------|-----------|-------------------------------------|
| Cash provided (used by):                 |           |                  |                                     |           |                                     |
| Operating activities                     | \$ (99.0) | \$ (92.8)        | \$ (6.2)                            | \$ (85.7) | \$ (7.1)                            |
| Noncapital financing activities          | 116.0     | 102.1            | 13.9                                | 102.3     | (0.2)                               |
| Capital and related financing activities | (20.6)    | (13.8)           | (6.8)                               | (35.7)    | 21.9                                |
| Investing activities                     | 1.7       | 5.1              | (3.4)                               | 11.7      | (6.6)                               |
| Net (decrease) increase in cash          | (1.9)     | 0.6              | (2.5)                               | (7.4)     | 8.0                                 |
| Cash, beginning of year                  | 8.4       | 7.8              | 0.6                                 | 15.2      | (7.4)                               |
| Cash, end of year                        | \$ 6.5    | \$ 8.4           | \$ (1.9)                            | \$ 7.8    | \$ 0.6                              |

# LANSING COMMUNITY COLLEGE

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Fiscal Year 2025 Compared to 2024

The College's cash and cash equivalents decreased by \$1.9 million during 2025 due to a number of offsetting factors in each of the following 4 categories:

- Operating activities used \$6.2 million more primarily due to increases in payments to and on behalf of employees. This was due to filling previously vacant positions, wage increases under labor agreements, and a one-time cost-of-living adjustment payment. This was partially offset by decreases in payments to suppliers and students.
- Noncapital financing activities increased by \$13.9 million due to increases in property taxes, state appropriations and Pell grants of \$2.8 million, \$5.2 million and \$5.8 million, respectively.
- Capital and related financing activities used \$6.8 million more primarily due to an increase in capital equipment purchased and the absence of any state capital appropriations funding in fiscal 2025.
- Investing activities provided \$3.4 million less, primarily due to \$9.1 million more in purchases of investments, which is partially offset by \$5.6 million more in proceeds from sales and maturities.

### Fiscal Year 2024 Compared to 2023

The College's cash and cash equivalents increased slightly by \$0.6 million during 2024 due to a number of offsetting factors in each of the following 4 categories:

- Operating activities used \$7.1 million more primarily due to increases in payments to and on behalf of employees as vacant positions were filled, increases in employer retirement payments and decreases in cash for tuition and fees. This is offset by decreases in payments to suppliers and students and increases in auxiliary services and other income.
- Noncapital financing activities decreased slightly by \$0.2 million due to the federal HEERF funds being expended in fiscal year 2023, which is offset by increases in property taxes, state appropriations and Pell grants of \$2.9 million, \$2.7 million and \$1.1 million, respectively.
- Capital and related financing activities used \$21.9 million less primarily due to fewer capital equipment purchased and the completion of major capital projects in fiscal year 2023, plus receipt of \$3.6 million in state capital appropriations during fiscal 2024.
- Investing activities provided \$6.6 million less due to investing activities throughout the year that resulted in less sale and maturities of investments of \$36.9 million coupled with \$30.3 million less in purchase of investments.

# LANSING COMMUNITY COLLEGE

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Capital Assets and Debt Administration

Capital Assets at Net Book Value as of June 30, 2025, 2024, and 2023 are shown below (in millions):

|                                               | 2025            | 2024            | Increase<br>(Decrease)<br>2025-2024 | 2023            | Increase<br>(Decrease)<br>2024-2023 |
|-----------------------------------------------|-----------------|-----------------|-------------------------------------|-----------------|-------------------------------------|
| Land                                          | \$ 15.2         | \$ 15.2         | \$ -                                | \$ 15.2         | \$ -                                |
| Construction in progress                      | 2.8             | 0.4             | 2.4                                 | 0.3             | 0.1                                 |
| Buildings and<br>improvements                 | 299.5           | 296.2           | 3.3                                 | 295.0           | 1.2                                 |
| Furniture, fixtures and<br>equipment          | 106.4           | 104.8           | 1.6                                 | 101.7           | 3.1                                 |
| Infrastructure and land<br>improvements       | 7.8             | 7.8             | -                                   | 7.7             | 0.1                                 |
| Subscription-based IT<br>assets               | 11.3            | 8.9             | 2.4                                 | 6.7             | 2.2                                 |
| Lease assets                                  | -               | 2.8             | (2.8)                               | 2.8             | -                                   |
| Total capital assets                          | 443.0           | 436.1           | 6.9                                 | 429.4           | 6.7                                 |
| Less accumulated<br>depreciation/amortization | 217.2           | 209.9           | 7.3                                 | 199.4           | 10.5                                |
| <b>Capital assets, net</b>                    | <b>\$ 225.8</b> | <b>\$ 226.2</b> | <b>\$ (0.4)</b>                     | <b>\$ 230.0</b> | <b>\$ (3.8)</b>                     |

### Fiscal Year 2025 Compared to 2024

As of June 30, 2025, the College had \$443.0 million invested in capital assets, net of accumulated depreciation/amortization of \$217.2 million, resulting in \$225.8 million in net capital assets. This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, right to use subscription-based information technology assets and construction in progress. The total decrease in the College's net capital assets for the 2025 fiscal year is \$0.4 million. Annual depreciation and amortization for fiscal 2025 was \$12.9 million, which was offset by additions of \$12.9 million primarily due to \$2.0 million in equipment purchases, \$4.7 million in subscription-based information technology assets and \$6.0 million in construction in progress. There were \$5.9 million in disposals mainly consisting of \$2.8 million in lease assets and \$2.4 million in subscription-based information technology agreements.

# LANSING COMMUNITY COLLEGE

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Fiscal Year 2024 Compared to 2023

As of June 30, 2024, the College had \$436.1 million invested in capital assets, net of accumulated depreciation/amortization of \$209.9 million, resulting in \$226.2 million in net capital assets. This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, right to use lease assets, right to use subscription-based information technology assets and construction in progress. The total decrease in the College's net capital assets for the 2024 fiscal year is \$3.8 million. Annual depreciation and amortization for fiscal 2024 was \$12.7 million, which was offset by additions of \$8.8 million primarily due to \$3.1 million in equipment purchases, \$4.2 million in subscription-based information technology assets and \$1.4 million in construction in progress. There were \$2.2 million in disposals mainly attributable to subscription-based information technology agreements.

For more detailed information of capital assets activity, refer to Note 4, Capital Assets, within the notes to the financial statements section of this document.

Long-Term Debt Obligations as of June 30, 2025, 2024, and 2023 are shown below (in millions):

|                                                   | 2025           | 2024           | Increase<br>(Decrease)<br>2025-2024 | 2023           | Increase<br>(Decrease)<br>2024-2023 |
|---------------------------------------------------|----------------|----------------|-------------------------------------|----------------|-------------------------------------|
| 2015 refunding bonds                              | \$ 0.6         | \$ 1.3         | \$ (0.7)                            | \$ 2.5         | \$ (1.2)                            |
| 2016 refunding bonds                              | 0.9            | 1.7            | (0.8)                               | 2.6            | (0.9)                               |
| 2017 building & site bonds<br>(including premium) | 25.4           | 27.7           | (2.3)                               | 28.3           | (0.6)                               |
| 2019 building & site bonds<br>(including premium) | 39.9           | 40.8           | (0.9)                               | 41.8           | (1.0)                               |
| 2022 refunding bonds                              | 14.8           | 15.5           | (0.7)                               | 17.8           | (2.3)                               |
| Total long-term debt                              | 81.6           | 87.0           | (5.4)                               | 93.0           | (6.0)                               |
| Less current portion of<br>long-term debt         | (5.3)          | (5.0)          | (0.3)                               | (5.1)          | 0.1                                 |
| <b>Long-term portion</b>                          | <b>\$ 76.3</b> | <b>\$ 82.0</b> | <b>\$ (5.7)</b>                     | <b>\$ 87.9</b> | <b>\$ (5.9)</b>                     |

At fiscal year-end in 2025, the College had \$81.6 million in outstanding debt which included five outstanding bond issues. In February 2022, the College issued \$20.1 million in bonds to pay off the 2012 bond issue. The 2022 refunding bonds will be paid off in May 2032. In October 2019, the College issued new building and site bonds. The 2019 bond will be paid off in May 2049. The December 2017 bond issue refunded a portion of the 2012 bonds and included new funding for approved capital projects. The 2017 bond will be paid off in May 2037. The 2015 refunding bonds issued in May 2016 were to pay off the 2006 bond issue. The 2016 refunding bonds issued in May 2017 were to pay off the 2007 bond issue. Both the 2015 and 2016 refunding bonds will be paid off in May 2026.

# LANSING COMMUNITY COLLEGE

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For more detailed information on debt activity, refer to Note 6, Long-term Debt Obligations; for detailed information on lease obligations, refer to Note 9, Leases; for detailed information on subscription obligations, refer to Note 10, Subscription-Based Information Technology Agreements, within the notes to financial statements section of this document.

### Economic Factors That Will Affect the Future

In fiscal year 2002, Lansing Community College received more than \$32 million in state appropriations. Since that time, Michigan community colleges have experienced a continued decrease in state appropriations until fiscal year 2013. Beginning in fiscal year 2013, appropriations to community colleges began to increase. The amount received from the State of Michigan for community college operating appropriations in fiscal year 2025 was \$36.2 million. The state legislature continues to review the funding formula and process for determining appropriations for Michigan community colleges. The level of future funding to Lansing Community College may be adversely impacted by some proposed funding models.

The US economy is expected to exhibit growth in 2025 but at a slower rate than in 2024, and Michigan will grow at a slower rate than the US. The US unemployment rate and the Michigan rate are at 4.4% and 5.3%, respectively, however the Lansing, MI area has a slightly higher rate at 5.7%.

Property tax revenue to the College increased again in 2025 due to the impact of higher taxable values. Lansing Community College ranks 10th out of Michigan's 28 community colleges in terms of taxable value per Fiscal Year Equated Student (FYES). Property tax revenue is projected to continue with an increase in the subsequent fiscal year with continued increases in property values. Community colleges are currently receiving personal property tax replacement disbursements from the State's Local Community Stabilization Authority. The College received \$0.9 million in fiscal year 2025 as compared to \$1.0 million in fiscal year 2024.

The College faces continued increases in benefit costs. The College is required to contribute the full actuarial funding contribution amount to fund pension benefits, plus an additional amount to fund retiree healthcare benefits on a cash disbursement basis. The contribution requirements of plan members and the College are established by Michigan statute and may be amended only by action of the State Legislature. The rates for the years ended June 30, 2025 and 2024 as a percentage of payroll ranged from 31.54 to 41.94 and 37.85 to 48.23 percent, respectively. The rates for the upcoming State fiscal year starting October 1, 2025 range from 30.23 to 44.93 percent.

The College budgets approximately \$48.6 million in salaries and wages for General Fund employees who participate in MPSERS, therefore, each 1% increase in contribution rate equates to approximately \$486 thousand more in retirement contribution costs.

### Contacting the College's Financial Management

The financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the College's finances and to demonstrate the College's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Financial Services, Lansing Community College, 309 N. Washington Square, Suite 203, Lansing, Michigan 48933.

**LANSING COMMUNITY COLLEGE**
**STATEMENTS OF NET POSITION**

JUNE 30, 2025 AND JUNE 30, 2024

|                                                                    | Primary<br>Government -<br>College<br>2025 | Primary<br>Government -<br>College<br>2024 (Restated) | Component<br>Unit -<br>Foundation<br>2025 | Component<br>Unit -<br>Foundation<br>2024 |
|--------------------------------------------------------------------|--------------------------------------------|-------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| <b>Assets</b>                                                      |                                            |                                                       |                                           |                                           |
| <b>Current assets</b>                                              |                                            |                                                       |                                           |                                           |
| Cash and cash equivalents                                          | \$ 6,511,952                               | \$ 8,458,221                                          | \$ 767,694                                | \$ 695,043                                |
| Short-term investments                                             | 64,351,574                                 | 67,808,607                                            | 561,328                                   | 437,104                                   |
| Property taxes receivable, net                                     | 1,409,028                                  | 1,038,856                                             | -                                         | -                                         |
| State appropriations receivable                                    | 8,043,410                                  | 8,453,602                                             | -                                         | -                                         |
| Accounts receivable, net                                           | 1,789,081                                  | 2,309,470                                             | -                                         | -                                         |
| Federal and state grants receivable                                | 1,995,377                                  | 3,076,276                                             | -                                         | -                                         |
| Prepaid expenses and other assets                                  | 3,830,719                                  | 3,312,350                                             | 23,066                                    | 23,066                                    |
| Promises to give                                                   | -                                          | -                                                     | 6,000                                     | 11,000                                    |
| Due from component unit                                            | 30,820                                     | 16,196                                                | -                                         | -                                         |
| <b>Total current assets</b>                                        | <b>87,961,961</b>                          | <b>94,473,578</b>                                     | <b>1,358,088</b>                          | <b>1,166,213</b>                          |
| <b>Noncurrent assets</b>                                           |                                            |                                                       |                                           |                                           |
| Promises to give, net of current portion                           | -                                          | -                                                     | 31,061                                    | 36,998                                    |
| Long-term investments                                              | 5,007,812                                  | -                                                     | 23,542,934                                | 20,777,206                                |
| Capital assets not being depreciated                               | 17,962,401                                 | 15,504,547                                            | -                                         | -                                         |
| Capital assets being depreciated/amortized, net                    | 207,824,377                                | 210,655,699                                           | -                                         | -                                         |
| Net other postemployment benefits asset (Note 7)                   | 18,951,265                                 | 2,549,473                                             | -                                         | -                                         |
| <b>Total noncurrent assets</b>                                     | <b>249,745,855</b>                         | <b>228,709,719</b>                                    | <b>23,573,995</b>                         | <b>20,814,204</b>                         |
| <b>Total assets</b>                                                | <b>337,707,816</b>                         | <b>323,183,297</b>                                    | <b>24,932,083</b>                         | <b>21,980,417</b>                         |
| <b>Deferred outflows of resources</b>                              |                                            |                                                       |                                           |                                           |
| Deferred charge on refunding                                       | 1,273,184                                  | 1,455,068                                             | -                                         | -                                         |
| Deferred pension and OPEB amounts (Note 7)                         | 36,402,806                                 | 49,257,467                                            | -                                         | -                                         |
| <b>Total deferred outflows of resources</b>                        | <b>37,675,990</b>                          | <b>50,712,535</b>                                     | <b>-</b>                                  | <b>-</b>                                  |
| <b>Liabilities</b>                                                 |                                            |                                                       |                                           |                                           |
| <b>Current liabilities</b>                                         |                                            |                                                       |                                           |                                           |
| Accounts payable                                                   | 3,817,569                                  | 3,252,133                                             | 2,218                                     | 11,209                                    |
| Due to primary government                                          | -                                          | -                                                     | 30,820                                    | 16,196                                    |
| Accrued payroll and other compensation                             | 6,577,595                                  | 6,470,106                                             | -                                         | -                                         |
| Current compensated absences obligations                           | 3,852,762                                  | 3,842,292                                             | -                                         | -                                         |
| Accrued interest payable                                           | 469,131                                    | 500,155                                               | -                                         | -                                         |
| Unearned revenue                                                   | 3,433,895                                  | 3,880,502                                             | -                                         | -                                         |
| Current portion of subscription obligations                        | 2,175,395                                  | 1,758,549                                             | -                                         | -                                         |
| Current portion of lease obligations                               | -                                          | 430,358                                               | -                                         | -                                         |
| Current portion of debt obligations                                | 5,255,000                                  | 5,060,000                                             | -                                         | -                                         |
| <b>Total current liabilities</b>                                   | <b>25,581,347</b>                          | <b>25,194,095</b>                                     | <b>33,038</b>                             | <b>27,405</b>                             |
| <b>Noncurrent liabilities</b>                                      |                                            |                                                       |                                           |                                           |
| Long-term compensated absences obligations, net of current portion | 4,470,639                                  | 3,815,562                                             | -                                         | -                                         |
| Long-term subscription obligations, net of current portion         | 2,611,389                                  | 2,147,172                                             | -                                         | -                                         |
| Long-term lease obligations, net of current portion                | -                                          | 308,471                                               | -                                         | -                                         |
| Long-term debt obligations, net of current portion                 | 76,318,228                                 | 81,978,054                                            | -                                         | -                                         |
| Net pension liability (Note 7)                                     | 107,116,780                                | 143,514,579                                           | -                                         | -                                         |
| <b>Total noncurrent liabilities</b>                                | <b>190,517,036</b>                         | <b>231,763,838</b>                                    | <b>-</b>                                  | <b>-</b>                                  |
| <b>Total liabilities</b>                                           | <b>216,098,383</b>                         | <b>256,957,933</b>                                    | <b>33,038</b>                             | <b>27,405</b>                             |
| <b>Deferred inflows of resources</b>                               |                                            |                                                       |                                           |                                           |
| Deferred pension and OPEB amounts (Note 7)                         | 69,697,640                                 | 57,664,686                                            | -                                         | -                                         |
| <b>Net position (deficit)</b>                                      |                                            |                                                       |                                           |                                           |
| Net investment in capital assets (Note 12)                         | 140,387,595                                | 134,261,628                                           | -                                         | -                                         |
| Restricted:                                                        |                                            |                                                       |                                           |                                           |
| Restricted fund activities                                         | 3,012,461                                  | 457,988                                               | -                                         | -                                         |
| Capital projects                                                   | 3,544,440                                  | 3,593,200                                             | -                                         | -                                         |
| Net other postemployment benefits asset                            | 18,951,265                                 | 2,549,473                                             | -                                         | -                                         |
| Nonexpendable - endowments                                         | -                                          | -                                                     | 13,284,735                                | 12,863,472                                |
| Expendable - endowments, scholarships, and grants                  | -                                          | -                                                     | 10,700,474                                | 8,496,277                                 |
| Unrestricted (deficit) (Note 13)                                   | (76,307,978)                               | (81,589,076)                                          | 913,836                                   | 593,263                                   |
| <b>Total net position</b>                                          | <b>\$ 89,587,783</b>                       | <b>\$ 59,273,213</b>                                  | <b>\$ 24,899,045</b>                      | <b>\$ 21,953,012</b>                      |

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

# LANSING COMMUNITY COLLEGE

## STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED JUNE 30, 2025 AND JUNE 30, 2024

|                                                                                                                  | Primary<br>Government -<br>College<br>2025 | Primary<br>Government -<br>College<br>2024 (Restated) | Component<br>Unit -<br>Foundation<br>2025 | Component<br>Unit -<br>Foundation<br>2024 |
|------------------------------------------------------------------------------------------------------------------|--------------------------------------------|-------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| <b>Operating revenues</b>                                                                                        |                                            |                                                       |                                           |                                           |
| Tuition and fees (net of scholarship allowances of \$15,974,486 and \$12,064,658 in 2025 and 2024, respectively) | \$ 27,289,205                              | \$ 27,747,591                                         | \$ -                                      | \$ -                                      |
| Federal grants and contracts                                                                                     | 2,613,841                                  | 3,165,124                                             | -                                         | -                                         |
| State grants and contracts                                                                                       | 903,094                                    | 1,095,953                                             | -                                         | -                                         |
| Local grants and contracts                                                                                       | 5,548,891                                  | 5,744,225                                             | -                                         | -                                         |
| Sales and services of auxiliary activities                                                                       | 640,889                                    | 737,500                                               | -                                         | -                                         |
| Job training programs                                                                                            | 425,689                                    | 625,118                                               | -                                         | -                                         |
| Miscellaneous                                                                                                    | 903,585                                    | 1,216,400                                             | -                                         | -                                         |
| <b>Total operating revenues</b>                                                                                  | <b>38,325,194</b>                          | <b>40,331,911</b>                                     | <b>-</b>                                  | <b>-</b>                                  |
| <b>Operating expenses</b>                                                                                        |                                            |                                                       |                                           |                                           |
| Instruction                                                                                                      | 25,890,406                                 | 25,342,924                                            | -                                         | -                                         |
| Information technology                                                                                           | 11,046,084                                 | 10,082,603                                            | -                                         | -                                         |
| Public services                                                                                                  | 2,081,371                                  | 2,043,680                                             | -                                         | -                                         |
| Instructional support                                                                                            | 15,896,936                                 | 15,850,267                                            | -                                         | -                                         |
| Student services                                                                                                 | 19,534,557                                 | 17,231,761                                            | -                                         | -                                         |
| Institutional administration                                                                                     | 19,478,885                                 | 22,671,714                                            | -                                         | -                                         |
| Operation and maintenance of plant                                                                               | 17,184,252                                 | 17,036,306                                            | -                                         | -                                         |
| Depreciation and amortization                                                                                    | 12,903,080                                 | 12,660,243                                            | -                                         | -                                         |
| Foundation operations and fundraising                                                                            | -                                          | -                                                     | 781,387                                   | 746,589                                   |
| <b>Total operating expenses</b>                                                                                  | <b>124,015,571</b>                         | <b>122,919,498</b>                                    | <b>781,387</b>                            | <b>746,589</b>                            |
| <b>Operating loss</b>                                                                                            | <b>(85,690,377)</b>                        | <b>(82,587,587)</b>                                   | <b>(781,387)</b>                          | <b>(746,589)</b>                          |
| <b>Nonoperating revenues (expenses)</b>                                                                          |                                            |                                                       |                                           |                                           |
| State appropriations                                                                                             | 43,567,838                                 | 39,478,637                                            | -                                         | -                                         |
| Property tax levy                                                                                                | 54,633,090                                 | 51,553,499                                            | -                                         | -                                         |
| Pell Grant revenue                                                                                               | 17,664,940                                 | 11,854,667                                            | -                                         | -                                         |
| Investment return and other gains                                                                                | 3,246,782                                  | 3,312,337                                             | 2,897,893                                 | 2,379,633                                 |
| Interest on capital asset-related debt                                                                           | (3,107,703)                                | (3,174,762)                                           | -                                         | -                                         |
| Gifts                                                                                                            | -                                          | -                                                     | 1,073,849                                 | 1,171,806                                 |
| Payments to primary government                                                                                   | -                                          | -                                                     | (763,545)                                 | (734,004)                                 |
| <b>Net nonoperating revenues (expenses)</b>                                                                      | <b>116,004,947</b>                         | <b>103,024,378</b>                                    | <b>3,208,197</b>                          | <b>2,817,435</b>                          |
| <b>Change in net position before other revenues</b>                                                              | <b>30,314,570</b>                          | <b>20,436,791</b>                                     | <b>2,426,810</b>                          | <b>2,070,846</b>                          |
| <b>Other revenues</b>                                                                                            |                                            |                                                       |                                           |                                           |
| State capital appropriations                                                                                     | -                                          | 3,593,200                                             | -                                         | -                                         |
| Additions to permanent endowment funds                                                                           | -                                          | -                                                     | 519,223                                   | 466,387                                   |
| <b>Total other revenues</b>                                                                                      | <b>-</b>                                   | <b>3,593,200</b>                                      | <b>519,223</b>                            | <b>466,387</b>                            |
| <b>Change in net position</b>                                                                                    | <b>30,314,570</b>                          | <b>24,029,991</b>                                     | <b>2,946,033</b>                          | <b>2,537,233</b>                          |
| Net position, beginning of year, as previously reported                                                          | 59,273,213                                 | 39,393,168                                            | 21,953,012                                | 19,415,779                                |
| Restatement for change in accounting principle GASB 101 (Note 18)                                                | -                                          | (4,149,946)                                           | -                                         | -                                         |
| <b>Net position, beginning of year, as restated</b>                                                              | <b>59,273,213</b>                          | <b>35,243,222</b>                                     | <b>21,953,012</b>                         | <b>19,415,779</b>                         |
| <b>Net position, end of year</b>                                                                                 | <b>\$ 89,587,783</b>                       | <b>\$ 59,273,213</b>                                  | <b>\$ 24,899,045</b>                      | <b>\$ 21,953,012</b>                      |

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

# LANSING COMMUNITY COLLEGE

## STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2025 AND JUNE 30, 2024

|                                                                         | Primary<br>Government -<br>College<br>2025 | Primary<br>Government -<br>College<br>2024 (Restated) |
|-------------------------------------------------------------------------|--------------------------------------------|-------------------------------------------------------|
| <b>Cash flows from operating activities</b>                             |                                            |                                                       |
| Tuition and fees                                                        | \$ 27,348,363                              | \$ 26,307,711                                         |
| Grants and contracts                                                    | 10,146,725                                 | 9,030,014                                             |
| Payments to suppliers and students                                      | (12,954,723)                               | (20,754,488)                                          |
| Payments to or on behalf of employees                                   | (126,379,467)                              | (110,698,948)                                         |
| Auxiliary enterprise charges                                            | 1,159,420                                  | 1,251,327                                             |
| Other                                                                   | 1,717,627                                  | 2,069,214                                             |
| <b>Net change in cash from operating activities</b>                     | <b>(98,962,055)</b>                        | <b>(92,795,170)</b>                                   |
| <b>Cash flows from noncapital financing activities</b>                  |                                            |                                                       |
| Local property taxes                                                    | 54,262,918                                 | 51,436,029                                            |
| Pell Grant receipts                                                     | 17,664,940                                 | 11,854,667                                            |
| William D. Ford direct lending receipts                                 | 11,006,560                                 | 10,774,814                                            |
| William D. Ford direct lending disbursements                            | (11,006,560)                               | (10,774,814)                                          |
| Michigan Reconnect Expansion program receipts                           | 2,616,028                                  | 869,848                                               |
| Michigan Reconnect Expansion program disbursements                      | (2,616,028)                                | (869,848)                                             |
| State scholarship and grant receipts                                    | 9,740,819                                  | 5,786,040                                             |
| State scholarship and grant disbursements                               | (9,740,819)                                | (5,786,040)                                           |
| State appropriations                                                    | 43,978,030                                 | 38,825,949                                            |
| <b>Net change in cash from noncapital financing activities</b>          | <b>115,905,888</b>                         | <b>102,116,645</b>                                    |
| <b>Cash flows from capital and related financing activities</b>         |                                            |                                                       |
| Purchase of capital assets                                              | (7,913,097)                                | (4,675,974)                                           |
| State capital appropriations                                            | -                                          | 3,593,200                                             |
| Principal paid on subscriptions                                         | (3,792,652)                                | (3,245,834)                                           |
| Principal paid on leases                                                | (738,829)                                  | (678,425)                                             |
| Principal paid on capital debt                                          | (5,060,000)                                | (5,580,000)                                           |
| Proceeds from sales of capital assets                                   | 57,200                                     | 11,989                                                |
| Interest paid on capital asset-related debt, subscriptions and leases   | (3,138,727)                                | (3,197,870)                                           |
| <b>Net change in cash from capital and related financing activities</b> | <b>(20,586,105)</b>                        | <b>(13,772,914)</b>                                   |
| <b>Cash flows from investing activities</b>                             |                                            |                                                       |
| Proceeds from sales and maturities of investments                       | 78,824,396                                 | 73,260,849                                            |
| Interest on investments and other gains                                 | 198,372                                    | 116,415                                               |
| Purchases of investments                                                | (77,326,765)                               | (68,260,849)                                          |
| <b>Net change in cash from investing activities</b>                     | <b>1,696,003</b>                           | <b>5,116,415</b>                                      |
| <b>Net change in cash and cash equivalents</b>                          | <b>(1,946,269)</b>                         | <b>664,976</b>                                        |
| Cash and cash equivalents, beginning of year                            | 8,458,221                                  | 7,793,245                                             |
| <b>Cash and cash equivalents, end of year</b>                           | <b>\$ 6,511,952</b>                        | <b>\$ 8,458,221</b>                                   |

Noncash activity in fiscal 2025 and 2024 for the subscription-based information technology assets and related liability was \$4,673,715 and \$4,115,285, respectively.

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

## LANSING COMMUNITY COLLEGE

### STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2025 AND JUNE 30, 2024

|                                                                                             | Primary<br>Government -<br>College<br>2025 | Primary<br>Government -<br>College<br>2024 (Restated) |
|---------------------------------------------------------------------------------------------|--------------------------------------------|-------------------------------------------------------|
| <b>Reconciliation of operating loss to net change in cash from operating activities</b>     |                                            |                                                       |
| Operating loss                                                                              | \$ (85,690,377)                            | \$ (82,587,587)                                       |
| Adjustments to reconcile operating loss to<br>net change in cash from operating activities: |                                            |                                                       |
| Depreciation and amortization                                                               | 12,903,080                                 | 12,660,243                                            |
| Amortization of bond premium                                                                | (404,826)                                  | (404,826)                                             |
| Net change in loss on refunding                                                             | 181,884                                    | 181,884                                               |
| (Increase) decrease in operating assets and deferred outflows                               |                                            |                                                       |
| Accounts receivable, net                                                                    | 505,765                                    | (421,328)                                             |
| Federal and state grants receivable                                                         | 1,080,899                                  | (975,288)                                             |
| Prepaid expenses and other assets                                                           | (518,369)                                  | (983,495)                                             |
| Change in deferred outflows for pension and OPEB amounts                                    | 12,854,661                                 | 13,701,536                                            |
| Change in net OPEB asset                                                                    | (16,401,792)                               | (2,549,473)                                           |
| Increase (decrease) in operating liabilities and deferred inflows                           |                                            |                                                       |
| Accounts payable                                                                            | 565,436                                    | (827,492)                                             |
| Accrued payroll and other compensation                                                      | 107,489                                    | 814,671                                               |
| Compensated absences obligations                                                            | 665,547                                    | 209,609                                               |
| Unearned revenue                                                                            | (446,607)                                  | (1,018,552)                                           |
| Change in deferred inflows for pension and OPEB amounts                                     | 12,032,954                                 | 7,571,415                                             |
| Change in net pension and OPEB liability                                                    | (36,397,799)                               | (38,166,487)                                          |
| <b>Net change in cash from operating activities</b>                                         | <b>\$ (98,962,055)</b>                     | <b>\$ (92,795,170)</b>                                |

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

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### 1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of *Lansing Community College* (the "College") have been prepared in accordance with generally accepted accounting principles ("GAAP") as applicable to public colleges and universities as described in Governmental Accounting Standards Board ("GASB") Statement No. 35 and the *Manual for Uniform Financial Reporting—Michigan Public Community Colleges* (the "MUFR"). The College follows the "business-type" activities model of GASB Statement No. 35. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods and services. The College's functional expense classifications are in accordance with the guidance in the MUFR.

#### ***Reporting Entity***

Lansing Community College is a Michigan community college with its main campus located in Lansing, Michigan. The College is governed by a Board of Trustees consisting of seven members.

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 determined that Lansing Community College Foundation ("Foundation") meets the criteria of a component unit.

The Foundation is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fundraising organization to supplement the resources that are available to the College in support of its programs. The board of the Foundation is self-perpetuating and consists of friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon that the Foundation holds and invests, are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements. The College provides certain support and facilities to the Foundation.

During the years ended June 30, 2025 and 2024, the Foundation distributed \$763,545 and \$734,004, respectively, to the College for both restricted and unrestricted purposes. Complete financial statements prepared in accordance with accounting standards established by the Financial Accounting Standards Board for the Foundation can be obtained from the Administrative Office at 309 N. Washington, Suite 203, Lansing, Michigan, 48933.

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

#### ***Measurement Focus, Basis of Accounting and Financial Statement Presentation***

The financial statements have been prepared on the economic resource measurement focus and 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.

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### ***Cash and Cash Equivalents***

Cash and cash equivalents consist of demand deposits in banks, cash on hand, and highly liquid investments with an initial maturity of three months or less.

### ***Investments***

College investments must conform to State statutes governing investment of public funds and are limited to allowable investments as stated in the statute. College investments held at June 30, 2025 and June 30, 2024 include Insured Cash Sweep Account ("ICS"), Certificate of Deposit Account Registry Service ("CDARS"), US Treasury Notes, and Money Market Funds. All of these types of investments are recorded at the initial investment amount plus earned interest. The College also participates in an external investment pool with the Michigan Liquid Asset Fund ("MILAF"). In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the College's shares of the MILAF Term investments are recorded at fair value and measured at net asset value, and the MILAF Plus is carried at amortized cost. All of the College's investments are classified as short or long term investments based on the instrument's maturity date.

College investments recorded at fair value are determined by using quoted market prices. Realized and unrealized gains and losses from the securities in the investment accounts are allocated monthly based on the relationship of the estimated market value of each account to the total market value of the investment accounts, as adjusted for additions to or deductions from those accounts.

### ***Fair Value Measurements***

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants in the market in which the reporting entity transacts such sales or transfers based on the assumptions market participants would use when pricing an asset or liability. Assumptions are developed based on prioritizing information within a fair value hierarchy that gives the highest priority to quoted prices in active markets (level 1) and the lowest priority to unobservable data (level 3).

A description of each category in the fair value hierarchy is as follows:

- Level 1: Valuation is based upon quoted prices for identical instruments traded in active markets.
- Level 2: Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.
- Level 3: Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect the estimates of assumptions that market participants would use in pricing the asset or liability.

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

For a further discussion of fair value measurements, refer to Note 2 to the financial statements.

### ***Accounts Receivable***

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.

### ***Capital Assets***

Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. Donated assets are valued at their estimated acquisition value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related assets. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives as follows:

|                                                  |               |
|--------------------------------------------------|---------------|
| Buildings and improvements                       | 40 years      |
| Furniture and equipment                          | 5 - 20 years  |
| Infrastructure and improvements                  | 10 - 20 years |
| Subscription-based information technology assets | 2 - 7 years   |
| Lease assets                                     | 2 - 15 years  |

Buildings and major building improvements are depreciated using a 10% salvage value. The College's capitalization policy is to capitalize buildings/improvements exceeding \$150,000 and all other individual items exceeding \$5,000.

In accordance with GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, internally generated software costs have been recorded as an intangible asset and are included within the Infrastructure and improvements caption in Note 4.

In accordance with GASB Statement No. 87, *Leases*, the College records any noncancelable lease as a right to use asset that spans more than 12 months and exceeds \$150,000 over the life of the lease. Additional information can be found in Note 4.

In accordance with GASB Statement No. 96, *Subscription-based Information Technology Arrangements*, the College records any noncancelable arrangement as a right to use asset that spans more than 12 months and exceeds a cost of \$5,000 per year in the agreement. Additional information can be found in Note 4.

## LANSING COMMUNITY COLLEGE

### NOTES TO FINANCIAL STATEMENTS

#### ***Prepaid Expenses and Other Assets***

Expenses, such as insurance premiums, that are expected to be of benefit within the next fiscal year are included in prepaid expenses. Deposits paid for equipment not yet received are included in other assets.

#### ***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 future periods and so will not be recognized as an outflow of resources (expense) until then. The College reports a deferred outflow of resources for its deferred charge on refunding, which results from the difference in the carrying value of refunded debt and its reacquisition price. This deferred outflow is amortized over the shorter of the life of the refunded or refunding bonds. The College also reports deferred outflows of resources for certain pension and other post-employment benefits (OPEB) related amounts. More detailed information can be found in Note 7.

#### ***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 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. More detailed information can be found in Note 7.

#### ***Pension***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 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.

#### ***Other Postemployment Benefits***

For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB 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.

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### ***Revenue and Expense Recognition***

Operating revenues of the College consist of tuition and fees, grants and contracts, sales and services of educational activities and auxiliary enterprise revenues. Transactions related to capital and financing activities, noncapital financing activities, investing activities, State appropriations, property taxes, other non-exchange government grants, and Pell Grant revenue are components of nonoperating and other revenues. Operating expenses include the cost of services, administrative expenses, and depreciation and amortization on capital assets. All expenses not meeting this definition are reported as nonoperating expenses. For financial reporting purposes, restricted resources are deemed to be utilized first when both restricted and unrestricted resources are available to satisfy an expense.

Revenues received prior to year-end that are related to the next fiscal period are recorded as unearned revenues. Unearned revenue relates primarily to student tuition and fees on the summer semester and student deposits. The 2025 summer semester began May 19, 2025 and ended August 11, 2025. The 2024 summer semester began May 13, 2024 and ended August 9, 2024.

### ***Property Tax Levy***

Property taxes levied by the College are collected by various municipalities and periodically remitted to the College. The taxes are levied as of July 1 and December 1 and are due upon receipt of the billing by the taxpayer and become a lien on the first day of the levy year. The actual due dates are September 14 and February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity. Property tax revenues are recognized when levied to the extent that they are determined to be collectible. Property taxes receivable are recorded net of an allowance for uncollectible. For the years ended June 30, 2025 and 2024, the College levied 3.7692 mills per \$1,000 of assessed valuation for general operations.

### ***State Appropriations Revenue***

State appropriations revenue has been recorded in accordance with the MUFR.

### ***Internal Service Activities***

Both revenue and expenses related to internal service activities including print shops, office equipment, maintenance, telecommunications, and institutional services have been eliminated.

### ***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.

## LANSING COMMUNITY COLLEGE

### NOTES TO FINANCIAL STATEMENTS

*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.

#### ***Long-Term Obligations***

In the College's financial statements, long-term lease obligations, long-term subscription obligations and long-term debt obligations are reported as liabilities on the statements of net position. Bond premiums and discounts, as well as the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

#### ***Leases***

The College has noncancelable leases for grounds and buildings. The College recognizes a lease liability and an intangible right-to-use asset (lease asset) in the financial statements. The College recognizes lease liabilities with an initial individual value of \$150,000 or more. For the year ended June 30, 2025, the existing College leases had expired or been terminated.

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

Key estimates and judgements related to leases include how the College determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The College uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the College generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease 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 lease and will remeasure the lease asset and lease liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

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

The College has noncancelable subscription-based information technology agreements. These agreements are recognized with a subscription liability and an intangible right-to-use subscription asset in the financial statements. The College recognizes subscription liabilities with an initial value of at least a cost of \$5,000 per year in the agreement.

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 the subscription payments made. The 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 and judgements 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 for subscriptions. The subscription term includes the noncancelable 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.

### ***Sabbatical Leaves***

In accordance with the collective bargaining agreement between the College and its faculty, the College grants sabbatical leaves to various full-time instructors. The leaves are granted to enhance the professional competence of the instructors, who are required to return to the College for a period of one year. Compensation is recorded as an expense in the fiscal year that the leave is taken.

## NOTES TO FINANCIAL STATEMENTS

### *Use of Estimates*

The process of preparing basic financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts. Significant estimates include net pension and OPEB (assets) liabilities, and deferred outflows and inflows related to pension and OPEB amounts.

### *Foundation Reporting*

The Foundation is a private nonprofit organization that reports under Financial Accounting Standards Board (FASB) standards, including FASB Accounting Standards Codification (ASC) Topic 958 regarding financial reporting for not-for-profit entities. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting for these differences.

### *Reclassification*

Certain amounts as reported in the 2024 financial statements have been reclassified to conform with the 2025 presentation.

### *Change in Accounting Principle*

During fiscal 2025, the College adopted GASB Statement No. 101, *Compensated Absences*, on a retrospective basis. 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. Additional information can be found in Notes 11 and 18. The College recognized this liability as of July 1, 2023, resulting in a restatement of fiscal year 2024 amounts.

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### 2. DEPOSITS AND INVESTMENTS

Deposit and investment amounts are reported in the statements of net position at June 30 as follows:

| Type of Deposit and Investment                                      | 2025                 | 2024                 |
|---------------------------------------------------------------------|----------------------|----------------------|
| Cash and cash equivalents                                           | \$ 6,511,952         | \$ 8,458,221         |
| Short-term investments by fair value level:                         |                      |                      |
| Insured Cash Sweep (ICS) Account                                    | 8,595,148            | 1,357,803            |
| Certificate of Deposit Account Registry Service (CDARS)             | 18,055,810           | 25,499,037           |
| Money Market Funds                                                  | 20,021,023           | 19,113,182           |
| Total short-term investments by fair value level                    | 46,671,981           | 45,970,022           |
| Short-term investments measured at net asset value (NAV):           |                      |                      |
| MILAF Term                                                          | 10,394,992           | 10,000,000           |
| Short-term investments carried at amortized cost:                   |                      |                      |
| Michigan Liquid Asset Fund Plus (MILAF) – Money Market Mutual Funds | 7,284,601            | 11,838,585           |
| Total short-term investments                                        | 64,351,574           | 67,808,607           |
| Long-term investments at market value:                              |                      |                      |
| United States Treasury Note                                         | 5,007,812            | -                    |
| <b>Total Deposits and Investments</b>                               | <b>\$ 75,871,338</b> | <b>\$ 76,266,828</b> |

The MILAF Plus portfolio has a Standard & Poor's AAAm stable rating. The MILAF Term portfolio has a Fitch's AAAs rating.

#### ***Fair Value Measurements***

The following is a description of the valuation methodology used for assets recorded at fair value. The description includes an indication of the level of the fair value hierarchy in which the assets are classified.

**Investments in Entities that Calculate Net Asset Value per Share.** The College holds shares in the Michigan Liquid Asset Fund (MILAF) Term Series whereby the fair value of the investment is measured on a recurring basis using net asset value per share (or its equivalent) of the investment pool as a practical expedient.

The net asset value of the College's investment in the MILAF Term Series was \$10,394,992 and \$10,000,000 as of June 30, 2025 and 2024, respectively. The investment pool has no unfunded commitments and requires a minimum investment of \$100,000.

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

The MILAF Term Series provides a fixed rate, fixed-term investment with a minimum maturity of 60 days and a maximum maturity of one year. The pool allows the College to set a specific redemption date upon initiation of the investment. Early redemptions are permitted; however, an early redemption fee would apply. The investment pool includes investments which the College does not control.

The investment pool invests primarily in high quality money market instruments, including certificates of deposit, commercial paper, and U.S. government and agency obligations, to protect the investment principal and provide liquidity.

**United States Treasury Note.** The College holds a U.S. Treasury note. The fair value of this security is based on quoted market prices obtained from an independent pricing service.

The College has only level 1 issues as of June 30, 2025 and 2024.

The College has investments with the following recurring fair value measurements as of June 30, 2025 and 2024:

| 2025                                   | Level 1              | Level 2     | Level 3     | Total                |
|----------------------------------------|----------------------|-------------|-------------|----------------------|
| ICS & CDARS                            | \$ 26,650,958        | \$ -        | \$ -        | \$ 26,650,958        |
| Money Market                           | 20,021,023           | -           | -           | 20,021,023           |
| United States Treasury Note            | 5,007,812            | -           | -           | 5,007,812            |
| Subtotal                               | 51,679,793           | -           | -           | 51,679,793           |
| Investments measured at NAV:           |                      |             |             |                      |
| MILAF - Term                           |                      |             |             | 10,394,992           |
| <b>Total Investments at fair value</b> | <b>\$ 51,679,793</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 62,074,785</b> |
| 2024                                   | Level 1              | Level 2     | Level 3     | Total                |
| ICS & CDARS                            | \$ 26,856,840        | \$ -        | \$ -        | \$ 26,856,840        |
| Money Market                           | 19,113,182           | -           | -           | 19,113,182           |
| United States Treasury Note            | -                    | -           | -           | -                    |
| Subtotal                               | 45,970,022           | -           | -           | 45,970,022           |
| Investments measured at NAV:           |                      |             |             |                      |
| MILAF - Term                           |                      |             |             | 10,000,000           |
| <b>Total Investments at fair value</b> | <b>\$ 45,970,022</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 55,970,022</b> |

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

**Interest rate risk.** In accordance with its investment policy, the College will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates by: structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the College's cash requirements.

The College's investments have scheduled maturities as follows as of June 30:

| 2025                        | Less Than<br>One Year | One to<br>Five Years | Total                |
|-----------------------------|-----------------------|----------------------|----------------------|
| ICS & CDARS                 | \$ 26,650,958         | \$ -                 | \$ 26,650,958        |
| Money Market                | 27,305,624            | -                    | 27,305,624           |
| MILAF Term                  | 10,394,992            | -                    | 10,394,992           |
| United States Treasury Note | -                     | 5,007,812            | 5,007,812            |
| <b>Total Investments</b>    | <b>\$ 64,351,574</b>  | <b>\$ 5,007,812</b>  | <b>\$ 69,359,386</b> |

| 2024                        | Less Than<br>One Year | One to<br>Five Years | Total                |
|-----------------------------|-----------------------|----------------------|----------------------|
| ICS & CDARS                 | \$ 26,856,840         | \$ -                 | \$ 26,856,840        |
| Money Market                | 30,951,767            | -                    | 30,951,767           |
| MILAF Term                  | 10,000,000            | -                    | 10,000,000           |
| United States Treasury Note | -                     | -                    | -                    |
| <b>Total Investments</b>    | <b>\$ 67,808,607</b>  | <b>\$ -</b>          | <b>\$ 67,808,607</b> |

**Credit risk.** State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO). The College does not allow direct investment in corporate bonds and does not hold investment in commercial paper.

**Concentration of credit risk.** The College minimizes concentration of credit risk, which is the risk of loss attributed to the magnitude of the College's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

No more than \$25,000,000 shall be invested in any of the following:

1. The certificates of deposit, savings accounts, or share certificates of any one financial institution.
2. The bankers' acceptances of any one bank.
3. The commercial paper of any one issuer.

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

Investments in commercial paper rated prime 1, certificates of deposit, savings accounts, share certificates, or bankers' acceptances may not exceed 5% of the issuer's net worth at the time of purchase by the College. Investments in commercial paper rated prime 2 may not exceed 3% of the issuer's net worth at the time of purchase by the College.

The investment officer will attempt to match investments with anticipated cash flow requirements to prevent the need to sell securities before maturation.

**Custodial credit risk - deposits.** In the case of deposits, this is the risk that in the event of a bank or financial institution failure, the College's deposits may not be returned to it because the deposits were uninsured and uncollateralized. It is the policy of the College to minimize custodial credit risk whenever possible. At June 30, 2025, \$37,700,615 of the College's bank balance of \$71,301,299 was uninsured or uncollateralized. At June 30, 2024, \$40,951,767 of the College's bank balance of \$77,543,835 was uninsured or uncollateralized. The College had over \$25,000,000 in CDARS as of June 30, 2024. As of June 30, 2025, the College was under \$25,000,000 in CDARS. That investment vehicle collateralizes the College's balances by spreading certificates of deposit across multiple banks in insured values.

**Custodial credit risk - investments.** For an investment, 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.

The College will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer by: limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the College will do business.

**Foreign currency risk.** The College is not authorized to invest in investments which have this type of risk.

### 3. PROPERTY TAXES AND ACCOUNTS RECEIVABLE

Property taxes receivable, net at June 30 consists of the following:

| Property Taxes                         | 2025                | 2024                |
|----------------------------------------|---------------------|---------------------|
| Property taxes receivable              | \$ 7,038,691        | \$ 5,574,406        |
| Less allowance for doubtful collection | (5,629,663)         | (4,535,550)         |
| <b>Property taxes receivable, net</b>  | <b>\$ 1,409,028</b> | <b>\$ 1,038,856</b> |

Accounts receivable, net at June 30 consists of the following:

| Accounts Receivable                    | 2025                | 2024                |
|----------------------------------------|---------------------|---------------------|
| Accounts receivable                    | \$ 6,291,684        | \$ 7,072,095        |
| Less allowance for doubtful collection | (4,502,603)         | (4,762,625)         |
| <b>Accounts receivable, net</b>        | <b>\$ 1,789,081</b> | <b>\$ 2,309,470</b> |

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### 4. CAPITAL ASSETS

Capital assets activity for the years ended June 30, 2025 and 2024 follows:

| Capital Asset Activity                                           | Beginning<br>Balance<br>July 1, 2024 | Additions          | Transfers /<br>Deletions | Ending<br>Balance<br>June 30, 2025 |
|------------------------------------------------------------------|--------------------------------------|--------------------|--------------------------|------------------------------------|
| Assets not being depreciated:                                    |                                      |                    |                          |                                    |
| Land                                                             | \$ 15,147,861                        | \$ -               | \$ -                     | \$ 15,147,861                      |
| Construction in progress                                         | 356,686                              | 6,034,194          | (3,576,340)              | 2,814,540                          |
| Total capital assets<br>not being depreciated                    | 15,504,547                           | 6,034,194          | (3,576,340)              | 17,962,401                         |
| Capital assets being depreciated/amortized:                      |                                      |                    |                          |                                    |
| Buildings and improvements                                       | 296,210,243                          | -                  | 3,242,403                | 299,452,646                        |
| Furniture and equipment                                          | 104,808,951                          | 2,043,767          | (402,095)                | 106,450,623                        |
| Infrastructure and improvements                                  | 7,757,889                            | 37,178             | (16,068)                 | 7,778,999                          |
| Lease assets - ground                                            | 453,161                              | -                  | (453,161)                | -                                  |
| Lease assets - buildings                                         | 2,388,169                            | -                  | (2,388,169)              | -                                  |
| Subscription-based information<br>technology right-to-use assets | 8,932,364                            | 4,748,564          | (2,352,980)              | 11,327,948                         |
| Total capital assets being<br>depreciated/amortized              | 420,550,777                          | 6,829,509          | (2,370,070)              | 425,010,216                        |
| Less accumulated depreciation/amortization:                      |                                      |                    |                          |                                    |
| Buildings and improvements                                       | 103,107,632                          | 6,925,584          | -                        | 110,033,216                        |
| Furniture and equipment                                          | 95,828,600                           | 2,324,764          | (713,644)                | 97,439,720                         |
| Infrastructure and improvements                                  | 5,193,583                            | 258,028            | (12,835)                 | 5,438,776                          |
| Lease assets - ground                                            | 87,598                               | 57,092             | (144,690)                | -                                  |
| Lease assets - buildings                                         | 2,016,417                            | 371,752            | (2,388,169)              | -                                  |
| Subscription-based information<br>technology right-to-use assets | 3,661,248                            | 2,965,860          | (2,352,981)              | 4,274,127                          |
| Total accumulated depreciation/<br>amortization                  | 209,895,078                          | 12,903,080         | (5,612,319)              | 217,185,839                        |
| Capital assets being<br>depreciated/amortized, net               | 210,655,699                          | (6,073,571)        | 3,242,249                | 207,824,377                        |
| <b>Capital assets, net</b>                                       | <b>\$ 226,160,246</b>                | <b>\$ (39,377)</b> | <b>\$ (334,091)</b>      | <b>\$ 225,786,778</b>              |

The furniture and equipment asset transfer/deletion amount of \$(402,095) consists of a transfer of \$333,937 from construction in progress and placed into service, net of deletions in the amount of \$(736,032).

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

| Capital Asset Activity                                        | Beginning<br>Balance<br>July 1, 2023 | Additions             | Transfers /<br>Deletions | Ending<br>Balance<br>June 30, 2024 |
|---------------------------------------------------------------|--------------------------------------|-----------------------|--------------------------|------------------------------------|
| Assets not being depreciated:                                 |                                      |                       |                          |                                    |
| Land                                                          | \$ 15,147,861                        | \$ -                  | \$ -                     | \$ 15,147,861                      |
| Construction in progress                                      | 300,960                              | 1,417,531             | (1,361,805)              | 356,686                            |
| Total capital assets not being depreciated                    | 15,448,821                           | 1,417,531             | (1,361,805)              | 15,504,547                         |
| Capital assets being depreciated/amortized:                   |                                      |                       |                          |                                    |
| Buildings and improvements                                    | 294,999,860                          | -                     | 1,210,383                | 296,210,243                        |
| Furniture and equipment                                       | 101,714,884                          | 3,094,905             | (838)                    | 104,808,951                        |
| Infrastructure and improvements                               | 7,705,341                            | 52,548                | -                        | 7,757,889                          |
| Lease assets - ground                                         | 453,161                              | -                     | -                        | 453,161                            |
| Lease assets - buildings                                      | 2,388,169                            | -                     | -                        | 2,388,169                          |
| Subscription-based information technology right-to-use assets | 6,758,771                            | 4,240,467             | (2,066,874)              | 8,932,364                          |
| Total capital assets being depreciated/amortized              | 414,020,186                          | 7,387,920             | (857,329)                | 420,550,777                        |
| Less accumulated depreciation/amortization:                   |                                      |                       |                          |                                    |
| Buildings and improvements                                    | 96,201,484                           | 6,906,148             | -                        | 103,107,632                        |
| Furniture and equipment                                       | 93,523,057                           | 2,431,622             | (126,079)                | 95,828,600                         |
| Infrastructure and improvements                               | 4,924,404                            | 269,179               | -                        | 5,193,583                          |
| Lease assets - ground                                         | 58,455                               | 29,143                | -                        | 87,598                             |
| Lease assets - buildings                                      | 1,371,663                            | 644,754               | -                        | 2,016,417                          |
| Subscription-based information technology right-to-use assets | 3,348,725                            | 2,379,397             | (2,066,874)              | 3,661,248                          |
| Total accumulated depreciation/amortization                   | 199,427,788                          | 12,660,243            | (2,192,953)              | 209,895,078                        |
| Capital assets being depreciated/amortized, net               | 214,592,398                          | (5,272,323)           | 1,335,624                | 210,655,699                        |
| <b>Capital assets, net</b>                                    | <b>\$ 230,041,219</b>                | <b>\$ (3,854,792)</b> | <b>\$ (26,181)</b>       | <b>\$ 226,160,246</b>              |

The furniture and equipment asset transfer/deletion amount of \$(838) consists of a transfer of \$125,241 from construction in progress and placed into service, net of deletions in the amount of \$(126,079).

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### 5. UNEARNED REVENUE

Unearned revenue at June 30 consists of the following:

| Type of Unearned Revenue      | 2025                       | 2024                       |
|-------------------------------|----------------------------|----------------------------|
| Auxiliary services deposits   | \$ 80,139                  | \$ 59,416                  |
| Student tuition and fees      | 3,299,967                  | 2,800,317                  |
| Restricted funds              | 53,789                     | 1,020,769                  |
| <b>Total unearned revenue</b> | <b><u>\$ 3,433,895</u></b> | <b><u>\$ 3,880,502</u></b> |

### 6. LONG-TERM DEBT OBLIGATIONS

Long-term debt obligations activity related to bonds payable for the year ended June 30, 2025:

| Long-Term Debt Obligations                         | Beginning Balance           | Additions          | Reductions                 | Ending Balance              | Due Within One year        |
|----------------------------------------------------|-----------------------------|--------------------|----------------------------|-----------------------------|----------------------------|
| Bonds payable                                      | \$ 79,120,000               | \$ -               | \$ 5,060,000               | \$ 74,060,000               | <b><u>\$ 5,255,000</u></b> |
| Bond premium                                       | 7,918,054                   | -                  | 404,826                    | 7,513,228                   |                            |
| Total liability                                    | <b><u>\$ 87,038,054</u></b> | <b><u>\$ -</u></b> | <b><u>\$ 5,464,826</u></b> | 81,573,228                  |                            |
| Less current portion of long-term debt obligations |                             |                    |                            | 5,255,000                   |                            |
| Long-term debt obligations, net of current portion |                             |                    |                            | <b><u>\$ 76,318,228</u></b> |                            |

See Notes 9, 10 and 11 for disclosures related to lease, subscription-based information technology arrangement, and compensated absences obligations as of and for the years ended June 30, 2025 and 2024.

## LANSING COMMUNITY COLLEGE

### NOTES TO FINANCIAL STATEMENTS

Long-term debt obligations activity related to bonds payable for the year ended June 30, 2024:

| Long-Term Debt Obligations                         | Beginning Balance    | Additions   | Reductions          | Ending Balance       | Due Within One year |
|----------------------------------------------------|----------------------|-------------|---------------------|----------------------|---------------------|
| Bonds payable                                      | \$ 84,700,000        | \$ -        | \$ 5,580,000        | \$ 79,120,000        | <u>\$ 5,060,000</u> |
| Bond premium                                       | 8,322,880            | -           | 404,826             | 7,918,054            |                     |
| Total liability                                    | <u>\$ 93,022,880</u> | <u>\$ -</u> | <u>\$ 5,984,826</u> | 87,038,054           |                     |
| Less current portion of long-term debt obligations |                      |             |                     | <u>5,060,000</u>     |                     |
| Long-term debt obligations, net of current portion |                      |             |                     | <u>\$ 81,978,054</u> |                     |

The following is a summary of long-term debt obligations for the College as of June 30:

| Bond Issues                                                                                                                                                                   | 2025       | 2024         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--------------|
| 2015 limited tax refunding bonds original balance of \$7,395,000, due in annual installments of \$640,000 to \$845,000 through May 1, 2026 plus interest at 2.20%             | \$ 630,000 | \$ 1,250,000 |
| 2016 limited tax refunding bonds original balance of \$7,725,000, due in annual installments of \$85,000 to \$870,000 through May 1, 2026 plus interest at 2.140%             | 870,000    | 1,735,000    |
| 2017 building and site and refunding bonds original balance of \$27,545,000, due in installments of \$85,000 to \$4,435,000 through May 1, 2037 plus interest at 3.0% to 5.0% | 23,185,000 | 25,295,000   |
| 2019 building and site bonds original balance of \$38,030,000, due in installments of \$620,000 to \$2,225,000 through May 1, 2049 plus interest at 3.0% to 5.0%              | 34,600,000 | 35,355,000   |

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

| Bond Issues                                                                                                                                                                           | 2025                 | 2024                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| 2022 limited tax refunding bonds original balance of \$20,110,000, due in installments beginning in May, 2023 of \$710,000 to \$4,330,000 through May 1, 2032 plus interest at 1.513% | \$ 14,775,000        | \$ 15,485,000        |
| Total bond issues                                                                                                                                                                     | 74,060,000           | 79,120,000           |
| Plus: premium on bonds                                                                                                                                                                | 7,513,228            | 7,918,054            |
| <b>Total long-term debt obligations</b>                                                                                                                                               | <b>\$ 81,573,228</b> | <b>\$ 87,038,054</b> |

Scheduled principal and interest requirements of debt obligations for years succeeding June 30, 2025 are summarized as follows:

| Fiscal Year Ending June 30       | Principal            | Interest             | Total                 |
|----------------------------------|----------------------|----------------------|-----------------------|
| 2026                             | \$ 5,255,000         | \$ 2,814,787         | \$ 8,069,787          |
| 2027                             | 5,410,000            | 2,680,861            | 8,090,861             |
| 2028                             | 5,530,000            | 2,559,083            | 8,089,083             |
| 2029                             | 5,650,000            | 2,433,569            | 8,083,569             |
| 2030                             | 5,910,000            | 2,182,626            | 8,092,626             |
| 2031-2035                        | 19,325,000           | 7,416,881            | 26,741,881            |
| 2036-2040                        | 9,455,000            | 4,474,038            | 13,929,038            |
| 2041-2045                        | 9,000,000            | 2,474,500            | 11,474,500            |
| 2046-2049                        | 8,525,000            | 648,600              | 9,173,600             |
| Total                            | 74,060,000           | 27,684,945           | 101,744,945           |
| Premium on bonds                 | 7,513,228            | -                    | 7,513,228             |
| <b>Total as of June 30, 2025</b> | <b>\$ 81,573,228</b> | <b>\$ 27,684,945</b> | <b>\$ 109,258,173</b> |

## LANSING COMMUNITY COLLEGE

### NOTES TO FINANCIAL STATEMENTS

Scheduled principal and interest requirements of debt obligations for years succeeding June 30, 2024 are summarized as follows:

| Fiscal Year Ending June 30       | Principal                   | Interest                    | Total                        |
|----------------------------------|-----------------------------|-----------------------------|------------------------------|
| 2025                             | \$ 5,060,000                | \$ 3,000,930                | \$ 8,060,930                 |
| 2026                             | 5,255,000                   | 2,814,787                   | 8,069,787                    |
| 2027                             | 5,410,000                   | 2,680,861                   | 8,090,861                    |
| 2028                             | 5,530,000                   | 2,559,083                   | 8,089,083                    |
| 2029                             | 5,650,000                   | 2,433,569                   | 8,083,569                    |
| 2030-2034                        | 22,895,000                  | 8,414,394                   | 31,309,394                   |
| 2035-2039                        | 10,245,000                  | 4,915,501                   | 15,160,501                   |
| 2040-2044                        | 8,570,000                   | 2,903,000                   | 11,473,000                   |
| 2045-2049                        | 10,505,000                  | 963,750                     | 11,468,750                   |
| Total                            | 79,120,000                  | 30,685,875                  | 109,805,875                  |
| Premium on bonds                 | 7,918,054                   | -                           | 7,918,054                    |
| <b>Total as of June 30, 2024</b> | <b><u>\$ 87,038,054</u></b> | <b><u>\$ 30,685,875</u></b> | <b><u>\$ 117,723,929</u></b> |

Interest is payable semi-annually on the bonds payable. The principal and interest are generally payable from the College's nonoperating revenues. Certain bonds are callable at par and accrue interest plus a premium. Total interest charged to expense for bonds payable for the years ended June 30, 2025 and 2024 was \$2,969,906 and \$3,107,050, respectively.

#### Bond Defeasance

In August 2023, the College issued a bond defeasance for a portion of the remaining amount on the 2015 obligation limited tax bonds. The total bond principal defeased was \$635,000, which had a slight loss of \$4,500. At June 30, 2024, \$430,000 of the series 2015 bonds outstanding were considered defeased. The defeased bonds were called on May 1, 2025. As of June 30, 2025, the College had no defeased bonds.

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### 7. EMPLOYEE RETIREMENT SYSTEM

#### Defined Benefit Plan

*Plan Description.* The College contributes to the Michigan Public School Employees Retirement System (the "System" or MPERS), a cost-sharing multi-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, [www.michigan.gov/orsschools](http://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 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.

### NOTES TO FINANCIAL STATEMENTS

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.

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.

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

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 Contributions        | 0.00%         | 13.90% - 20.96% |

Statutorily required contributions to the pension plan from the College were \$18,586,072, \$18,167,888, and \$16,029,210 for the years ended June 30, 2025, 2024, and 2023, respectively. In addition, during fiscal year 2025, the College received \$1,115,574 of State 147c(2) payments which were required to be remitted to the MPSERS pension plan, for a total required contribution to the plan of \$19,701,646. During fiscal year 2023, the College received \$4,614,951 of State 147c(2) payments which were required to be remitted to the MPSERS pension plan, for a total required contribution to the plan of \$20,644,161. No such payment was received in fiscal 2024.

## LANSING COMMUNITY COLLEGE

### 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 \$1,188,727, \$3,926,049, and \$3,775,314 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 \$691,890, \$571,072, and \$524,167, 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 \$107,116,780 and \$143,514,579, respectively, for its proportionate share of the MPERS 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 0.43753%, which was a decrease of 0.00588% points from its proportion measured as of September 30, 2023 of 0.44341%.

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2025, the College recognized pension expense of \$2,938,658. 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<br>Outflow of<br>Resources | Deferred<br>Inflow of<br>Resources | Net Deferred<br>Outflows<br>(Inflows) of<br>Resources |
|--------------------------------------------------------------------------------------------------------------------|-------------------------------------|------------------------------------|-------------------------------------------------------|
| Changes in assumptions                                                                                             | \$ 11,167,559                       | \$ 7,848,272                       | \$ 3,319,287                                          |
| Differences between expected and<br>actual experience                                                              | 2,906,154                           | 1,163,838                          | 1,742,316                                             |
| Change in proportion and differences<br>between employer contributions and<br>proportionate share of contributions | 75,468                              | 7,977,323                          | (7,901,855)                                           |
| Net difference between projected and<br>actual earnings on pension plan investments                                | -                                   | 20,442,422                         | (20,442,422)                                          |
| Total                                                                                                              | 14,149,181                          | 37,431,855                         | (23,282,674)                                          |
| Pension portion of Sec 147c state aid award<br>subsequent to the measurement date                                  | -                                   | 6,146,963                          | (6,146,963)                                           |
| College contributions subsequent to the<br>measurement date                                                        | 17,634,875                          | -                                  | 17,634,875                                            |
| <b>Total</b>                                                                                                       | <b>\$ 31,784,056</b>                | <b>\$ 43,578,818</b>               | <b>\$ (11,794,762)</b>                                |

The amount reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year 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 appropriation 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:

| Fiscal Year Ended June 30, | Amount                 |
|----------------------------|------------------------|
| 2026                       | \$ (7,743,261)         |
| 2027                       | (1,650,320)            |
| 2028                       | (8,382,477)            |
| 2029                       | (5,506,616)            |
| <b>Total</b>               | <b>\$ (23,282,674)</b> |

## LANSING COMMUNITY COLLEGE

### NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2024, the College recognized pension expense of \$11,513,636. 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<br>Outflow of<br>Resources | Deferred<br>Inflow of<br>Resources | Net Deferred<br>Outflows<br>(Inflows) of<br>Resources |
|--------------------------------------------------------------------------------------------------------------------|-------------------------------------|------------------------------------|-------------------------------------------------------|
| Changes in assumptions                                                                                             | \$ 19,446,879                       | \$ 11,212,628                      | \$ 8,234,251                                          |
| Differences between expected and<br>actual experience                                                              | 4,530,317                           | 219,842                            | 4,310,475                                             |
| Change in proportion and differences<br>between employer contributions and<br>proportionate share of contributions | 108,605                             | 11,953,532                         | (11,844,927)                                          |
| Net difference between projected and<br>actual earnings on pension plan investments                                | -                                   | 2,936,773                          | (2,936,773)                                           |
| Total                                                                                                              | 24,085,801                          | 26,322,775                         | (2,236,974)                                           |
| Pension portion of Sec 147c state aid award<br>subsequent to the measurement date                                  | -                                   | 8,542,131                          | (8,542,131)                                           |
| College contributions subsequent to the<br>measurement date                                                        | 16,334,328                          | -                                  | 16,334,328                                            |
| Total                                                                                                              | <u>\$ 40,420,129</u>                | <u>\$ 34,864,906</u>               | <u>\$ 5,555,223</u>                                   |

#### OPEB (Asset) Liability, 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 \$(18,951,265) and \$(2,549,473), respectively, for its proportionate share of the MPSERS net OPEB (asset) liability. The net OPEB (asset) liability was measured as of September 30, 2024 and 2023, and the total OPEB (asset) liability used to calculate the net OPEB (asset) liability was determined by an actuarial valuation rolled forward from September 30, 2023 and 2022. The College's proportion of the net OPEB (asset) liability was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2024, the College's proportion was 0.44028%, which was a decrease of 0.01040% points from its proportion measured as of September 30, 2023 of 0.45068%.

## LANSING COMMUNITY COLLEGE

### NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2025, the College recognized a reduction to OPEB expense of \$7,969,723. 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<br>Outflow of<br>Resources | Deferred<br>Inflow of<br>Resources | Net Deferred<br>Outflows<br>(Inflows) of<br>Resources |
|--------------------------------------------------------------------------------------------------------------------|-------------------------------------|------------------------------------|-------------------------------------------------------|
| Changes in assumptions                                                                                             | \$ 4,139,229                        | \$ 475,770                         | \$ 3,663,459                                          |
| Differences between expected and<br>actual experience                                                              | -                                   | 20,082,554                         | (20,082,554)                                          |
| Net difference between projected and<br>actual earnings on OPEB plan investments                                   | -                                   | 3,587,692                          | (3,587,692)                                           |
| Change in proportion and differences<br>between employer contributions and<br>proportionate share of contributions | 126,070                             | 1,972,806                          | (1,846,736)                                           |
| Total                                                                                                              | 4,265,299                           | 26,118,822                         | (21,853,523)                                          |
| College contributions subsequent to the<br>measurement date                                                        | 353,451                             | -                                  | 353,451                                               |
| <b>Total</b>                                                                                                       | <b>\$ 4,618,750</b>                 | <b>\$ 26,118,822</b>               | <b>\$ (21,500,072)</b>                                |

The amount reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as an addition 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:

| Fiscal Year Ended June 30, | Amount                 |
|----------------------------|------------------------|
| 2026                       | \$ (7,386,491)         |
| 2027                       | (4,457,398)            |
| 2028                       | (4,113,429)            |
| 2029                       | (3,583,997)            |
| 2030                       | (1,945,484)            |
| Thereafter                 | (366,724)              |
| <b>Total</b>               | <b>\$ (21,853,523)</b> |

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2024, the College recognized a reduction to OPEB expense of \$5,686,559. 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<br>Outflow of<br>Resources | Deferred<br>Inflow of<br>Resources | Net Deferred<br>Outflows<br>(Inflows) of<br>Resources |
|--------------------------------------------------------------------------------------------------------------------|-------------------------------------|------------------------------------|-------------------------------------------------------|
| Changes in assumptions                                                                                             | \$ 5,675,571                        | \$ 683,446                         | \$ 4,992,125                                          |
| Differences between expected and<br>actual experience                                                              | -                                   | 19,265,125                         | (19,265,125)                                          |
| Net difference between projected and<br>actual earnings on OPEB plan investments                                   | 7,773                               | -                                  | 7,773                                                 |
| Change in proportion and differences<br>between employer contributions and<br>proportionate share of contributions | 35,812                              | 2,851,209                          | (2,815,397)                                           |
| Total                                                                                                              | 5,719,156                           | 22,799,780                         | (17,080,624)                                          |
| College contributions subsequent to the<br>measurement date                                                        | 3,118,182                           | -                                  | 3,118,182                                             |
| <b>Total</b>                                                                                                       | <b>\$ 8,837,338</b>                 | <b>\$ 22,799,780</b>               | <b>\$ (13,962,442)</b>                                |

*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, respectively) 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%                                             |
| Projected salary increase    | 2.75% - 11.55%, including wage inflation at 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%                                             |
| Cost of living adjustment    | 3% annual, non-compounded for MIP members         |

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

|                                 |                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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.

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

*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%.

*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 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%                                  |
| Total allocation                     | 100.00%           |                                        | 5.60%                                  |
| Inflation                            |                   |                                        | 2.30%                                  |
| Risk adjustment                      |                   |                                        | -1.90%                                 |
| <b>Investment rate of return</b>     |                   |                                        | <b>6.00%</b>                           |

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### OPEB

| 2024 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%                                  |
| Total allocation                     | <u>100.00%</u>    |                                        | <u>5.57%</u>                           |
| Inflation                            |                   |                                        | 2.30%                                  |
| Risk adjustment                      |                   |                                        | <u>-1.87%</u>                          |
| Investment rate of return            |                   |                                        | <u><u>6.00%</u></u>                    |

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### Pension and OPEB

| 2023 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%                                  |
| Total allocation                     | <u>100.00%</u>    |                                        | <u>5.60%</u>                           |
| Inflation                            |                   |                                        | 2.70%                                  |
| Risk adjustment                      |                   |                                        | -2.30%                                 |
| Investment rate of return            |                   |                                        | <u>6.00%</u>                           |

### 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.

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### Discount Rate

For the fiscal years ended September 30, 2024 and 2023, a discount rate of 6.00% was used to measure the total pension and OPEB (assets) 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 (assets) liabilities.

### Sensitivity of the College's Proportionate Share of 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<br>(5.00%) | Current<br>Discount Rate<br>(6.00%) | 1% Increase<br>(7.00%) |
|---------------------|------------------------|-------------------------------------|------------------------|
| As of June 30, 2025 |                        |                                     |                        |

|                                                           |                |                |               |
|-----------------------------------------------------------|----------------|----------------|---------------|
| College's proportionate share<br>of net pension liability | \$ 157,034,350 | \$ 107,116,780 | \$ 65,550,798 |
|-----------------------------------------------------------|----------------|----------------|---------------|

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<br>(5.00%) | Current<br>Discount Rate<br>(6.00%) | 1% Increase<br>(7.00%) |
|---------------------|------------------------|-------------------------------------|------------------------|
| As of June 30, 2024 |                        |                                     |                        |

|                                                           |                |                |                |
|-----------------------------------------------------------|----------------|----------------|----------------|
| College's proportionate share<br>of net pension liability | \$ 193,887,775 | \$ 143,514,579 | \$ 101,577,071 |
|-----------------------------------------------------------|----------------|----------------|----------------|

## LANSING COMMUNITY COLLEGE

### NOTES TO FINANCIAL STATEMENTS

#### Sensitivity of College's Proportionate Share of the Net OPEB (Asset) Liability 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:

| As of June 30, 2025 | 1% Decrease<br>(5.00%) | Current<br>Discount Rate<br>(6.00%) | 1% Increase<br>(7.00%) |
|---------------------|------------------------|-------------------------------------|------------------------|
|---------------------|------------------------|-------------------------------------|------------------------|

|                                                      |                 |                 |                 |
|------------------------------------------------------|-----------------|-----------------|-----------------|
| College's proportionate share<br>of net OPEB (asset) | \$ (14,645,694) | \$ (18,951,265) | \$ (22,673,886) |
|------------------------------------------------------|-----------------|-----------------|-----------------|

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:

| As of June 30, 2024 | 1% Decrease<br>(5.00%) | Current<br>Discount Rate<br>(6.00%) | 1% Increase<br>(7.00%) |
|---------------------|------------------------|-------------------------------------|------------------------|
|---------------------|------------------------|-------------------------------------|------------------------|

|                                                                |              |                |                |
|----------------------------------------------------------------|--------------|----------------|----------------|
| College's proportionate share<br>of net OPEB (asset) liability | \$ 2,643,038 | \$ (2,549,473) | \$ (7,011,926) |
|----------------------------------------------------------------|--------------|----------------|----------------|

#### Sensitivity of College's Proportionate Share of the Net OPEB (Asset) Liability to Changes in the 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:

| As of June 30, 2025 | 1% Decrease | Current<br>Healthcare<br>Cost Trend | 1% Increase |
|---------------------|-------------|-------------------------------------|-------------|
|---------------------|-------------|-------------------------------------|-------------|

|                                                      |                 |                 |                 |
|------------------------------------------------------|-----------------|-----------------|-----------------|
| College's proportionate share<br>of net OPEB (asset) | \$ (22,673,927) | \$ (18,951,265) | \$ (14,958,731) |
|------------------------------------------------------|-----------------|-----------------|-----------------|

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

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) liability 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:

| As of June 30, 2024                                            | 1% Decrease    | Current<br>Healthcare<br>Cost Trend | 1% Increase  |
|----------------------------------------------------------------|----------------|-------------------------------------|--------------|
| College's proportionate share<br>of net OPEB (asset) liability | \$ (7,023,052) | \$ (2,549,473)                      | \$ 2,292,407 |

### *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](http://www.michigan.gov/orsschools).

### *Payable to the Pension Plan*

At June 30, 2025, the College reported a payable of \$1,268,812 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 \$1,778,135 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 \$10,477 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 \$85,793 for the outstanding amount of OPEB contributions to the Plan required for the year ended June 30, 2024.

## 8. OPTIONAL RETIREMENT PROGRAM

### **Plan Description**

The College has adopted the Lansing Community College Optional Retirement Plan (ORP) under IRS Code Section 403(A). This defined contribution plan is administered by Teachers Insurance and Annuity Association (TIAA) and provides retirement benefits to participants. The ORP was established pursuant to Public Act No. 296 of 1994 and permits full-time faculty and administrative staff of the College to elect an optional retirement plan in lieu of coverage under MPSERS. The Plan had 182 and 171 participants at June 30, 2025 and 2024, respectively.

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### Funding Policy

The contribution requirements of plan members and the College are established by the plan document as 4.3% and 12.0% of MPSERS compensation, respectively. Institutional plan contributions will only be made for participants who have authorized the required participant plan contribution. Participant contributions are fully vested and non-forfeitable when made. Institutional contributions vest after two years of continuous full-time service as interpreted under MPSERS guidelines. The participant and College contributions to ORP for the year ended June 30, 2025 were \$667,890 and \$1,863,880, respectively. The participant and College contributions to ORP for the year ended June 30, 2024 were \$638,395 and \$1,781,569, respectively.

### 9. LEASES

The College was involved in two agreements as a lessee that qualified as long-term lease agreements. The building lease expired as of June 30, 2025 and the ground lease was terminated as of May 31, 2025. These agreements qualified as intangible, right-to-use assets and not financed purchases, as the College did not own the asset at the end of the contract term and the noncancelable term of the agreement surpasses one year. The present values were discounted using an interest rate of between 1.513% and 3.489% based on the estimated borrowing rate of the College at the time the lease commenced.

Detailed information regarding the assets acquired and disposed through June 30, 2025 can be referenced in Note 4 Capital Assets.

For fiscal years ended June 30, 2025 and 2024, total interest charged to expense for lease obligations was \$30,993 and \$23,074, respectively.

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

| Lease Liability | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|-----------------|-------------------|-----------|------------|----------------|---------------------|
| Leases payable  | \$ 738,829        | \$ -      | \$ 738,829 | \$ -           | \$ -                |

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

| Lease Liability | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|-----------------|-------------------|-----------|------------|----------------|---------------------|
| Leases payable  | \$ 1,417,254      | \$ -      | \$ 678,425 | \$ 738,829     | \$ 430,358          |

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

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### 10. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY AGREEMENTS

The College is involved in sixty-six agreements as a subscriber that qualify as long-term subscription-based information technology ("SBITA") agreements. 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 an interest rate of between 0.285% and 3.764% based on the estimated borrowing rate of the College at the time the subscription commenced.

| Asset Type          | Remaining Term of Agreements |
|---------------------|------------------------------|
| Subscription assets | 1-4 years                    |

Detailed information regarding the assets acquired and disposed through June 30, 2025 can be referenced in Note 4 Capital Assets.

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

| Year Ended<br>June 30 | Principal           | Interest          |
|-----------------------|---------------------|-------------------|
| 2026                  | \$ 2,175,395        | \$ 125,620        |
| 2027                  | 1,078,418           | 65,902            |
| 2028                  | 924,433             | 38,647            |
| 2029                  | 608,538             | 14,769            |
| <b>Total</b>          | <b>\$ 4,786,784</b> | <b>\$ 244,938</b> |

For fiscal years ended June 30, 2025 and 2024, total interest charged to expense for subscription-based agreement obligations was \$106,804 and \$44,638, respectively.

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

| Subscription<br>Liability | Beginning<br>Balance | Additions    | Reductions   | Ending<br>Balance | Due Within<br>One Year |
|---------------------------|----------------------|--------------|--------------|-------------------|------------------------|
| Subscriptions<br>payable  | \$ 3,905,721         | \$ 4,673,715 | \$ 3,792,652 | \$ 4,786,784      | \$ 2,175,395           |

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

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

| Subscription Liability | Beginning Balance | Additions    | Reductions   | Ending Balance | Due Within One Year |
|------------------------|-------------------|--------------|--------------|----------------|---------------------|
| Subscriptions payable  | \$ 3,036,270      | \$ 4,115,285 | \$ 3,245,834 | \$ 3,905,721   | \$ 1,758,549        |

### 11. COMPENSATED ABSENCES

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

| Compensated Absences Liability | Beginning Balance | Additions  | Reductions | Ending Balance | Due Within One year |
|--------------------------------|-------------------|------------|------------|----------------|---------------------|
| Compensated absences payable   | \$ 7,657,854      | \$ 665,547 | \$ -       | \$ 8,323,401   | \$ 3,852,762        |

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

| Compensated Absences Liability | Beginning Balance* | Additions  | Reductions | Ending Balance | Due Within One year |
|--------------------------------|--------------------|------------|------------|----------------|---------------------|
| Compensated absences payable   | \$ 7,448,245       | \$ 209,609 | \$ -       | \$ 7,657,854   | \$ 3,842,292        |

\* The College implemented the provisions of GASB Statement No. 101, *Compensated Absences*, as of July 1, 2023. In accordance with this statement, an additional liability in the amount of \$4,149,946 has been added to the beginning balance as of July 1, 2023.

The change in compensated absences above is a net change for the year.

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### 12. NET INVESTMENT IN CAPITAL ASSETS

The composition of the College's net investment in capital assets at June 30 was as follows:

|                                                 | 2025                         | 2024                         |
|-------------------------------------------------|------------------------------|------------------------------|
| Capital assets:                                 |                              |                              |
| Capital assets not being depreciated            | \$ 17,962,401                | \$ 15,504,547                |
| Capital assets being depreciated/amortized, net | 207,824,377                  | 210,655,699                  |
| Total capital assets                            | <u>225,786,778</u>           | <u>226,160,246</u>           |
| Related debt:                                   |                              |                              |
| Lease and subscription liabilities              | 4,786,784                    | 4,644,550                    |
| Bonds payable                                   | 74,060,000                   | 79,120,000                   |
| Bond premium                                    | 7,513,228                    | 7,918,054                    |
| Retainage payable                               | 312,355                      | 1,671,082                    |
| Less: Deferred charge on bond refunding         | (1,273,184)                  | (1,455,068)                  |
| Total related debt                              | <u>85,399,183</u>            | <u>91,898,618</u>            |
| <b>Net investment in capital assets</b>         | <b><u>\$ 140,387,595</u></b> | <b><u>\$ 134,261,628</u></b> |

### 13. UNRESTRICTED NET DEFICIT

The components of the College's unrestricted net deficit at June 30 are as follows:

| Unrestricted Net Deficit                  | 2025                          | 2024<br>(Restated)            |
|-------------------------------------------|-------------------------------|-------------------------------|
| Auxiliary activities                      | \$ 2,208,262                  | \$ 2,178,514                  |
| Encumbrances                              | 342,850                       | 293,498                       |
| Plant improvements                        | 20,698,106                    | 28,414,903                    |
| Pension and OPEB liabilities fund deficit | (140,411,614)                 | (151,921,798)                 |
| Board of Trustees designated purposes     | 7,161,543                     | 7,471,895                     |
| Undesignated                              | <u>33,692,875</u>             | <u>31,973,912</u>             |
| <b>Total unrestricted net deficit</b>     | <b><u>\$ (76,307,978)</u></b> | <b><u>\$ (81,589,076)</u></b> |

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### 14. RISK MANAGEMENT

The College is exposed to various risks of loss related to property loss, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The College participates in the Middle Cities Risk Management Pool for claims relating to auto, property, and liability; the College is separately insured for medical benefits provided to employees' claims. The Middle Cities Risk Management Trust (the "Trust") provides a single multi-peril contract under which the members are covered for various types of risk including auto, property and liability.

Contributions for premiums received from members are recorded as revenue by the Trust. Claim losses, along with excess insurance premiums and services fees, are recorded as expenses by the Trust. The estimated total costs of claim losses are accrued by the Trust. To the extent the group's contributions are deemed to exceed claim losses and other costs, the excess amount is refunded to the members by the Trust. If necessary, funding deficits in individual policy years are recovered through additional member contributions assessed to members of that policy year.

### 15. CONTINGENCIES

The College may be subject to various legal proceedings and claims which arise in the ordinary course of its business. The College believes that the amount, if any, of ultimate liability with respect to legal actions will be immaterial or will be covered by insurance.

The College conducts certain programs pursuant to grants and contracts funded, and subject to audit, by various federal and state agencies. Amounts questioned as a result of future audits, if any, may result in refunds to these governmental agencies. Any liabilities for reimbursements which may arise as the result of these future audits is not believed to be material.

The College experienced a cybersecurity incident in March 2023. The College partnered with a third-party firm to investigate the incident. Following the investigation, the College determined that some personal information belonging to current and former students, employees and vendors, may have been impacted by this incident. There was no indication this information was exfiltrated from the College's data base or has been misused. As a precaution, the College provided notice of the incident to affected U.S. residents and regulators, and those individuals living outside of the United States and foreign regulators, with the offer of complimentary credit monitoring services and to detail steps that can and should be taken to protect against scams and identity theft. During fiscal 2024, a class-action lawsuit was formed and a settlement was reached in fiscal 2025 for an insignificant amount. There was an appeal filed in February 2025 which is still pending.

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### 16. RISK AND ECONOMIC UNCERTAINTIES

The College has experienced an increase in enrollment since Fall 2024. However, ongoing economic challenges, including inflation, and the current federal and state political climate, which directly influence grant availability and state appropriations, contribute to uncertainty in projecting future enrollment trends and financial outcomes.

### 17. RELATED PARTY TRANSACTIONS

Other than the transactions between the College and Foundation presented in the accompanying statements of net position and as described in the Reporting Entity section of Note 1, the College did not have any other related party transactions or related receivables or payables as of and for the years ended June 30, 2025 and 2024.

### 18. RESTATEMENT DUE TO CHANGE IN ACCOUNTING PRINCIPLE

During the current year the College implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees, the College now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below in the restatement column.

Changes to the statement of net position as of June 30, 2024:

| 2024                                       | As previously reported | Restatement GASB 101 | Balances as restated |
|--------------------------------------------|------------------------|----------------------|----------------------|
| <b>Current liabilities</b>                 |                        |                      |                      |
| Accrued payroll and other compensation     | \$ 7,382,068           | \$ (911,962)         | \$ 6,470,106         |
| Current compensated absences obligations   | 2,417,714              | 1,424,578            | 3,842,292            |
| <b>Noncurrent liabilities</b>              |                        |                      |                      |
| Long-term compensated absences obligations | -                      | 3,815,562            | 3,815,562            |
| <b>Net position</b>                        |                        |                      |                      |
| Net position (deficit) - unrestricted      | (77,260,898)           | (4,328,178)          | (81,589,076)         |

## LANSING COMMUNITY COLLEGE

### NOTES TO FINANCIAL STATEMENTS

Changes to the statement of revenues, expenses and change in net position for the year ended June 30, 2024:

| 2024                                   | As previously reported | Restatement GASB 101 | Balances as restated |
|----------------------------------------|------------------------|----------------------|----------------------|
| <b>Operating expenses</b>              |                        |                      |                      |
| Instruction                            | \$ 25,458,212          | \$ (115,288)         | \$ 25,342,924        |
| Information technology                 | 10,078,619             | 3,984                | 10,082,603           |
| Public services                        | 2,043,228              | 452                  | 2,043,680            |
| Instructional support                  | 15,615,571             | 234,696              | 15,850,267           |
| Student services                       | 17,219,840             | 11,921               | 17,231,761           |
| Institutional administration           | 22,627,744             | 43,970               | 22,671,714           |
| Operation and maintenance of plant     | 17,037,809             | (1,503)              | 17,036,306           |
| <b>Net position, beginning of year</b> | 39,393,168             | (4,149,946)          | 35,243,222           |
| <b>Net position, end of year</b>       | 63,601,391             | (4,328,178)          | 59,273,213           |

Changes to the statement of cash flows for the year ended June 30, 2024:

| 2024                                                                          | As previously reported | Restatement GASB 101 | Balances as restated |
|-------------------------------------------------------------------------------|------------------------|----------------------|----------------------|
| <b>Cash flows from operating activities</b>                                   |                        |                      |                      |
| Payments to suppliers and students                                            | \$ (20,932,720)        | \$ 178,232           | \$ (20,754,488)      |
| Payments to or on behalf of employees                                         | (110,520,716)          | (178,232)            | (110,698,948)        |
| <b>Reconciliation of operating loss to net cash from operating activities</b> |                        |                      |                      |
| Operating loss                                                                | \$ (82,409,355)        | \$ (178,232)         | \$ (82,587,587)      |
| Accrued payroll and other compensation                                        | 848,926                | (34,255)             | 814,671              |
| Compensated absences obligations                                              | (2,878)                | 212,487              | 209,609              |

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## LANSING COMMUNITY COLLEGE

### REQUIRED SUPPLEMENTARY INFORMATION

MPSERS Cost-Sharing Multiple Employer Plan

Schedule of the College's Proportionate Share of the Net Pension Liability

|                                                                                                      | Year Ended<br>June 30, 2025 | Year Ended<br>June 30, 2024 | Year Ended<br>June 30, 2023 | Year Ended<br>June 30, 2022 | Year Ended<br>June 30, 2021 | Year Ended<br>June 30, 2020 | Year Ended<br>June 30, 2019 | Year Ended<br>June 30, 2018 | Year Ended<br>June 30, 2017 | Year Ended<br>June 30, 2016 |
|------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| College's proportionate share of the net pension liability                                           | \$ 107,116,780              | \$ 143,514,579              | \$ 172,006,584              | \$ 117,177,936              | \$ 176,522,247              | \$ 177,789,942              | \$ 163,974,876              | \$ 141,871,522              | \$ 139,408,096              | \$ 134,564,773              |
| College's proportion of the net pension liability                                                    | 0.43753%                    | 0.44341%                    | 0.45736%                    | 0.49494%                    | 0.51388%                    | 0.53686%                    | 0.54546%                    | 0.54747%                    | 0.55877%                    | 0.55093%                    |
| College's covered payroll                                                                            | \$ 47,084,746               | \$ 45,420,064               | \$ 44,757,113               | \$ 43,246,728               | \$ 44,594,537               | \$ 46,094,149               | \$ 46,646,511               | \$ 45,891,363               | \$ 46,761,637               | \$ 45,514,783               |
| College's proportionate share of the net pension liability<br>as a percentage of its covered payroll | 227.50%                     | 315.97%                     | 384.31%                     | 270.95%                     | 395.84%                     | 385.71%                     | 351.53%                     | 309.15%                     | 298.12%                     | 295.65%                     |
| Plan fiduciary net position as a percentage of the total<br>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 the required supplementary information

### REQUIRED SUPPLEMENTARY INFORMATION

MPSERS Cost-Sharing Multiple Employer Plan

Schedule of the College's Pension Contributions

|                                                                        | Year Ended<br>June 30, 2025 | Year Ended<br>June 30, 2024 | Year Ended<br>June 30, 2023 | Year Ended<br>June 30, 2022 | Year Ended<br>June 30, 2021 | Year Ended<br>June 30, 2020 | Year Ended<br>June 30, 2019 | Year Ended<br>June 30, 2018 | Year Ended<br>June 30, 2017 | Year Ended<br>June 30, 2016 |
|------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Statutorily required contributions                                     | \$ 18,586,072               | \$ 18,167,888               | \$ 16,029,210               | \$ 15,489,424               | \$ 14,864,047               | \$ 15,350,591               | \$ 14,371,191               | \$ 15,209,331               | \$ 13,710,723               | \$ 11,176,120               |
| Contributions in relation to the statutorily required<br>contributions | (18,586,072)                | (18,167,888)                | (16,029,210)                | (15,489,424)                | (14,864,047)                | (15,350,591)                | (14,371,191)                | (15,209,331)                | (13,710,723)                | (11,176,120)                |
| Contribution deficiency (excess)                                       | \$ -                        | \$ -                        | \$ -                        | \$ -                        | \$ -                        | \$ -                        | \$ -                        | \$ -                        | \$ -                        | \$ -                        |
| College's covered payroll                                              | \$ 50,663,517               | \$ 47,330,220               | \$ 45,757,672               | \$ 45,175,984               | \$ 43,408,900               | \$ 45,511,835               | \$ 46,579,321               | \$ 47,024,894               | \$ 47,289,366               | \$ 46,159,222               |
| Contributions as a percentage of covered payroll                       | 36.69%                      | 38.39%                      | 35.03%                      | 34.29%                      | 34.24%                      | 33.73%                      | 30.85%                      | 32.34%                      | 28.99%                      | 24.21%                      |

See notes to the required supplementary information

## LANSING COMMUNITY COLLEGE

### REQUIRED SUPPLEMENTARY INFORMATION

MPERS Cost-Sharing Multiple Employer Plan

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

|                                                                                                        | Year Ended<br>June 30, 2025 | Year Ended<br>June 30, 2024 | Year Ended<br>June 30, 2023 | Year Ended<br>June 30, 2022 | Year Ended<br>June 30, 2021 | Year Ended<br>June 30, 2020 | Year Ended<br>June 30, 2019 | Year Ended<br>June 30, 2018 |
|--------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| College's proportionate share of the net OPEB (asset) liability                                        | \$ (18,951,265)             | \$ (2,549,473)              | \$ 9,674,482                | \$ 7,234,259                | \$ 26,773,639               | \$ 37,657,910               | \$ 43,350,196               | \$ 48,713,989               |
| College's proportion of the net OPEB (asset) liability                                                 | 0.44028%                    | 0.45068%                    | 0.45676%                    | 0.47395%                    | 0.49976%                    | 0.52465%                    | 0.54536%                    | 0.55010%                    |
| College's covered payroll                                                                              | \$ 47,084,746               | \$ 45,420,064               | \$ 44,757,113               | \$ 43,246,728               | \$ 44,594,537               | \$ 46,094,149               | \$ 46,646,511               | \$ 45,891,363               |
| College's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll | (40.25%)                    | (5.61%)                     | 21.62%                      | 16.73%                      | 60.04%                      | 81.70%                      | 92.93%                      | 106.15%                     |
| Plan fiduciary net position as a percentage of the total OPEB liability                                | 143.08%                     | 105.04%                     | 83.09%                      | 87.33%                      | 59.44%                      | 48.46%                      | 42.95%                      | 36.39%                      |

See notes to the required supplementary information

### REQUIRED SUPPLEMENTARY INFORMATION

MPERS Cost-Sharing Multiple Employer Plan

Schedule of the College's Other Postemployment Benefits Contributions

|                                                                     | Year Ended<br>June 30, 2025 | Year Ended<br>June 30, 2024 | Year Ended<br>June 30, 2023 | Year Ended<br>June 30, 2022 | Year Ended<br>June 30, 2021 | Year Ended<br>June 30, 2020 | Year Ended<br>June 30, 2019 | Year Ended<br>June 30, 2018 |
|---------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Statutorily required contributions                                  | \$ 1,188,727                | \$ 3,926,049                | \$ 3,775,314                | \$ 3,893,991                | \$ 3,706,977                | \$ 3,826,617                | \$ 3,835,528                | \$ 3,508,061                |
| Contributions in relation to the statutorily required contributions | (1,188,727)                 | (3,926,049)                 | (3,775,314)                 | (3,893,991)                 | (3,706,977)                 | (3,826,617)                 | (3,835,528)                 | (3,508,061)                 |
| Contribution deficiency (excess)                                    | \$ -                        | \$ -                        | \$ -                        | \$ -                        | \$ -                        | \$ -                        | \$ -                        | \$ -                        |
| College's covered payroll                                           | \$ 50,663,517               | \$ 47,330,220               | \$ 45,757,672               | \$ 45,175,984               | \$ 43,408,900               | \$ 45,511,835               | 46,579,321                  | 47,024,894                  |
| Contributions as a percentage of covered payroll                    | 2.35%                       | 8.30%                       | 8.25%                       | 8.62%                       | 8.54%                       | 8.41%                       | 8.23%                       | 7.46%                       |

See notes to the required supplementary information

# LANSING COMMUNITY COLLEGE

## 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.

## LANSING COMMUNITY COLLEGE

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

#### 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%.
- 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%.



# Statistical Section

# LANSING COMMUNITY COLLEGE

## STATISTICAL SECTION

This part of the College's Statistical section of the annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the College's overall financial health.

### **Contents**

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the College's financial performance and well-being have changed over time.

#### **Revenue Capacity**

These schedules contain information to help the reader assess the College's most significant local revenue source, the property tax, and tuition and fees data.

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the College's current levels of outstanding debt and the College's ability to issue additional debt in the future.

#### **Demographic and Economic Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the College's financial report relates to the services the College provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

**LANSING COMMUNITY COLLEGE**  
**FINANCIAL TRENDS**  
Schedule of Revenues, Expenses, and Changes in Net Position  
Last Ten Fiscal Years  
(Unaudited)

|                                                               | 2025                 | 2024                 | 2023                 | 2022                 | 2021                | 2020                   | 2019                | 2018                | 2017                 | 2016                 |
|---------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|---------------------|------------------------|---------------------|---------------------|----------------------|----------------------|
| <b>OPERATING REVENUES</b>                                     |                      |                      |                      |                      |                     |                        |                     |                     |                      |                      |
| Tuition and fees (net of scholarships allowances)             | \$ 27,289,205        | \$ 27,747,591        | \$ 28,244,619        | \$ 31,956,596        | \$ 30,203,838       | \$ 30,728,261          | \$ 30,611,199       | \$ 31,112,089       | \$ 30,405,367        | \$ 27,216,821        |
| Federal grants and contracts                                  | 2,613,841            | 3,165,124            | 2,330,319            | 2,374,523            | 1,973,859           | 2,267,357              | 2,131,800           | 2,413,388           | 3,352,561            | 3,555,172            |
| State grants and contracts (2)(3)                             | 903,094              | 1,095,953            | 1,123,058            | 884,092              | 1,896,795           | 2,070,538              | 2,076,078           | 2,149,369           | 2,039,964            | 1,989,818            |
| Local grants and contracts (2)                                | 5,548,891            | 5,744,225            | 5,218,227            | 5,153,858            | 5,681,392           | 6,178,030              | 5,388,047           | 4,618,048           | 3,243,550            | 3,372,026            |
| Sales and services of educational activities                  | -                    | -                    | -                    | 2,097                | 73                  | 54,123                 | 12,494              | 12,170              | 22,323               | 153,547              |
| Sales and services of auxiliary activities                    | 640,889              | 737,500              | 647,208              | 132,919              | 7,177               | 623,643                | 407,136             | 136,280             | 1,280,918            | 1,200,923            |
| Job Training Programs                                         | 425,689              | 625,118              | 336,677              | 372,719              | 84,894              | 214,296                | 313,051             | 213,399             | 408,793              | 1,145,395            |
| Miscellaneous (2)                                             | 903,585              | 1,216,400            | 1,054,683            | 1,045,069            | 807,036             | 1,005,797              | 4,076,182           | 1,973,231           | 3,184,897            | 2,888,170            |
| Total operating revenues                                      | <u>38,325,194</u>    | <u>40,331,911</u>    | <u>38,954,791</u>    | <u>41,921,873</u>    | <u>40,655,064</u>   | <u>43,142,045</u>      | <u>45,015,987</u>   | <u>42,627,974</u>   | <u>43,938,373</u>    | <u>41,521,872</u>    |
| <b>OPERATING EXPENSES</b>                                     |                      |                      |                      |                      |                     |                        |                     |                     |                      |                      |
| Instruction (2)(6)                                            | 25,890,406           | 25,342,924           | 27,760,429           | 27,509,741           | 33,160,622          | 37,459,754             | 37,541,664          | 37,305,679          | 36,462,526           | 47,019,899           |
| Information technology (1)(4)(6)                              | 11,046,084           | 10,082,603           | 11,550,898           | 10,544,583           | 11,381,058          | 13,574,193             | 12,727,743          | 12,258,907          | 10,434,438           | -                    |
| Public services (2)(5)(6)                                     | 2,081,371            | 2,043,680            | 2,255,067            | 1,756,209            | 2,655,040           | 2,560,771              | 2,567,157           | 2,754,459           | 2,703,721            | 1,911,608            |
| Instructional support (2)(6)                                  | 15,896,936           | 15,850,267           | 15,801,341           | 14,722,151           | 17,138,188          | 20,207,931             | 18,307,771          | 16,502,356          | 17,547,370           | 26,570,255           |
| Student services (2)(6)                                       | 19,534,557           | 17,231,761           | 15,863,662           | 26,674,948           | 22,057,563          | 17,222,229             | 14,499,277          | 17,352,582          | 11,782,303           | 13,322,729           |
| Institutional administration (2)(3)(5)(6)                     | 19,478,885           | 22,671,714           | 25,248,298           | 19,878,823           | 20,723,534          | 20,920,319             | 19,954,545          | 19,835,166          | 20,265,334           | 20,696,479           |
| Operation and maintenance of plant (2)(3)(6)                  | 17,184,252           | 17,036,306           | 15,061,929           | 10,661,433           | 14,712,040          | 18,963,328             | 17,269,139          | 16,044,964          | 15,925,694           | 18,600,704           |
| Depreciation and amortization (3)(4)                          | 12,903,080           | 12,660,243           | 12,289,152           | 11,872,616           | 10,350,743          | 10,380,616             | 10,504,034          | 10,090,635          | 8,643,040            | 7,834,826            |
| Total operating expenses                                      | <u>124,015,571</u>   | <u>122,919,498</u>   | <u>125,830,776</u>   | <u>123,620,504</u>   | <u>132,178,788</u>  | <u>141,289,141</u>     | <u>133,371,330</u>  | <u>132,144,748</u>  | <u>123,764,426</u>   | <u>135,956,500</u>   |
| Operating loss                                                | <u>(85,690,377)</u>  | <u>(82,587,587)</u>  | <u>(86,875,985)</u>  | <u>(81,698,631)</u>  | <u>(91,523,724)</u> | <u>(98,147,096)</u>    | <u>(88,355,343)</u> | <u>(89,516,774)</u> | <u>(79,826,053)</u>  | <u>(94,434,628)</u>  |
| <b>NONOPERATING REVENUES (EXPENSES)</b>                       |                      |                      |                      |                      |                     |                        |                     |                     |                      |                      |
| State appropriations                                          | 43,567,838           | 39,478,637           | 36,381,429           | 36,377,586           | 34,775,424          | 29,950,889             | 33,884,167          | 33,759,671          | 33,317,442           | 33,761,131           |
| Property tax levy                                             | 54,633,090           | 51,553,499           | 48,618,027           | 46,328,235           | 44,956,559          | 43,781,074             | 42,298,367          | 40,983,811          | 39,910,486           | 39,207,101           |
| Pell Grant revenue                                            | 17,664,940           | 11,854,667           | 10,819,567           | 10,888,958           | 10,693,117          | 13,208,069             | 13,267,697          | 16,461,261          | 15,980,057           | 18,705,818           |
| Federal nonoperating grants - CARES/HEERF                     | -                    | -                    | 6,870,966            | 16,038,737           | 16,749,041          | 1,775,621              | -                   | -                   | -                    | -                    |
| Investment return and other gains (losses)                    | 3,246,782            | 3,312,337            | 2,040,154            | 288,473              | (724,860)           | 2,039,284              | 900,682             | 498,034             | 178,180              | 156,030              |
| Interest on capital asset - related debt                      | (3,107,703)          | (3,174,762)          | (3,278,290)          | (3,525,028)          | (4,119,115)         | (3,759,395)            | (2,753,686)         | (2,624,545)         | (2,747,508)          | (3,579,459)          |
| Net nonoperating revenues                                     | <u>116,004,947</u>   | <u>103,024,378</u>   | <u>101,451,853</u>   | <u>106,396,961</u>   | <u>102,330,166</u>  | <u>86,995,542</u>      | <u>87,597,227</u>   | <u>89,078,232</u>   | <u>86,638,657</u>    | <u>88,250,621</u>    |
| Change in net position before other revenues                  | <u>30,314,570</u>    | <u>20,436,791</u>    | <u>14,575,868</u>    | <u>24,698,330</u>    | <u>10,806,442</u>   | <u>(11,151,554)</u>    | <u>(758,116)</u>    | <u>(438,542)</u>    | <u>6,812,604</u>     | <u>(6,184,007)</u>   |
| <b>OTHER REVENUES</b>                                         |                      |                      |                      |                      |                     |                        |                     |                     |                      |                      |
| State capital appropriations                                  | -                    | 3,593,200            | -                    | -                    | -                   | -                      | -                   | -                   | -                    | -                    |
| State capital grants                                          | -                    | -                    | -                    | -                    | -                   | -                      | -                   | 599,701             | 4,400,299            | -                    |
| Capital gifts                                                 | -                    | -                    | -                    | 101,947              | 220,000             | -                      | -                   | -                   | 202,518              | 142,896              |
| Total other revenues                                          | <u>-</u>             | <u>3,593,200</u>     | <u>-</u>             | <u>101,947</u>       | <u>220,000</u>      | <u>-</u>               | <u>-</u>            | <u>599,701</u>      | <u>4,602,817</u>     | <u>142,896</u>       |
| Total change in net position                                  | <u>30,314,570</u>    | <u>24,029,991</u>    | <u>14,575,868</u>    | <u>24,800,277</u>    | <u>11,026,442</u>   | <u>(11,151,554)</u>    | <u>(758,116)</u>    | <u>161,159</u>      | <u>11,415,421</u>    | <u>(6,041,111)</u>   |
| <b>NET POSITION (DEFICIT), beginning of year</b>              | <b>59,273,213</b>    | <b>39,393,168</b>    | <b>24,817,300</b>    | <b>17,023</b>        | <b>(11,009,419)</b> | 142,135                | 900,251             | 48,107,556          | 36,692,135           | 42,733,246           |
| Implementation of GASB 75                                     | -                    | -                    | -                    | -                    | -                   | -                      | -                   | (47,368,464)        | -                    | -                    |
| Implementation of GASB 101                                    | -                    | (4,149,946)          | -                    | -                    | -                   | -                      | -                   | -                   | -                    | -                    |
| <b>NET POSITION (DEFICIT), beginning of year, as restated</b> | <b>59,273,213</b>    | <b>35,243,222</b>    | <b>24,817,300</b>    | <b>17,023</b>        | <b>(11,009,419)</b> | <b>142,135</b>         | <b>900,251</b>      | <b>739,092</b>      | <b>36,692,135</b>    | <b>42,733,246</b>    |
| <b>NET POSITION (DEFICIT), end of year</b>                    | <b>\$ 89,587,783</b> | <b>\$ 59,273,213</b> | <b>\$ 39,393,168</b> | <b>\$ 24,817,300</b> | <b>\$ 17,023</b>    | <b>\$ (11,009,419)</b> | <b>\$ 142,135</b>   | <b>\$ 900,251</b>   | <b>\$ 48,107,556</b> | <b>\$ 36,692,135</b> |

Source: Lansing Community College Audited Financial Statements  
Excluding Lansing Community College Foundation

- (1) In 2010, per the State of Michigan ACS Reporting Manual, the 2.0 Information Technology category was eliminated. Per recommendation from the State of Michigan, these expenses were reallocated to Instruction, Instructional Support, Student Services, Institutional Administration, and Operation and Maintenance of Plant.
- In 2018 the State of Michigan reinstated the 2.0 Information Technology category. 2017 amounts were reclassified to conform with the 2018 presentation.
- (2) 2016 amounts reclassified to conform with the 2017 presentation.
- (3) 2021 amounts restated to account for changes to the restricted fund and presentation of GASB 87.
- (4) 2022 amounts restated to account for changes to the presentation of GASB 96.
- (5) 2023 amounts reclassified to conform with the 2024 presentation.
- (6) 2024 amounts restated to account for changes to the presentation of GASB 101.

**LANSING COMMUNITY COLLEGE**

FINANCIAL TRENDS

Net Position by Components

Last Ten Fiscal Years

(Unaudited)

|                                         | 2025                        | 2024                        | 2023                        | 2022                        | 2021                    | 2020                          | 2019                     | 2018                     | 2017                        | 2016                        |
|-----------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-------------------------|-------------------------------|--------------------------|--------------------------|-----------------------------|-----------------------------|
| Net Position                            |                             |                             |                             |                             |                         |                               |                          |                          |                             |                             |
| Net investment in capital assets        | \$ 140,387,595              | \$ 134,261,628              | \$ 134,201,767              | \$ 128,864,293              | \$ 125,297,760          | \$ 127,533,232                | \$ 130,783,094           | \$ 135,187,005           | \$ 132,962,327              | \$ 126,365,209              |
| Restricted for:                         |                             |                             |                             |                             |                         |                               |                          |                          |                             |                             |
| Restricted fund activities              | 3,012,461                   | 457,988                     | 290,710                     | 229,982                     | 221,826                 | 143,914                       | 246,003                  | 199,611                  | 7,917                       | -                           |
| Capital projects                        | 3,544,440                   | 3,593,200                   | -                           | -                           | -                       | -                             | -                        | -                        | -                           | -                           |
| Net other postemployment benefits asset | 18,951,265                  | 2,549,473                   | -                           | -                           | -                       | -                             | -                        | -                        | -                           | -                           |
| Unrestricted                            | <u>(76,307,978)</u>         | <u>(81,589,076)</u>         | <u>(95,099,309)</u>         | <u>(104,276,975)</u>        | <u>(125,502,563)</u>    | <u>(138,686,565)</u>          | <u>(130,886,962)</u>     | <u>(134,486,365)</u>     | <u>(84,862,688)</u>         | <u>(89,673,074)</u>         |
| <b>Total Net Position (Deficit)</b>     | <b><u>\$ 89,587,783</u></b> | <b><u>\$ 59,273,213</u></b> | <b><u>\$ 39,393,168</u></b> | <b><u>\$ 24,817,300</u></b> | <b><u>\$ 17,023</u></b> | <b><u>\$ (11,009,419)</u></b> | <b><u>\$ 142,135</u></b> | <b><u>\$ 900,251</u></b> | <b><u>\$ 48,107,556</u></b> | <b><u>\$ 36,692,135</u></b> |

Source: Lansing Community College's Audited Financial Statements  
excluding Lansing Community College Foundation

**LANSING COMMUNITY COLLEGE**  
**REVENUE CAPACITY**  
Major Taxpayers  
2025 Levy Year vs. 2016 Levy Year  
(Unaudited)

| 2025 Levy Year                     |                            |                        |          |                                                                           | 2016 Levy Year                     |                            |                        |          |                                                                           |
|------------------------------------|----------------------------|------------------------|----------|---------------------------------------------------------------------------|------------------------------------|----------------------------|------------------------|----------|---------------------------------------------------------------------------|
| 2025 Taxpayer                      | Type of Business           | 2025 Taxable Valuation | Rank (1) | Percentage of Total College District Taxable Valuation (\$15,427,191,183) | 2016 Taxpayer                      | Type of Business           | 2016 Taxable Valuation | Rank (1) | Percentage of Total College District Taxable Valuation (\$10,451,534,470) |
| Consumers Energy                   | Utility                    | \$305,752,639          | 1        | 1.98%                                                                     | Enbridge Energy LP                 | Oil & Gas Delivery/Storage | \$135,582,045          | 1        | 1.30%                                                                     |
| Enbridge Energy LP                 | Oil & Gas Delivery/Storage | 164,341,307            | 2        | 1.07%                                                                     | Consumers Energy Company           | Utility                    | 103,689,667            | 2        | 0.99%                                                                     |
| Dart Container of Michigan         | Packaging Products         | 69,761,436             | 3        | 0.45%                                                                     | Jackson National Life              | Insurance                  | 45,959,337             | 3        | 0.44%                                                                     |
| Eyde L & G                         | Property Management        | 43,571,469             | 4        | 0.28%                                                                     | Enbridge Pipelines (Toledo) Inc    | Crude Oil Transportation   | 33,775,950             | 4        | 0.32%                                                                     |
| Jackson National Life              | Insurance                  | 38,545,827             | 5        | 0.25%                                                                     | Dart Container Corporation         | Packaging Products         | 33,580,540             | 5        | 0.32%                                                                     |
| CASL Landmark/Albert/Newman        | Property Management        | 36,357,886             | 6        | 0.24%                                                                     | Meridian Mall LTD Partnership      | Shopping Mall              | 31,029,528             | 6        | 0.30%                                                                     |
| Core Campus LLC                    | Property Management        | 33,755,300             | 7        | 0.22%                                                                     | Retail Properties of America, Inc. | Retail Property Management | 27,436,848             | 7        | 0.26%                                                                     |
| Accident Fund Ins Co of America    | Insurance                  | 31,653,700             | 8        | 0.21%                                                                     | Tri County Electric Cooperative    | Utility                    | 26,079,600             | 8        | 0.25%                                                                     |
| Retail Properties of America, Inc. | Retail Property Management | 31,197,542             | 9        | 0.20%                                                                     | C 150 2929 Hannah Lofts LLC        | Property Management        | 20,632,512             | 9        | 0.20%                                                                     |
| DTE Energy                         | Utility                    | 30,816,822             | 10       | 0.20%                                                                     | Gestamp Mason LLC                  | Metal Heat Treating        | 19,781,001             | 10       | 0.19%                                                                     |

Source: Ingham County Assessor, Ingham.org

(1) Ranking in terms of Ad Valorem Taxable Valuation

**LANSING COMMUNITY COLLEGE**  
**REVENUE CAPACITY**  
Assessed Value and Taxable Value of Property  
Last Ten Fiscal Years  
(Unaudited)

| <b>Fiscal Year Ended<br/>June 30</b> | <b>Taxable<br/>Valuation<br/>(1)</b> | <b>Tax Rates (per<br/>\$1,000) of<br/>Valuation (1)</b> | <b>Taxes<br/>Levied</b> | <b>Collections<br/>through<br/>June 30<br/>Each Year (2)</b> | <b>Percent of Taxes<br/>Levied Uncollected<br/>through June 30 Each<br/>Year</b> |
|--------------------------------------|--------------------------------------|---------------------------------------------------------|-------------------------|--------------------------------------------------------------|----------------------------------------------------------------------------------|
| 2025                                 | \$ 15,427,191,183                    | 3.7692                                                  | \$ 58,148,169           | \$ 53,688,577                                                | 7.67%                                                                            |
| 2024                                 | 14,379,402,597                       | 3.7692                                                  | 54,198,844              | 50,958,064                                                   | 5.98%                                                                            |
| 2023                                 | 13,529,224,490                       | 3.7692                                                  | 50,994,353              | 48,054,336                                                   | 5.77%                                                                            |
| 2022                                 | 12,807,735,430                       | 3.7692                                                  | 48,274,916              | 45,946,764                                                   | 4.82%                                                                            |
| 2021                                 | 12,316,500,113                       | 3.7777                                                  | 46,528,042              | 44,587,201                                                   | 4.17%                                                                            |
| 2020                                 | 11,826,622,757                       | 3.8072                                                  | 45,026,318              | 43,275,558                                                   | 3.89%                                                                            |
| 2019                                 | 11,392,083,246                       | 3.8072                                                  | 43,371,939              | 41,908,334                                                   | 3.37%                                                                            |
| 2018                                 | 10,963,548,011                       | 3.8072                                                  | 41,740,420              | 40,709,394                                                   | 2.47%                                                                            |
| 2017                                 | 10,614,700,749                       | 3.8072                                                  | 40,412,289              | 38,482,235                                                   | 4.78%                                                                            |
| 2016                                 | 10,451,534,470                       | 3.8072                                                  | 39,791,082              | 38,639,111                                                   | 2.90%                                                                            |

(1) Millage Report to County Board of Commissioners, L-4029 & L-4028IC

(2) Per Lansing Community College's Controller Office

**LANSING COMMUNITY COLLEGE**  
**REVENUE CAPACITY**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(Unaudited)**

| <b>Fiscal Year Ended<br/>June 30</b> | <b>Taxes Levied for<br/>the Fiscal Year</b> | <b>Collected within<br/>the Fiscal Year of<br/>the Levy</b> | <b>Percentage of the<br/>Levy Collected<br/>within Fiscal Year<br/>of Levy</b> | <b>Collections<br/>in Subsequent Years</b> | <b>Total Tax<br/>Collection to Date</b> | <b>Percentage of<br/>Levy Total<br/>Collections</b> |
|--------------------------------------|---------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------|-----------------------------------------|-----------------------------------------------------|
| 2025                                 | \$ 58,148,169                               | \$ 53,688,577                                               | 92.33%                                                                         | ---                                        | \$ 53,688,577                           | 92.33%                                              |
| 2024                                 | 54,198,844                                  | 50,958,064                                                  | 94.02%                                                                         | \$ 675,774                                 | 51,633,838                              | 95.27%                                              |
| 2023                                 | 50,994,353                                  | 48,054,336                                                  | 94.23%                                                                         | 630,960                                    | 48,685,296                              | 95.47%                                              |
| 2022                                 | 48,274,916                                  | 45,946,764                                                  | 95.18%                                                                         | 635,992                                    | 46,582,756                              | 96.49%                                              |
| 2021                                 | 46,528,042                                  | 44,587,201                                                  | 95.83%                                                                         | 663,815                                    | 45,251,016                              | 97.26%                                              |
| 2020                                 | 45,026,318                                  | 43,275,558                                                  | 96.11%                                                                         | 553,227                                    | 43,828,785                              | 97.34%                                              |
| 2019                                 | 43,371,939                                  | 41,908,334                                                  | 96.63%                                                                         | 574,219                                    | 42,482,553                              | 97.95%                                              |
| 2018                                 | 41,740,420                                  | 40,709,394                                                  | 97.53%                                                                         | 462,386                                    | 41,171,780                              | 98.64%                                              |
| 2017                                 | 40,412,289                                  | 38,482,235                                                  | 95.22%                                                                         | 1,318,316                                  | 39,800,551                              | 98.49%                                              |
| 2016                                 | 39,791,082                                  | 38,639,111                                                  | 97.10%                                                                         | 498,007                                    | 39,137,118                              | 98.36%                                              |

Source: Lansing Community College's Controller Office  
---- Information is unavailable

**LANSING COMMUNITY COLLEGE**

DEBT CAPACITY  
Legal Debt Margin  
Last Ten Fiscal Years  
(Unaudited)

| Fiscal Year | Taxable Valuation | State Equalized Valuation (SEV) | Debt Limit (a)   | General Obligation Bonds | Leases Payable (1) | Subscription-Based IT Agreements Payable (2) | Total Outstanding Debt (b) | Total Additional Debt Allowable for All Tax Debt (c) | Total Additional Debt Allowable for Limited Tax Debt (d) | Additional Limited Tax Debt Could Legally Incurred (e) | Per Capita (f) |
|-------------|-------------------|---------------------------------|------------------|--------------------------|--------------------|----------------------------------------------|----------------------------|------------------------------------------------------|----------------------------------------------------------|--------------------------------------------------------|----------------|
|             |                   |                                 |                  |                          |                    |                                              |                            |                                                      |                                                          |                                                        |                |
| 2025        | \$ 15,427,191,183 | \$ 19,625,774,039               | \$ 2,943,866,106 | \$ 81,573,228            | \$ -               | \$ 4,786,784                                 | \$ 86,360,012              | \$ 2,857,506,094                                     | \$ 197,507,740                                           | \$ 111,147,728                                         | ---            |
| 2024        | 14,379,402,597    | 18,108,951,715                  | 2,716,342,757    | 87,038,054               | 738,829            | 3,905,721                                    | 91,682,604                 | 2,624,660,153                                        | 182,339,517                                              | 90,656,913                                             | 231            |
| 2023        | 13,529,224,490    | 16,560,744,268                  | 2,484,111,640    | 93,022,880               | 1,417,254          | 3,036,270                                    | 97,476,404                 | 2,386,635,236                                        | 166,857,443                                              | 69,381,039                                             | 248            |
| 2022        | 12,807,735,430    | 15,639,047,683                  | 2,345,857,152    | 98,452,706               | 1,529,712          | 3,290,385                                    | 103,272,803                | 2,242,584,349                                        | 157,640,477                                              | 54,367,674                                             | 263            |
| 2021        | 12,316,500,113    | 14,897,211,981                  | 2,234,581,797    | 107,159,863              | 1,936,247          | -                                            | 109,096,110                | 2,125,485,687                                        | 150,222,120                                              | 41,126,010                                             | 278            |
| 2020        | 11,826,622,757    | 14,035,518,728                  | 2,105,327,809    | 112,287,173              | -                  | -                                            | 112,287,173                | 1,993,040,636                                        | 141,605,187                                              | 29,318,014                                             | 285            |
| 2019        | 11,392,083,246    | 13,113,220,698                  | 1,966,983,105    | 72,656,166               | -                  | -                                            | 72,656,166                 | 1,894,326,939                                        | 132,382,207                                              | 59,726,041                                             | 180            |
| 2018        | 10,963,548,011    | 12,674,865,915                  | 1,901,229,887    | 77,337,199               | -                  | -                                            | 77,337,199                 | 1,823,892,688                                        | 127,998,659                                              | 50,661,460                                             | 192            |
| 2017        | 10,614,700,749    | 12,042,682,731                  | 1,806,402,410    | 68,665,095               | -                  | -                                            | 68,665,095                 | 1,737,737,315                                        | 121,676,827                                              | 53,011,732                                             | 172            |
| 2016        | 10,451,534,470    | 11,493,211,119                  | 1,723,981,668    | 75,363,858               | -                  | -                                            | 75,363,858                 | 1,648,617,810                                        | 116,182,111                                              | 40,818,253                                             | 190            |

(1) Implementation of GASB 87, Leases effective July 1, 2020.

(2) Implementation of GASB 96, Leases effective July 1, 2021.

Source: College Audited Financial Statements and Robert W. Baird & Co. Inc. Municipal Disclosure Annual Filing

(a) 15% of SEV

(b) College Audited Financial Statements excluding Lansing Community College Foundation

(c) Debt Limit less Total Outstanding Debt

(d) The College may incur indebtedness that is not greater than 1.5% of the first \$25,000,000 of SEV of the taxable property within the college district and 1% of the excess SEV over \$250,000,000 without a vote of the electors of the College

(e) Total Additional Debt Allowable for Limited Tax Debt less Total Outstanding Debt

(f) Total Outstanding Debt divided by population

---- Information is unavailable

**LANSING COMMUNITY COLLEGE**  
**DEMOGRAPHIC AND ECONOMIC INFORMATION**  
 Personal Income per Capita  
 Last Ten Fiscal Years  
 (Unaudited)

| <u>Fiscal Year</u> | <u>Population (1)</u> | <u>Personal Income (2)</u> | <u>Per Capita<br/>Personal Income</u> | <u>Unemployment<br/>Rate (3)</u> |
|--------------------|-----------------------|----------------------------|---------------------------------------|----------------------------------|
| 2025               | -                     | -                          | -                                     | 5.70%                            |
| 2024               | 396,782               | -                          | -                                     | 5.10%                            |
| 2023               | 393,457               | \$ 20,858,189              | \$ 53,379                             | 4.30%                            |
| 2022               | 393,100               | 19,636,578                 | 50,256                                | 4.70%                            |
| 2021               | 392,978               | 19,618,474                 | 50,176                                | 5.50%                            |
| 2020               | 394,075               | 18,286,671                 | 46,182                                | 11.20%                           |
| 2019               | 402,674               | 16,854,052                 | 42,326                                | 3.90%                            |
| 2018               | 402,561               | 16,620,879                 | 41,727                                | 3.90%                            |
| 2017               | 399,213               | 15,704,271                 | 39,790                                | 4.30%                            |
| 2016               | 397,211               | 15,274,294                 | 38,865                                | 4.60%                            |

Source: (1) U.S. Census Bureau, State and County QuickFacts - information for Ingham and Eaton Counties (<http://www.census.gov>)  
 (2) U.S. Department of Commerce Bureau of Economic Analysis  
 (3) U.S. Bureau of Labor Statistics  
 ----- Information is unavailable.

**LANSING COMMUNITY COLLEGE**  
**DEMOGRAPHIC AND ECONOMIC INFORMATION**  
Top Ten Principal Employers  
2025 Employers vs. 2016 Employers  
(Unaudited)

| 2025 (1)                              |                      |      |                  |                                |
|---------------------------------------|----------------------|------|------------------|--------------------------------|
| Employer                              | Product/Service      | Rank | No. of Employees | % of Total District Population |
| State of Michigan                     | Government           | 1    | 13,880           | 3.53%                          |
| Michigan State University             | Higher Education     | 2    | 11,118           | 2.83%                          |
| University of Michigan Health-Sparrow | Health Care          | 3    | 9,000            | 2.29%                          |
| Auto Owners Insurance Group           | Insurance            | 4    | 5,943            | 1.51%                          |
| General Motors Corporation            | Automotive           | 5    | 4,183            | 1.06%                          |
| Jackson National Life                 | Insurance            | 6    | 2,907            | 0.74%                          |
| Peckham Industries                    | Textiles, Auto parts | 7    | 2,200            | 0.56%                          |
| Lansing Community College             | Higher Education     | 8    | 1,800            | 0.46%                          |
| Lansing School District               | K-12 Education       | 9    | 1,490            | 0.38%                          |
| McLaren Health                        | Health Care          | 10   | 1,401            | 0.36%                          |

| 2016 (2)                   |                      |      |                  |                                |
|----------------------------|----------------------|------|------------------|--------------------------------|
| Employer                   | Product/Service      | Rank | No. of Employees | % of Total District Population |
| State of Michigan          | Government           | 1    | 15,000           | 3.80%                          |
| Michigan State University  | Higher Education     | 2    | 12,100           | 3.06%                          |
| Sparrow Health System      | Health Care          | 3    | 10,858           | 2.75%                          |
| General Motors Corporation | Automotive           | 4    | 5,153            | 1.30%                          |
| Auto Owners Insurance      | Insurance            | 5    | 3,700            | 0.94%                          |
| Peckham Industries         | Textiles, Auto parts | 6    | 2,510            | 0.64%                          |
| Lansing Community College  | Higher Education     | 7    | 2,500            | 0.63%                          |
| Lansing School District    | Education            | 8    | 2,130            | 0.54%                          |
| Meijer Inc                 | Retail               | 9    | 2,000            | 0.51%                          |
| Jackson National Life      | Insurance            | 10   | 1,929            | 0.49%                          |

Source:

(1) Lansing Economic Area Partnership, Top Employers Demographic (LEAP)

(2) LCC FY2016 Annual Comprehensive Financial Report source Ingham County December 31, 2015

**LANSING COMMUNITY COLLEGE**  
**DEMOGRAPHIC AND ECONOMIC INFORMATION**  
 Capital Asset Statistics  
 Last Ten Fiscal Years  
 (Unaudited)

| <b>Facilities Data</b>                     | <b>2025 (1)</b> | <b>2024</b> | <b>2023</b> | <b>2022</b> | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> | <b>2017</b> | <b>2016</b> |
|--------------------------------------------|-----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Size of campus (acres)                     | 96.00           | 96.00       | 96.00       | 96.00       | 96.00       | 96.00       | 96.00       | 96.00       | 96.00       | 96.00       |
| Square footage of gross building space (2) | 2,129,968       | 2,129,968   | 2,129,968   | 1,894,412   | 1,894,412   | 1,894,412   | 1,894,412   | 1,895,612   | 1,883,612   | 1,883,612   |
| Number of classrooms                       | 127             | 127         | 127         | 127         | 127         | 123         | 123         | 136         | 136         | 136         |
| Institutional administration (sq. ft.)     | 34,700          | 34,700      | 34,700      | 34,700      | 34,700      | 34,700      | 34,700      | 34,700      | 34,700      | 34,700      |

Source: LCC Five Year Capital Outlay Plan

(1) FY25 Capital Outlay Plan submitted to the state October 2024

(2) Including leased space

**LANSING COMMUNITY COLLEGE**  
**REVENUE CAPACITY**  
Enrollment, Tuition and Fee Rates, Credit Hours, and Tuition and Fee Revenues Generated  
Last Ten Fiscal Years  
(Unaudited)

| <u>Fiscal Year</u> | <u>FYES (1)</u> | <u>Unduplicated<br/>Headcount</u> | <u>Duplicated<br/>Headcount</u> | <u>Headcount<br/>per<br/>Section</u> | <u>Total Credit<br/>Hours</u> | <u>In District<br/>Tuition Rate</u> | <u>Out of District<br/>Tuition Rate</u> | <u>Out of State<br/>Tuition Rate</u> | <u>Tuition &amp; Fees<br/>per FYES</u> | <u>Total Tuition<br/>\$ Fee Revenue (2)</u> |
|--------------------|-----------------|-----------------------------------|---------------------------------|--------------------------------------|-------------------------------|-------------------------------------|-----------------------------------------|--------------------------------------|----------------------------------------|---------------------------------------------|
| 2025 (3)           | -               | -                                 | -                               | -                                    | -                             | \$ 120                              | \$ 240                                  | \$ 360                               | -                                      | -                                           |
| 2024               | 5,342           | 16,021                            | 59,045                          | 16.8                                 | 160,185                       | 117                                 | 234                                     | 351                                  | \$ 7,114                               | \$ 38,005,268                               |
| 2023               | 6,211           | 15,705                            | 58,794                          | 16.1                                 | 186,231                       | 114                                 | 228                                     | 342                                  | 6,142                                  | 38,150,691                                  |
| 2022               | 6,779           | 17,712                            | 64,463                          | 16.2                                 | 203,291                       | 114                                 | 228                                     | 342                                  | 6,212                                  | 42,112,512                                  |
| 2021               | 7,029           | 17,121                            | 64,593                          | 17.4                                 | 210,795                       | 111                                 | 222                                     | 333                                  | 6,190                                  | 43,512,395                                  |
| 2020               | 7,701           | 20,155                            | 74,631                          | 17.6                                 | 230,952                       | 108                                 | 216                                     | 324                                  | 5,867                                  | 45,183,978                                  |
| 2019               | 7,940           | 21,399                            | 76,031                          | 16.7                                 | 238,104                       | 105                                 | 210                                     | 315                                  | 5,817                                  | 46,186,862                                  |
| 2018               | 8,639           | 22,928                            | 82,815                          | 17.0                                 | 259,090                       | 103                                 | 206                                     | 309                                  | 5,633                                  | 48,666,455                                  |
| 2017               | 8,971           | 23,353                            | 84,841                          | 16.7                                 | 269,131                       | 99                                  | 198                                     | 297                                  | 5,308                                  | 47,621,129                                  |
| 2016               | 9,570           | 25,527                            | 94,348                          | 17.0                                 | 296,678                       | 88                                  | 176                                     | 264                                  | 4,894                                  | 46,831,687                                  |

Source: Fiscal Year's 2025 Michigan Postsecondary Data Inventory ([www.mischooldata.org/DistrictSchoolProfiles2/PostsecondaryDataInventory/PostsecondaryDataInventory.aspx](http://www.mischooldata.org/DistrictSchoolProfiles2/PostsecondaryDataInventory/PostsecondaryDataInventory.aspx))

Fiscal Year's 2017 and prior Activity Classification Structure Data ([www.michigancc.net/ccdata/tuition/summary.aspx](http://www.michigancc.net/ccdata/tuition/summary.aspx))

(1) One Fiscal Year Equated Student (FYES) equals 30 semester credit hours.

(2) Total tuition and fee revenue includes general and designated funds only.

(3) The MCCDI Report for June 30, 2025 is due November 1, 2025, therefore the data is not yet available.

---- Information is unavailable

**LANSING COMMUNITY COLLEGE**  
**DEMOGRAPHIC AND ECONOMIC INFORMATION**  
Full-Time Equivalent Employees  
Last Ten Fiscal Years  
(unaudited)

|                                 | 2025       | 2024         | 2023       | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         |
|---------------------------------|------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>ADMINISTRATOR FTE:</b>       | <b>232</b> | <b>201</b>   | <b>185</b> | <b>183</b>   | <b>172</b>   | <b>228</b>   | <b>223</b>   | <b>198</b>   | <b>169</b>   | <b>162</b>   |
| Full-Time                       | 230        | 199          | 182        | 181          | 170          | 224          | 219          | 194          | 164          | 156          |
| Part-Time                       | 6          | 7            | 8          | 7            | 7            | 11           | 12           | 11           | 16           | 17           |
| Calculated Part-Time FTE (1)    | 2          | 2            | 3          | 2            | 2            | 4            | 4            | 4            | 5            | 6            |
| <b>FACULTY FTE:</b>             | <b>318</b> | <b>416</b>   | <b>416</b> | <b>475</b>   | <b>480</b>   | <b>588</b>   | <b>641</b>   | <b>626</b>   | <b>645</b>   | <b>647</b>   |
| Full-Time                       | 189        | 185          | 185        | 183          | 182          | 202          | 202          | 191          | 190          | 179          |
| Part-Time                       | 388        | 692          | 692        | 876          | 893          | 1,157        | 1,317        | 1,305        | 1,364        | 1,404        |
| Calculated Part-Time FTE (1)    | 129        | 231          | 231        | 292          | 298          | 386          | 439          | 435          | 455          | 468          |
| <b>SUPPORT FTE:</b>             | <b>349</b> | <b>399</b>   | <b>395</b> | <b>387</b>   | <b>406</b>   | <b>284</b>   | <b>279</b>   | <b>286</b>   | <b>287</b>   | <b>270</b>   |
| Full-Time                       | 285        | 291          | 289        | 276          | 284          | 226          | 223          | 235          | 229          | 212          |
| Part-Time                       | 191        | 324          | 317        | 334          | 365          | 174          | 169          | 154          | 173          | 175          |
| Calculated Part-Time FTE (1)    | 64         | 108          | 106        | 111          | 122          | 58           | 56           | 51           | 58           | 58           |
| Actual total employees reported | 1,289      | 1,698        | 1,673      | 1,857        | 1,901        | 1,994        | 2,142        | 2,090        | 2,136        | 2,143        |
| <b>TOTAL FTE (1)</b>            | <b>899</b> | <b>1,016</b> | <b>995</b> | <b>1,046</b> | <b>1,058</b> | <b>1,099</b> | <b>1,143</b> | <b>1,110</b> | <b>1,101</b> | <b>1,079</b> |

*SOURCE: IPEDS Fall Staff Report (reporting all staff on payroll as of November 1st of each year)*

*(1) The full-time equivalent (FTE) of staff is calculated by summing the total number of full-time staff and adding one-third of the total number of part-time staff.*

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# Special Reports Section

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**LANSING COMMUNITY COLLEGE**  
**COMBINING SCHEDULE OF NET POSITION (Unaudited)**  
**JUNE 30, 2025**

|                                                            | Combined<br>Total    | General<br>Fund      | Pension and OPEB<br>Liabilities<br>Fund | Designated<br>Funds | Auxiliary Activities<br>Funds | Expendable<br>Restricted<br>Funds | Plant<br>Funds        | Agency<br>Funds |
|------------------------------------------------------------|----------------------|----------------------|-----------------------------------------|---------------------|-------------------------------|-----------------------------------|-----------------------|-----------------|
| <b>Assets</b>                                              |                      |                      |                                         |                     |                               |                                   |                       |                 |
| <b>Current assets</b>                                      |                      |                      |                                         |                     |                               |                                   |                       |                 |
| Cash and cash equivalents                                  | \$ 6,511,952         | \$ 6,511,952         | \$ -                                    | \$ -                | \$ -                          | \$ -                              | \$ -                  | \$ -            |
| Short-term investments                                     | 64,351,574           | 64,351,574           | -                                       | -                   | -                             | -                                 | -                     | -               |
| Property taxes receivable, net                             | 1,409,028            | 1,409,028            | -                                       | -                   | -                             | -                                 | -                     | -               |
| State appropriations receivable                            | 8,043,410            | 7,128,612            | -                                       | -                   | -                             | 914,798                           | -                     | -               |
| Accounts receivable, net                                   | 1,789,081            | 1,714,999            | -                                       | -                   | 74,082                        | -                                 | -                     | -               |
| Federal and state grants receivable                        | 1,995,377            | -                    | -                                       | -                   | -                             | 1,995,377                         | -                     | -               |
| Prepaid expenses and other assets                          | 3,830,719            | 3,602,311            | -                                       | 132,150             | 49,327                        | 74                                | 42,200                | 4,657           |
| Due from (due to) other funds                              | -                    | (37,514,647)         | -                                       | 7,190,251           | 2,205,909                     | 1,080,531                         | 26,540,104            | 497,852         |
| Due from component unit                                    | 30,820               | -                    | -                                       | -                   | -                             | 30,820                            | -                     | -               |
| <b>Total current assets</b>                                | <b>87,961,961</b>    | <b>47,203,829</b>    | <b>-</b>                                | <b>7,322,401</b>    | <b>2,329,318</b>              | <b>4,021,600</b>                  | <b>26,582,304</b>     | <b>502,509</b>  |
| <b>Noncurrent assets</b>                                   |                      |                      |                                         |                     |                               |                                   |                       |                 |
| Long-term investments                                      | 5,007,812            | 5,007,812            | -                                       | -                   | -                             | -                                 | -                     | -               |
| Capital assets not being depreciated                       | 17,962,401           | -                    | -                                       | -                   | -                             | -                                 | 17,962,401            | -               |
| Capital assets being depreciated/amortized, net            | 207,824,377          | -                    | -                                       | -                   | -                             | -                                 | 207,824,377           | -               |
| Net other postemployment benefits asset                    | 18,951,265           | -                    | 18,951,265                              | -                   | -                             | -                                 | -                     | -               |
| <b>Total noncurrent assets</b>                             | <b>249,745,855</b>   | <b>5,007,812</b>     | <b>18,951,265</b>                       | <b>-</b>            | <b>-</b>                      | <b>-</b>                          | <b>225,786,778</b>    | <b>-</b>        |
| <b>Total assets</b>                                        | <b>337,707,816</b>   | <b>52,211,641</b>    | <b>18,951,265</b>                       | <b>7,322,401</b>    | <b>2,329,318</b>              | <b>4,021,600</b>                  | <b>252,369,082</b>    | <b>502,509</b>  |
| <b>Deferred outflows of resources</b>                      |                      |                      |                                         |                     |                               |                                   |                       |                 |
| Deferred charge on bond refunding                          | 1,273,184            | -                    | -                                       | -                   | -                             | -                                 | 1,273,184             | -               |
| Deferred pension and OPEB amounts                          | 36,402,806           | -                    | 36,402,806                              | -                   | -                             | -                                 | -                     | -               |
| <b>Total deferred outflows of resources</b>                | <b>37,675,990</b>    | <b>-</b>             | <b>36,402,806</b>                       | <b>-</b>            | <b>-</b>                      | <b>-</b>                          | <b>1,273,184</b>      | <b>-</b>        |
| <b>Liabilities</b>                                         |                      |                      |                                         |                     |                               |                                   |                       |                 |
| <b>Current liabilities</b>                                 |                      |                      |                                         |                     |                               |                                   |                       |                 |
| Accounts payable                                           | 3,817,569            | 327,734              | -                                       | 160,858             | 40,917                        | 955,350                           | 2,182,982             | 149,728         |
| Accrued payroll and other compensation                     | 6,577,595            | 6,224,814            | -                                       | -                   | -                             | -                                 | -                     | 352,781         |
| Current compensated absences obligations                   | 3,852,762            | 3,852,762            | -                                       | -                   | -                             | -                                 | -                     | -               |
| Accrued interest payable                                   | 469,131              | -                    | -                                       | -                   | -                             | -                                 | 469,131               | -               |
| Unearned revenue                                           | 3,433,895            | 3,299,967            | -                                       | -                   | 80,139                        | 53,789                            | -                     | -               |
| Current portion of subscription obligations                | 2,175,395            | -                    | -                                       | -                   | -                             | -                                 | 2,175,395             | -               |
| Current portion of debt obligations                        | 5,255,000            | -                    | -                                       | -                   | -                             | -                                 | 5,255,000             | -               |
| <b>Total current liabilities</b>                           | <b>25,581,347</b>    | <b>13,705,277</b>    | <b>-</b>                                | <b>160,858</b>      | <b>121,056</b>                | <b>1,009,139</b>                  | <b>10,082,508</b>     | <b>502,509</b>  |
| <b>Noncurrent liabilities</b>                              |                      |                      |                                         |                     |                               |                                   |                       |                 |
| Long-term compensated absences obligations, net of current | 4,470,639            | 4,470,639            | -                                       | -                   | -                             | -                                 | -                     | -               |
| Long-term subscription obligations, net of current portion | 2,611,389            | -                    | -                                       | -                   | -                             | -                                 | 2,611,389             | -               |
| Long-term debt obligations, net of current portion         | 76,318,228           | -                    | -                                       | -                   | -                             | -                                 | 76,318,228            | -               |
| Net pension liability                                      | 107,116,780          | -                    | 107,116,780                             | -                   | -                             | -                                 | -                     | -               |
| <b>Total noncurrent liabilities</b>                        | <b>190,517,036</b>   | <b>4,470,639</b>     | <b>107,116,780</b>                      | <b>-</b>            | <b>-</b>                      | <b>-</b>                          | <b>78,929,617</b>     | <b>-</b>        |
| <b>Total liabilities</b>                                   | <b>216,098,383</b>   | <b>18,175,916</b>    | <b>107,116,780</b>                      | <b>160,858</b>      | <b>121,056</b>                | <b>1,009,139</b>                  | <b>89,012,125</b>     | <b>502,509</b>  |
| <b>Deferred inflows of resources</b>                       |                      |                      |                                         |                     |                               |                                   |                       |                 |
| Deferred pension and OPEB amounts                          | 69,697,640           | -                    | 69,697,640                              | -                   | -                             | -                                 | -                     | -               |
| <b>Net position (deficit)</b>                              |                      |                      |                                         |                     |                               |                                   |                       |                 |
| Net investment in capital assets                           | 140,387,595          | -                    | -                                       | -                   | -                             | -                                 | 140,387,595           | -               |
| Restricted:                                                |                      |                      |                                         |                     |                               |                                   |                       |                 |
| Restricted fund activities                                 | 3,012,461            | -                    | -                                       | -                   | -                             | 3,012,461                         | -                     | -               |
| Capital projects                                           | 3,544,440            | -                    | -                                       | -                   | -                             | -                                 | 3,544,440             | -               |
| Net other postemployment benefits asset                    | 18,951,265           | -                    | 18,951,265                              | -                   | -                             | -                                 | -                     | -               |
| Unrestricted (deficit)                                     | (76,307,978)         | 34,035,725           | (140,411,614)                           | 7,161,543           | 2,208,262                     | -                                 | 20,698,106            | -               |
| <b>Total net position (deficit)</b>                        | <b>\$ 89,587,783</b> | <b>\$ 34,035,725</b> | <b>\$ (121,460,349)</b>                 | <b>\$ 7,161,543</b> | <b>\$ 2,208,262</b>           | <b>\$ 3,012,461</b>               | <b>\$ 164,630,141</b> | <b>\$ -</b>     |

**LANSING COMMUNITY COLLEGE**  
**COMBINING SCHEDULE OF NET POSITION (Unaudited)**  
**JUNE 30, 2024**

|                                                            | Combined<br>Total<br>(Restated) | General<br>Fund<br>(Restated) | Pension and OPEB<br>Liabilities<br>Fund | Designated<br>Funds | Auxiliary Activities<br>Funds | Expendable<br>Restricted<br>Funds | Plant<br>Funds        | Agency<br>Funds |
|------------------------------------------------------------|---------------------------------|-------------------------------|-----------------------------------------|---------------------|-------------------------------|-----------------------------------|-----------------------|-----------------|
| <b>Assets</b>                                              |                                 |                               |                                         |                     |                               |                                   |                       |                 |
| <b>Current assets</b>                                      |                                 |                               |                                         |                     |                               |                                   |                       |                 |
| Cash and cash equivalents                                  | \$ 8,458,221                    | \$ 8,458,221                  | \$ -                                    | \$ -                | \$ -                          | \$ -                              | \$ -                  | \$ -            |
| Short-term investments                                     | 67,808,607                      | 67,808,607                    | -                                       | -                   | -                             | -                                 | -                     | -               |
| Property taxes receivable, net                             | 1,038,856                       | 1,038,856                     | -                                       | -                   | -                             | -                                 | -                     | -               |
| State appropriations receivable                            | 8,453,602                       | 6,900,488                     | -                                       | -                   | -                             | 1,553,114                         | -                     | -               |
| Accounts receivable, net                                   | 2,309,470                       | 1,862,021                     | -                                       | -                   | 444,449                       | -                                 | -                     | -               |
| Federal and state grants receivable                        | 3,076,276                       | -                             | -                                       | -                   | -                             | 3,076,276                         | -                     | -               |
| Prepaid expenses and other assets                          | 3,312,350                       | 3,207,422                     | -                                       | 33,843              | 7,992                         | -                                 | 58,336                | 4,757           |
| Due from (due to) other funds                              | -                               | (39,345,910)                  | -                                       | 7,438,052           | 1,845,792                     | (1,588,429)                       | 30,946,668            | 703,827         |
| Due from component unit                                    | 16,196                          | -                             | -                                       | -                   | -                             | 16,196                            | -                     | -               |
| <b>Total current assets</b>                                | <b>94,473,578</b>               | <b>49,932,705</b>             | <b>-</b>                                | <b>7,471,895</b>    | <b>2,298,233</b>              | <b>3,057,157</b>                  | <b>31,005,004</b>     | <b>708,584</b>  |
| <b>Noncurrent assets</b>                                   |                                 |                               |                                         |                     |                               |                                   |                       |                 |
| Capital assets not being depreciated                       | 15,504,547                      | -                             | -                                       | -                   | -                             | -                                 | 15,504,547            | -               |
| Capital assets being depreciated/amortized, net            | 210,655,699                     | -                             | -                                       | -                   | -                             | -                                 | 210,655,699           | -               |
| Net other postemployment benefits asset                    | 2,549,473                       | -                             | 2,549,473                               | -                   | -                             | -                                 | -                     | -               |
| <b>Total noncurrent assets</b>                             | <b>228,709,719</b>              | <b>-</b>                      | <b>2,549,473</b>                        | <b>-</b>            | <b>-</b>                      | <b>-</b>                          | <b>226,160,246</b>    | <b>-</b>        |
| <b>Total assets</b>                                        | <b>323,183,297</b>              | <b>49,932,705</b>             | <b>2,549,473</b>                        | <b>7,471,895</b>    | <b>2,298,233</b>              | <b>3,057,157</b>                  | <b>257,165,250</b>    | <b>708,584</b>  |
| <b>Deferred outflows of resources</b>                      |                                 |                               |                                         |                     |                               |                                   |                       |                 |
| Deferred charge on bond refunding                          | 1,455,068                       | -                             | -                                       | -                   | -                             | -                                 | 1,455,068             | -               |
| Deferred pension and OPEB amounts                          | 49,257,467                      | -                             | 49,257,467                              | -                   | -                             | -                                 | -                     | -               |
| <b>Total deferred outflows of resources</b>                | <b>50,712,535</b>               | <b>-</b>                      | <b>49,257,467</b>                       | <b>-</b>            | <b>-</b>                      | <b>-</b>                          | <b>1,455,068</b>      | <b>-</b>        |
| <b>Liabilities</b>                                         |                                 |                               |                                         |                     |                               |                                   |                       |                 |
| <b>Current liabilities</b>                                 |                                 |                               |                                         |                     |                               |                                   |                       |                 |
| Accounts payable                                           | 3,252,133                       | 1,445,158                     | -                                       | -                   | 60,303                        | 1,578,400                         | 167,828               | 444             |
| Accrued payroll and other compensation                     | 6,470,106                       | 5,761,966                     | -                                       | -                   | -                             | -                                 | -                     | 708,140         |
| Current compensated absences obligations                   | 3,842,292                       | 3,842,292                     | -                                       | -                   | -                             | -                                 | -                     | -               |
| Accrued interest payable                                   | 500,155                         | -                             | -                                       | -                   | -                             | -                                 | 500,155               | -               |
| Unearned revenue                                           | 3,880,502                       | 2,800,317                     | -                                       | -                   | 59,416                        | 1,020,769                         | -                     | -               |
| Current portion of subscription obligations                | 1,758,549                       | -                             | -                                       | -                   | -                             | -                                 | 1,758,549             | -               |
| Current portion of lease obligations                       | 430,358                         | -                             | -                                       | -                   | -                             | -                                 | 430,358               | -               |
| Current portion of debt obligations                        | 5,060,000                       | -                             | -                                       | -                   | -                             | -                                 | 5,060,000             | -               |
| <b>Total current liabilities</b>                           | <b>25,194,095</b>               | <b>13,849,733</b>             | <b>-</b>                                | <b>-</b>            | <b>119,719</b>                | <b>2,599,169</b>                  | <b>7,916,890</b>      | <b>708,584</b>  |
| <b>Noncurrent liabilities</b>                              |                                 |                               |                                         |                     |                               |                                   |                       |                 |
| Long-term compensated absences obligations, net of current | 3,815,562                       | 3,815,562                     | -                                       | -                   | -                             | -                                 | -                     | -               |
| Long-term subscription obligations, net of current portion | 2,147,172                       | -                             | -                                       | -                   | -                             | -                                 | 2,147,172             | -               |
| Long-term lease obligations, net of current portion        | 308,471                         | -                             | -                                       | -                   | -                             | -                                 | 308,471               | -               |
| Long-term debt obligations, net of current portion         | 81,978,054                      | -                             | -                                       | -                   | -                             | -                                 | 81,978,054            | -               |
| Net pension liability                                      | 143,514,579                     | -                             | 143,514,579                             | -                   | -                             | -                                 | -                     | -               |
| <b>Total noncurrent liabilities</b>                        | <b>231,763,838</b>              | <b>3,815,562</b>              | <b>143,514,579</b>                      | <b>-</b>            | <b>-</b>                      | <b>-</b>                          | <b>84,433,697</b>     | <b>-</b>        |
| <b>Total liabilities</b>                                   | <b>256,957,933</b>              | <b>17,665,295</b>             | <b>143,514,579</b>                      | <b>-</b>            | <b>119,719</b>                | <b>2,599,169</b>                  | <b>92,350,587</b>     | <b>708,584</b>  |
| <b>Deferred inflows of resources</b>                       |                                 |                               |                                         |                     |                               |                                   |                       |                 |
| Deferred pension and OPEB amounts                          | 57,664,686                      | -                             | 57,664,686                              | -                   | -                             | -                                 | -                     | -               |
| <b>Net position (deficit)</b>                              |                                 |                               |                                         |                     |                               |                                   |                       |                 |
| Net investment in capital assets                           | 134,261,628                     | -                             | -                                       | -                   | -                             | -                                 | 134,261,628           | -               |
| Restricted:                                                |                                 |                               |                                         |                     |                               |                                   |                       |                 |
| Restricted fund activities                                 | 457,988                         | -                             | -                                       | -                   | -                             | 457,988                           | -                     | -               |
| Capital projects                                           | 3,593,200                       | -                             | -                                       | -                   | -                             | -                                 | 3,593,200             | -               |
| Net other postemployment benefits asset                    | 2,549,473                       | -                             | 2,549,473                               | -                   | -                             | -                                 | -                     | -               |
| Unrestricted (deficit)                                     | (81,589,076)                    | 32,267,410                    | (151,921,798)                           | 7,471,895           | 2,178,514                     | -                                 | 28,414,903            | -               |
| <b>Total net position (deficit)</b>                        | <b>\$ 59,273,213</b>            | <b>\$ 32,267,410</b>          | <b>\$ (149,372,325)</b>                 | <b>\$ 7,471,895</b> | <b>\$ 2,178,514</b>           | <b>\$ 457,988</b>                 | <b>\$ 166,269,731</b> | <b>\$ -</b>     |

**LANSING COMMUNITY COLLEGE**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES, TRANSFERS AND CHANGES IN NET POSITION (Unaudited)**  
**YEAR ENDED JUNE 30, 2025**

|                                                                  | Combined<br>Total    | Eliminations        | General<br>Fund      | Pension and OPEB<br>Liabilities<br>Fund | Designated<br>Funds | Auxiliary Activities<br>Funds | Expendable<br>Restricted<br>Funds | Plant<br>Funds        |
|------------------------------------------------------------------|----------------------|---------------------|----------------------|-----------------------------------------|---------------------|-------------------------------|-----------------------------------|-----------------------|
| <b>Operating revenues</b>                                        |                      |                     |                      |                                         |                     |                               |                                   |                       |
| Tuition and fees (net of scholarship allowances of \$15,974,486) | \$ 27,289,205        | \$ (15,974,486)     | \$ 41,285,342        | \$ -                                    | \$ -                | \$ 1,054,084                  | \$ -                              | \$ 924,265            |
| Federal grants and contracts                                     | 2,613,841            | -                   | -                    | -                                       | -                   | -                             | 2,613,841                         | -                     |
| State grants and contracts                                       | 903,094              | -                   | -                    | -                                       | -                   | -                             | 903,094                           | -                     |
| Local grants and contracts                                       | 5,548,891            | -                   | 3,004,612            | -                                       | -                   | -                             | 2,544,279                         | -                     |
| Sales and services of auxiliary activities                       | 640,889              | -                   | 1,353                | -                                       | -                   | 631,287                       | -                                 | 8,249                 |
| Job Training Programs                                            | 425,689              | -                   | -                    | -                                       | -                   | -                             | 425,689                           | -                     |
| Miscellaneous                                                    | 903,585              | -                   | 748,944              | -                                       | 30,650              | 99,218                        | -                                 | 24,773                |
| <b>Total operating revenues</b>                                  | <b>38,325,194</b>    | <b>(15,974,486)</b> | <b>45,040,251</b>    | <b>-</b>                                | <b>30,650</b>       | <b>1,784,589</b>              | <b>6,486,903</b>                  | <b>957,287</b>        |
| <b>Operating expenses</b>                                        |                      |                     |                      |                                         |                     |                               |                                   |                       |
| Instruction                                                      | 25,890,406           | -                   | 37,696,092           | (12,836,445)                            | 1,458               | -                             | 1,029,301                         | -                     |
| Information technology                                           | 11,046,084           | -                   | 15,316,512           | (2,633,049)                             | 879,276             | (119,454)                     | 92,221                            | (2,489,422)           |
| Public services                                                  | 2,081,371            | -                   | 1,213,864            | (511,539)                               | 53,013              | 529,048                       | 796,985                           | -                     |
| Instructional support                                            | 15,896,936           | -                   | 21,955,197           | (7,201,836)                             | 183,681             | -                             | 959,894                           | -                     |
| Student services                                                 | 19,534,557           | (15,974,486)        | 18,461,300           | (4,766,417)                             | 92,874              | -                             | 21,721,286                        | -                     |
| Institutional administration                                     | 19,478,885           | -                   | 17,082,415           | (4,059,238)                             | -                   | 17,071                        | 6,438,637                         | -                     |
| Operation and maintenance of plant                               | 17,184,252           | -                   | 13,878,269           | (2,050,415)                             | 110,187             | 785,385                       | 211,415                           | 4,249,411             |
| Depreciation and amortization                                    | 12,903,080           | -                   | -                    | -                                       | -                   | -                             | -                                 | 12,903,080            |
| <b>Total operating expenses</b>                                  | <b>124,015,571</b>   | <b>(15,974,486)</b> | <b>125,603,649</b>   | <b>(34,058,939)</b>                     | <b>1,320,489</b>    | <b>1,212,050</b>              | <b>31,249,739</b>                 | <b>14,663,069</b>     |
| <b>Operating (loss) income</b>                                   | <b>(85,690,377)</b>  | <b>-</b>            | <b>(80,563,398)</b>  | <b>34,058,939</b>                       | <b>(1,289,839)</b>  | <b>572,539</b>                | <b>(24,762,836)</b>               | <b>(13,705,782)</b>   |
| <b>Nonoperating revenues (expenses)</b>                          |                      |                     |                      |                                         |                     |                               |                                   |                       |
| State appropriations                                             | 43,567,838           | -                   | 40,359,928           | (6,146,963)                             | -                   | -                             | 9,354,873                         | -                     |
| Property tax levy                                                | 54,633,090           | -                   | 54,633,090           | -                                       | -                   | -                             | -                                 | -                     |
| Pell Grant revenue                                               | 17,664,940           | -                   | -                    | -                                       | -                   | -                             | 17,664,940                        | -                     |
| Investment return and other gains                                | 3,246,782            | -                   | 3,211,154            | -                                       | -                   | -                             | -                                 | 35,628                |
| Interest on capital asset - related debt                         | (3,107,703)          | -                   | -                    | -                                       | -                   | -                             | -                                 | (3,107,703)           |
| <b>Net nonoperating revenues (expenses)</b>                      | <b>116,004,947</b>   | <b>-</b>            | <b>98,204,172</b>    | <b>(6,146,963)</b>                      | <b>-</b>            | <b>-</b>                      | <b>27,019,813</b>                 | <b>(3,072,075)</b>    |
| <b>Other revenues</b>                                            |                      |                     |                      |                                         |                     |                               |                                   |                       |
| State capital appropriations                                     | -                    | -                   | -                    | -                                       | -                   | -                             | -                                 | -                     |
| <b>Increase (decrease) in net position</b>                       | <b>30,314,570</b>    | <b>-</b>            | <b>17,640,774</b>    | <b>27,911,976</b>                       | <b>(1,289,839)</b>  | <b>572,539</b>                | <b>2,256,977</b>                  | <b>(16,777,857)</b>   |
| Transfers (out) in                                               | -                    | -                   | (15,872,459)         | -                                       | 979,487             | (542,791)                     | 297,496                           | 15,138,267            |
| <b>Change in net position</b>                                    | <b>30,314,570</b>    | <b>-</b>            | <b>1,768,315</b>     | <b>27,911,976</b>                       | <b>(310,352)</b>    | <b>29,748</b>                 | <b>2,554,473</b>                  | <b>(1,639,590)</b>    |
| Net position (deficit), beginning                                | <b>59,273,213</b>    | <b>-</b>            | <b>32,267,410</b>    | <b>(149,372,325)</b>                    | <b>7,471,895</b>    | <b>2,178,514</b>              | <b>457,988</b>                    | <b>166,269,731</b>    |
| <b>Net position (deficit), end of year</b>                       | <b>\$ 89,587,783</b> | <b>\$ -</b>         | <b>\$ 34,035,725</b> | <b>\$ (121,460,349)</b>                 | <b>\$ 7,161,543</b> | <b>\$ 2,208,262</b>           | <b>\$ 3,012,461</b>               | <b>\$ 164,630,141</b> |

**LANSING COMMUNITY COLLEGE**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES, TRANSFERS AND CHANGES IN NET POSITION (Unaudited)**  
**YEAR ENDED JUNE 30, 2024**

|                                                                  | Combined<br>Total<br>(Restated) | Eliminations        | General<br>Fund<br>(Restated) | Pension and OPEB<br>Liabilities<br>Fund | Designated<br>Funds | Auxiliary Activities<br>Funds | Expendable<br>Restricted<br>Funds | Plant<br>Funds        |
|------------------------------------------------------------------|---------------------------------|---------------------|-------------------------------|-----------------------------------------|---------------------|-------------------------------|-----------------------------------|-----------------------|
| <b>Operating revenues</b>                                        |                                 |                     |                               |                                         |                     |                               |                                   |                       |
| Tuition and fees (net of scholarship allowances of \$12,064,658) | \$ 27,747,591                   | \$ (12,064,658)     | \$ 38,005,268                 | \$ -                                    | \$ -                | \$ 980,376                    | \$ -                              | \$ 826,605            |
| Federal grants and contracts                                     | 3,165,124                       | -                   | -                             | -                                       | -                   | -                             | 3,165,124                         | -                     |
| State grants and contracts                                       | 1,095,953                       | -                   | -                             | -                                       | -                   | -                             | 1,095,953                         | -                     |
| Local grants and contracts                                       | 5,744,225                       | -                   | 2,841,260                     | -                                       | -                   | -                             | 2,902,965                         | -                     |
| Sales and services of auxiliary activities                       | 737,500                         | -                   | 2,769                         | -                                       | -                   | 727,125                       | -                                 | 7,606                 |
| Job Training Programs                                            | 625,118                         | -                   | -                             | -                                       | -                   | -                             | 625,118                           | -                     |
| Miscellaneous                                                    | 1,216,400                       | -                   | 707,122                       | -                                       | -                   | 445,345                       | -                                 | 63,933                |
| <b>Total operating revenues</b>                                  | <b>40,331,911</b>               | <b>(12,064,658)</b> | <b>41,556,419</b>             | <b>-</b>                                | <b>-</b>            | <b>2,152,846</b>              | <b>7,789,160</b>                  | <b>898,144</b>        |
| <b>Operating expenses</b>                                        |                                 |                     |                               |                                         |                     |                               |                                   |                       |
| Instruction                                                      | 25,342,924                      | -                   | 35,270,130                    | (10,552,202)                            | 8,332               | -                             | 616,664                           | -                     |
| Information technology                                           | 10,082,603                      | -                   | 14,333,100                    | (2,217,010)                             | 278,248             | (107,182)                     | 67,097                            | (2,271,650)           |
| Public services                                                  | 2,043,680                       | -                   | 1,215,825                     | (460,677)                               | -                   | 560,938                       | 727,594                           | -                     |
| Instructional support                                            | 15,850,267                      | -                   | 20,819,208                    | (5,979,187)                             | 168,325             | 1,085                         | 840,836                           | -                     |
| Student services                                                 | 17,231,761                      | (12,064,658)        | 17,137,082                    | (3,907,156)                             | 258,223             | -                             | 15,808,270                        | -                     |
| Institutional administration                                     | 22,671,714                      | -                   | 17,062,145                    | (3,260,743)                             | -                   | (1,359)                       | 8,871,671                         | -                     |
| Operation and maintenance of plant                               | 17,036,306                      | -                   | 12,989,136                    | (1,608,165)                             | -                   | 504,819                       | 975,762                           | 4,174,754             |
| Depreciation and amortization                                    | 12,660,243                      | -                   | -                             | -                                       | -                   | -                             | -                                 | 12,660,243            |
| <b>Total operating expenses</b>                                  | <b>122,919,498</b>              | <b>(12,064,658)</b> | <b>118,826,626</b>            | <b>(27,985,140)</b>                     | <b>713,128</b>      | <b>958,301</b>                | <b>27,907,894</b>                 | <b>14,563,347</b>     |
| <b>Operating (loss) income</b>                                   | <b>(82,587,587)</b>             | <b>-</b>            | <b>(77,270,207)</b>           | <b>27,985,140</b>                       | <b>(713,128)</b>    | <b>1,194,545</b>              | <b>(20,118,734)</b>               | <b>(13,665,203)</b>   |
| <b>Nonoperating revenues (expenses)</b>                          |                                 |                     |                               |                                         |                     |                               |                                   |                       |
| State appropriations                                             | 39,478,637                      | -                   | 39,478,637                    | (8,542,131)                             | -                   | -                             | 8,542,131                         | -                     |
| Property tax levy                                                | 51,553,499                      | -                   | 51,553,499                    | -                                       | -                   | -                             | -                                 | -                     |
| Pell Grant revenue                                               | 11,854,667                      | -                   | -                             | -                                       | -                   | -                             | 11,854,667                        | -                     |
| Investment return and other gains                                | 3,312,337                       | -                   | 3,300,348                     | -                                       | -                   | -                             | -                                 | 11,989                |
| Interest on capital asset - related debt                         | (3,174,762)                     | -                   | -                             | -                                       | -                   | -                             | -                                 | (3,174,762)           |
| <b>Net nonoperating revenues (expenses)</b>                      | <b>103,024,378</b>              | <b>-</b>            | <b>94,332,484</b>             | <b>(8,542,131)</b>                      | <b>-</b>            | <b>-</b>                      | <b>20,396,798</b>                 | <b>(3,162,773)</b>    |
| <b>Other revenues</b>                                            |                                 |                     |                               |                                         |                     |                               |                                   |                       |
| State capital appropriations                                     | 3,593,200                       | -                   | -                             | -                                       | -                   | -                             | -                                 | 3,593,200             |
| <b>Increase (decrease) in net position</b>                       | <b>24,029,991</b>               | <b>-</b>            | <b>17,062,277</b>             | <b>19,443,009</b>                       | <b>(713,128)</b>    | <b>1,194,545</b>              | <b>278,064</b>                    | <b>(13,234,776)</b>   |
| Transfers (out) in                                               | -                               | -                   | (19,664,128)                  | -                                       | 171,073             | (415,926)                     | (110,786)                         | 20,019,767            |
| <b>Change in net position</b>                                    | <b>24,029,991</b>               | <b>-</b>            | <b>(2,601,851)</b>            | <b>19,443,009</b>                       | <b>(542,055)</b>    | <b>778,619</b>                | <b>167,278</b>                    | <b>6,784,991</b>      |
| Net position (deficit), beginning of year                        | 39,393,168                      | -                   | 39,019,207                    | (168,815,334)                           | 8,013,950           | 1,399,895                     | 290,710                           | 159,484,740           |
| Restatement for change in accounting principle GASB 101          | (4,149,946)                     | -                   | (4,149,946)                   | -                                       | -                   | -                             | -                                 | -                     |
| Net position (deficit), beginning of year, as restated           | 35,243,222                      | -                   | 34,869,261                    | (168,815,334)                           | 8,013,950           | 1,399,895                     | 290,710                           | 159,484,740           |
| <b>Net position (deficit), end of year</b>                       | <b>\$ 59,273,213</b>            | <b>\$ -</b>         | <b>\$ 32,267,410</b>          | <b>\$ (149,372,325)</b>                 | <b>\$ 7,471,895</b> | <b>\$ 2,178,514</b>           | <b>\$ 457,988</b>                 | <b>\$ 166,269,731</b> |