Lansing Community College
Board of Trustees

(Part 3 of 3)

Regular Meeting
October 26, 2026
6:00 p.m.

Lansing Community College – Board of Trustees
October 26, 2026

Agenda Item: Annual Financial Audit Report

Presented for Action

PURPOSE
To accept the College's annual financial audit 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 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, 2026 and 2025.

Annual Comprehensive Financial Report

Fiscal Years Ended
June 30, 2026 and June 30, 2025

LANSING COMMUNITY COLLEGE · LANSING, MICHIGAN

LANSING COMMUNITY COLLEGE



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LANSING COMMUNITY COLLEGE
Lansing, Michigan

ANNUAL COMPREHENSIVE FINANCIAL REPORT
Fiscal Years Ended June 30, 2026 and June 30, 2025

Prepared by:
Financial Services Division

Donald L. Wilske
Chief Financial Officer

Megan L. Garrett
Controller

Melissa J. Zilka
Associate Controller

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LANSING COMMUNITY COLLEGE

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION (UNAUDITED)	
Letter of Transmittal	1
Lansing Community College Principal Officials	6
Organization Chart	7
Certificate of Achievement for Excellence in Financial Reporting	8
FINANCIAL SECTION	
Independent Auditors' Report	11
Management's Discussion and Analysis	14
Basic Financial Statements	
Statements of Net Position	26
Statements of Revenues, Expenses and Changes in Net Position	27
Statements of Cash Flows	28
Notes to Financial Statements	30
Required Supplementary Information	
MPSERS Cost-Sharing Multiple Employer Plan:	
Schedule of the College's Proportionate Share of the Net Pension Liability	69
Schedule of the College's Pension Contributions	69
Schedule of the College's Proportionate Share of the Net Other Postemployment Benefits (Asset) Liability	70
Schedule of the College's Other Postemployment Benefits Contributions	70
Notes to Required Supplementary Information	71

LANSING COMMUNITY COLLEGE

TABLE OF CONTENTS

	Page
STATISTICAL SECTION (UNAUDITED)	
Statistical Section Contents	74
Schedule of Revenues, Expenses and Changes in Net Position	75
Net Position by Components	76
Major Taxpayers	77
Assessed Value and Taxable Value of Property	78
Property Tax Levies and Collections	79
Legal Debt Margin	80
Personal Income per Capita	81
Top Ten Principal Employers	82
Capital Asset Statistics	83
Enrollment, Tuition and Fee Rates, Credit Hours, and Tuition and Fee Revenues Generated	84
Full-Time Equivalent Employees	85
SPECIAL REPORTS SECTION (UNAUDITED)	
Combining Schedules of Net Position	89
Combining Schedules of Revenues, Expenses, Transfers and Changes in Net Position	91



Introductory Section

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October 9, 2026

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, 2026 and June 30, 2025, 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, 2026 and 2025. 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 has been 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 seventh largest community college in the state of Michigan. The College currently enrolls more than 14,000 college-credit students each year, and has over 700 full-time and 550 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 in Howell, the campus was closed at the end of June 2025, due to the lack of financial viability and decline in student enrollment.

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:

Enrollment	FALL 2025	FALL 2024	FALL 2023	FALL 2022	FALL 2021
College (unduplicated head count)	10,398	9,821	9,207	9,573	10,303
Full-time Equivalents	5,846	5,320	4,924	5,118	5,600
Total Credit Hours	92,561	85,587	80,539	84,161	92,142

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.

	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
In-District Tuition Rate (per billing hour)	$120	$120	$117	$114	$114
In-District Tuition Increase (per billing hour)	$0	$3	$3	$0	$3

With tuition and fees accounting for 29.2% 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 2027 $122 in-district per billing hour rate well below the average rate of Michigan community colleges in-district tuition

of $144, and remains as the sixth lowest in-district tuition rate in the state. High potential enrollment opportunities 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 3.7550 mils in 2027 and will impact the College's property tax revenue for fiscal year 2027. This rate represents a slight decrease from 3.7611 levied in 2026. The most recent state average reported for all community colleges was 2.3293 mils.

Capital Project Planning

The Ten-year Campus Master Plan 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.

The State of Michigan approved in their fiscal year 2027 budget a capital outlay project of $8,850,000 for the Energy and Utility Training Center at the College's West Campus. The State will fund 50% of eligible project costs with the College providing a 50% match.

MICHIGAN'S ECONOMIC OUTLOOK

Local Economy

Michigan's economy has generally followed the same trends as the U.S. economy. Inflation is still high, and unemployment has increased, though it remains low compared to historical levels. Michigan depends heavily on the auto industry and has an older population, which has slowed its economic growth compared to the rest of the country. Between 2000 and 2010, improvements in productivity and a decline

in the auto industry's market share caused many jobs to be lost, and the state has still not recovered all of those jobs that Michigan had prior to the 2000-2001 recession.

Forecast Summary

The US economy slowed in 2025 and is expected to continue growing at roughly the same rate, or slightly slower, through the 2026-2028 period. Consumer spending will increase more slowly as households are expected to spend less aggressively because inflation-adjusted (real) wage growth is limited and employment is expected to remain relatively flat. Business investment is expected to strengthen and productivity will improve. Unemployment will edge up slightly but still be low compared to historical averages.

Michigan's economy is expected to follow national economic trends. However, employment is forecast to continue experiencing modest declines, after payroll employment decreased by 0.1% in 2025, and the state's unemployment rate is projected to remain above the national average. Economic growth and inflation are expected to offset one another, resulting in relatively flat inflation-adjusted personal income throughout the forecast period.

Prospects for the Future

State of Michigan FY 2025-26 Revised Revenue Estimate

- General Fund/General Purpose (GF/GP) and School Aid Fund (SAF) revenue is expected to total $33.6 billion in FY 2025-26. The revised estimate for FY 2025-26 is up 1.3%, or $419.7 million, from the revenue for FY 2024-25. The projected revenue increase in FY 2025-26 reflects increases in net personal income taxes, internet gaming revenue, and State Education Property Tax (SET), partially offset by decreases in sales tax and Corporate Income Tax (CIT). The revised estimate for FY 2025-26 is $345 million above the January 2026 consensus revenue estimate.

State of Michigan FY 2026-27 Revised Revenue Estimate

- GF/GP and SAF revenue is expected to total over $33.7 billion in FY 2026-27. The revised estimate for FY 2026-27 is up 0.3%, or $92.2 million, from the revised estimate for FY 2025-26. The revised estimate for FY 2026-27 is $63.8 million above the January 2026 consensus revenue estimate.

State of Michigan FY 2027-28 Revised Revenue Estimate

- GF/GP and SAF revenue is expected to total $34.5 billion in FY 2027-28. The revised estimate for FY 2027-28 is up 2.3%, or $765.4 million, from the revised estimate for FY 2026-27. The revised estimate for FY 2027-28 is $22.2 million below the January 2026 consensus revenue estimate.

Source: MICHIGAN'S ECONOMIC OUTLOOK AND BUDGET REVIEW – FY 2025-26, FY 2026-27, and FY 2027-28 May 14, 2026 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, 2025. 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 seventeen 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, 2025. 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 fifteen consecutive years.

The College's Purchasing Department is the recipient of the 2026 Annual Achievement of Excellence in Procurement Award from the National Procurement Institute. The College has received the award for twenty-four consecutive years. The award criteria are designed to measure public procurement best practices in innovation, professionalism, e-procurement, productivity and leadership.

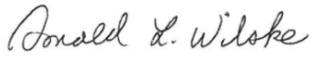
Independent Audit

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,



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

Trustee	Position	Term Expires
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

Officer	Position
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

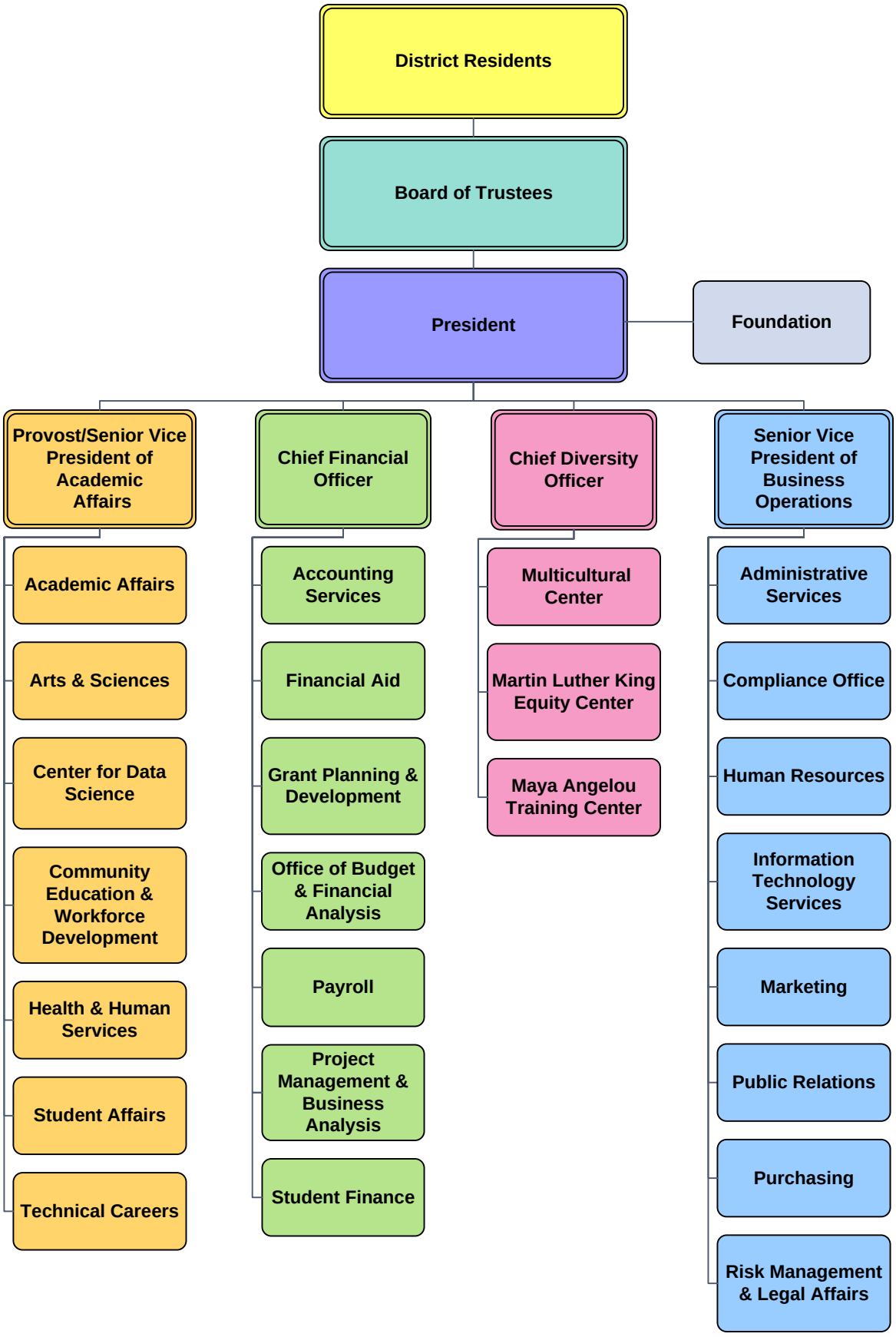
OFFICIALS ISSUING REPORT

Officer	Position
Donald L. Wilske	Chief Financial Officer
Megan L. Garrett	Controller
Melissa J. Zilka	Associate Controller

DIVISION ISSUING REPORT

Financial Services Division

Lansing Community College
Organizational Chart



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, 2025

Christopher P. Morrill

Executive Director/CEO

Financial Section

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Rehmann

INDEPENDENT AUDITORS' REPORT

October 9, 2026

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, 2026 and 2025, 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, 2026 and 2025, 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Lansing Community College Foundation were not audited in accordance with *Government Auditing Standards.*

Implementation of GASB Statement No. 103

As described in Note 1, during the year ended June 30, 2026, the College implemented the provisions of GASB Statement No. 103, *Financial Reporting Model Improvements,* effective July 1, 2024. Our opinion is not modified with respect to this matter.

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for twelve months beyond the financial statement date, including 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 9, 2026, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Rehmann Robson LLC

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, 2026 and 2025. Management has prepared the fiscal year 2026 and 2025 financial statements and the related footnote disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the College's management. This section is intended to assist readers in understanding the College's financial performance and condition, and should be read in conjunction with the accompanying financial statements and notes.

If you have questions about this report or require additional financial information, contact Financial Services, Lansing Community College, 309 N. Washington Square, Suite 203, Lansing, Michigan 48933.

Overview of the Financial Statements

The College issues basic financial statements for a special-purpose government engaged in only business-type activities. The basic financial statements comprise the Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position, and the Statements of Cash Flow, along with notes that are an integral part of the statements. The College also reports a discretely presented component unit - the ***Lansing Community College Foundation*** (the "Foundation"). The Foundation's financial position and financial activities are presented separately from the College's activities in the Statements of Net Position and Statements of Revenues, Expenses and Changes in Net Position, in separate columns titled "Component Unit".

The financial statements of the College are prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") and follow the financial reporting model established by the Governmental Accounting Standards Board ("GASB") in Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments,* Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities,* and Statement No. 103, *Financial Reporting Model Improvements.* The College also conforms with the State of Michigan *Manual for Uniform Financial Reporting for Michigan Public Community Colleges.*

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

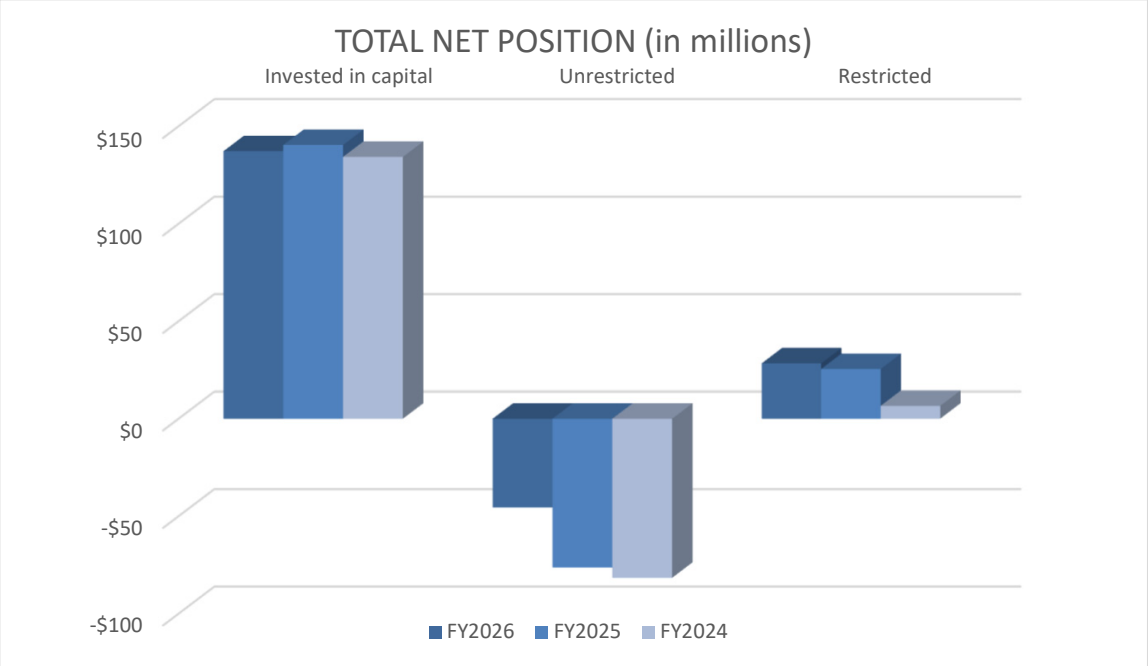
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Summary and Detailed Analysis

Net Position

The College's statements of net position (in millions) at June 30, 2026, 2025 and 2024 are summarized as follows:

	2026	2025	Increase (Decrease) 2026-2025	2024	Increase (Decrease) 2025-2024
Current and other assets	$ 94.6	$ 88.0	$ 6.6	$ 94.5	$ (6.5)
Capital assets, net of depreciation and amortization	222.4	225.8	(3.4)	226.2	(0.4)
Long-term investments	-	5.0	(5.0)	-	5.0
Net OPEB asset	25.0	18.9	6.1	2.5	16.4
Total assets	342.0	337.7	4.3	323.2	14.5
Deferred outflows of resources	33.6	37.7	(4.1)	50.7	(13.0)
Other liabilities	14.4	14.3	0.1	10.6	3.7
Long-term liabilities	89.2	94.6	(5.4)	98.5	(3.9)
Net pension liability	91.5	107.1	(15.6)	143.5	(36.4)
Total liabilities	195.1	216.0	(20.9)	252.6	(36.6)
Deferred inflows of resources	60.4	69.7	(9.3)	57.7	12.0
Net position (deficit)					
Net investment in capital assets	142.7	140.7	2.0	136.0	4.7
Restricted	28.4	25.5	2.9	6.6	18.9
Unrestricted	(51.0)	(76.6)	25.6	(83.3)	6.7
Total net position	$ 120.1	$ 89.6	$ 30.5	$ 59.3	$ 30.3



MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year 2026 Compared to 2025 Analysis

Total assets increased by $4.3 million, rising from $337.7 million to $342.0 million. The main contributor was a $6.1 million increase in the net other postemployment benefits ("OPEB") asset resulting from updated actuarial assumptions provided by the Office of Retirement Services ("ORS") for the College's portion of the Michigan Public School Employees Retirement System ("MPSERS") plan. The College's long-term investments decreased by $5.0 million due to the reclassification of the investment to short-term as can be seen in the $6.6 million increase under current and other assets. Cash and cash equivalents increased due to the timing of liquidating investments to supplement operational cash flow.

Capital assets decreased by $3.4 million as depreciation and amortization from previous capitalized assets exceeded the current-year additions. Overall net capital assets had a slight decline from the prior year.

Total liabilities decreased $20.9 million, driven primarily by a $15.6 million reduction in the net pension liability resulting from updated actuarial assumptions. Long-term obligations decreased by $5.4 million primarily due to principal payments made on outstanding bond issues.

Deferred outflows and inflows of resources decreased by $4.1 million and $9.3 million, respectively. This is based on the actuarial assumptions and investment variances for the College's portion of the MPSERS plan.

As a result of these factors, the College's financial position strengthened during the fiscal year, with a $30.5 million increase in total net position, ending the year at $120.1 million.

Fiscal Year 2025 Compared to 2024 Analysis

Total assets increased by $14.5 million, rising from $323.2 million to $337.7 million. The primary factor was a $16.4 million increase in the net OPEB asset resulting from updated actuarial assumption in the MPSERS plan. This was slightly offset by a decrease in federal and state grants receivable due to the timing of payments received.

Capital assets decreased by $0.4 million due to a higher volume of asset disposals during the year. Overall the total of net capital assets remained consistent with the prior year.

Total liabilities decreased $36.6 million, driven primarily by a $36.4 million reduction in the net pension liability resulting from updated actuarial assumptions. Long-term obligations decreased by $3.9 million primarily due to principal payments made on outstanding bond issues and the expiration of two leases. This was partially offset by an increase in software subscription obligations.

Deferred outflows and inflows of resources decreased by $13.0 million and increased by $12.0 million, respectively. This is based on the actuarial assumptions and investment variances for the College's portion of the MPSERS plan.

Total net position increased by $30.3 million, ending the fiscal year at $89.6 million due to the factors above.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Revenues, Expenses, and Changes in Net Position

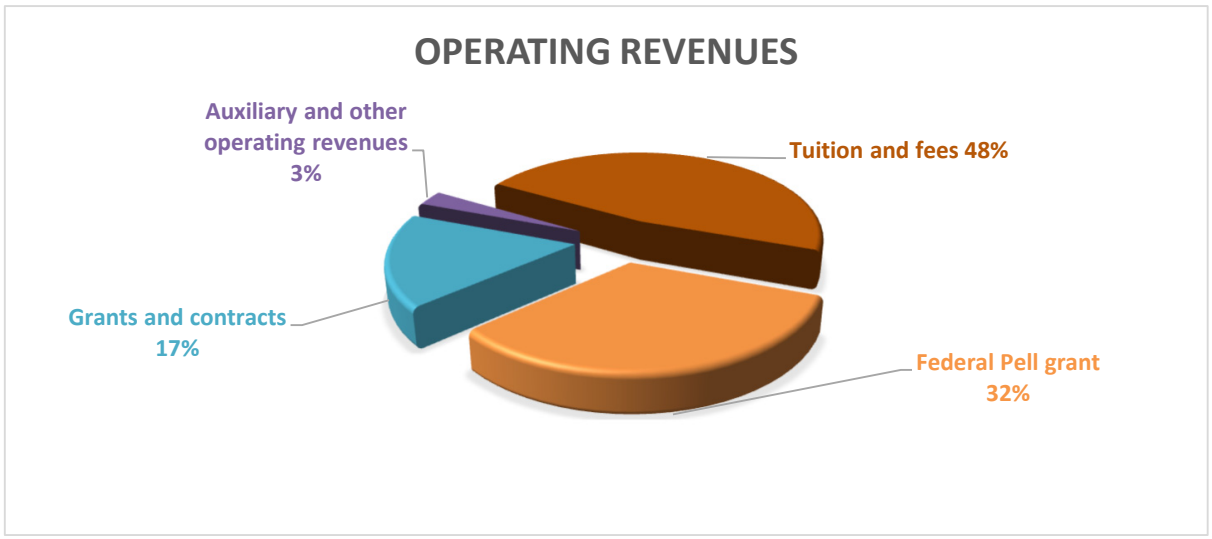
The College's major components of operating results (in millions) for the years ended June 30, 2026, 2025 and 2024 are summarized as follows:

	2026	2025	Increase (Decrease) 2026-2025	2024	Increase (Decrease) 2025-2024
Operating revenues:					
Tuition and fees (net of scholarship allowances)	$ 28.1	$ 27.3	$ 0.8	$ 27.8	$ (0.5)
Federal Pell grant	19.1	17.7	1.4	11.9	5.8
Grants and contracts	10.3	9.0	1.3	10.0	(1.0)
Auxiliary and other operating revenues	1.7	2.0	(0.3)	2.5	(0.5)
Total operating revenues	59.2	56.0	3.2	52.2	3.8
Operating expenses:					
Instruction	25.5	25.9	(0.4)	25.3	0.6
Information technology	12.6	11.0	1.6	10.1	0.9
Public services	2.2	2.1	0.1	2.0	0.1
Instructional support	16.1	15.9	0.2	15.9	-
Student services	19.2	19.5	(0.3)	17.2	2.3
Institutional administration	21.4	19.5	1.9	22.7	(3.2)
Operation and maintenance of plant	17.5	17.2	0.3	17.0	0.2
Depreciation and amortization	13.0	12.9	0.1	12.7	0.2
Total operating expenses	127.5	124.0	3.5	122.9	1.1
Operating loss	(68.3)	(68.0)	(0.3)	(70.7)	2.7
Noncapital subsidies:					
State appropriations	41.8	43.6	(1.8)	39.4	4.2
Property tax levy	57.3	54.6	2.7	51.6	3.0
Total noncapital subsidies	99.1	98.2	0.9	91.0	7.2
Operating loss and noncapital subsidies	30.8	30.2	0.6	20.3	9.9
Other nonoperating revenues (expenses):					
Investment return and other gains	2.6	3.2	(0.6)	3.3	(0.1)
State capital appropriations	-	-	-	3.6	(3.6)
Interest on capital asset-related debt	(2.9)	(3.1)	0.2	(3.2)	0.1
Net other nonoperating revenues (expenses)	(0.3)	0.1	(0.4)	3.7	(3.6)
Increase in net position	30.5	30.3	0.2	24.0	6.3
Net position - beginning of year, previously reported	89.6	59.3	30.3	39.4	19.9
Restatement for change in accounting principle	-	-	-	(4.1)	4.1
Net position - beginning of year, as restated	89.6	59.3	30.3	35.3	24.0
Net position- end of year	$ 120.1	$ 89.6	$ 30.5	$ 59.3	$ 30.3

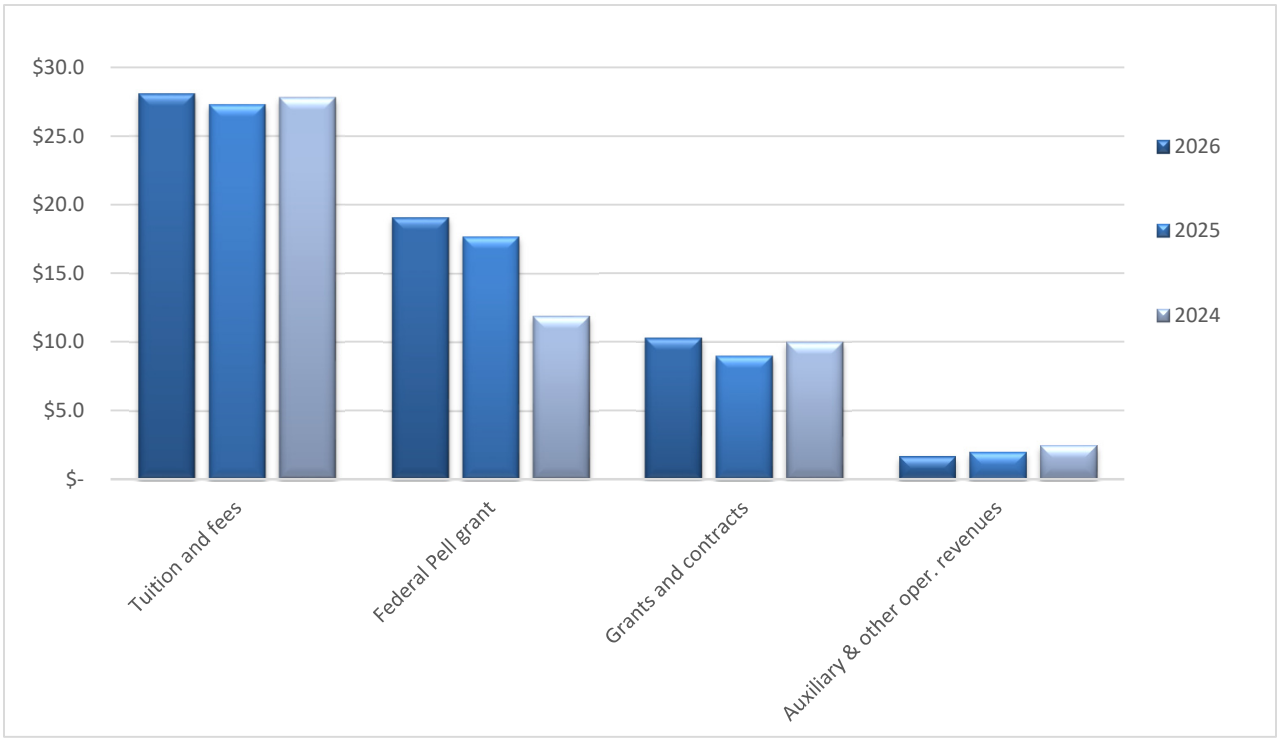
MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating Revenue

Operating revenues for fiscal year 2026 were as follows:



2026, 2025, 2024 Operating Revenues by Source (in millions)



MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year 2026 Compared to 2025 Analysis

Operating revenue increased $3.2 million as a result of the following factors:

- Net tuition and fee revenue increased by $0.8 million primarily as a result of increased enrollment. This increase was partially offset by higher scholarship allowances associated with enrollment growth and increased Pell grant awards. Tuition rates for fiscal year 2026 remained at fiscal year 2025 levels.

- Federal Pell grants increased by $1.4 million due to increased enrollment.

- Grants and contracts increased $1.3 million primarily due to increased activity in a federally funded grant passed through the State of Michigan that supports the ADN to BSN completion initiative, helping registered nurses transition from an Associate Degree in Nursing (ADN) to a Bachelor of Science Degree in Nursing (BSN).

- Sales of auxiliary and other operating revenues decreased $0.3 million, mainly due to reduced activity in the Michigan New Jobs Training Program.

Fiscal Year 2025 Compared to 2024 Analysis

Operating revenue increased $3.8 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 Pell grants increased by $5.8 million due to increased enrollment and larger award amounts.

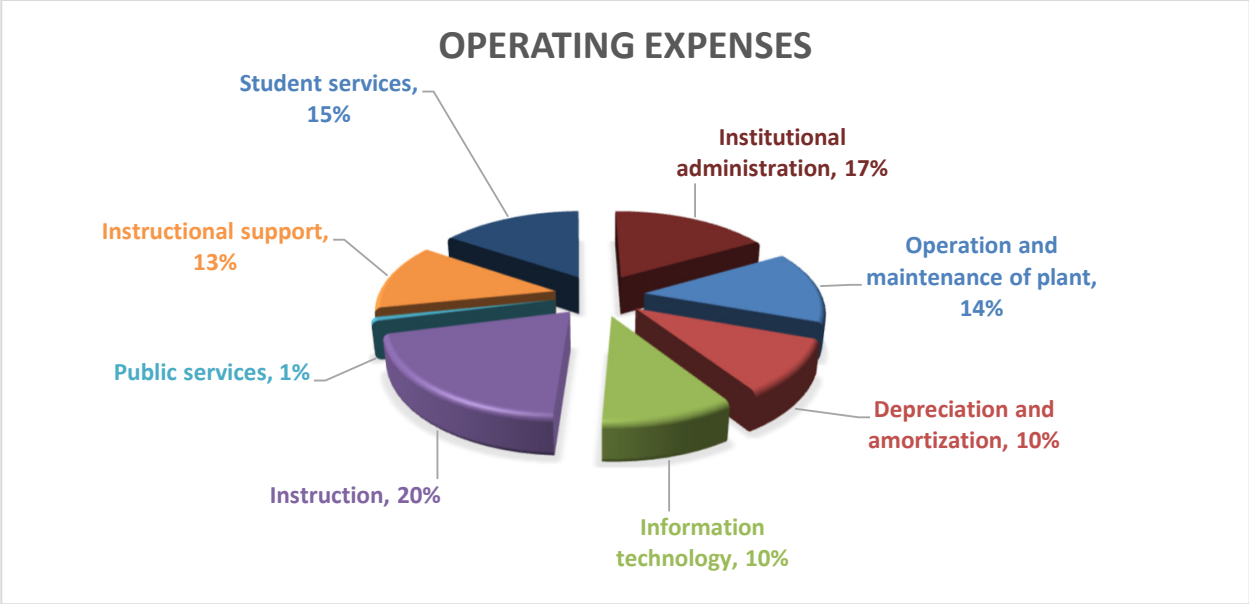
- Grants and contracts decreased by $1.0 million primarily due to reduced activity in the Health Resources and Services Administration (HRSA) federal grant for a mobile skills lab and the federal grant administered by the State of Michigan for the ADN to BSN completion initiative for nurses.

- 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.

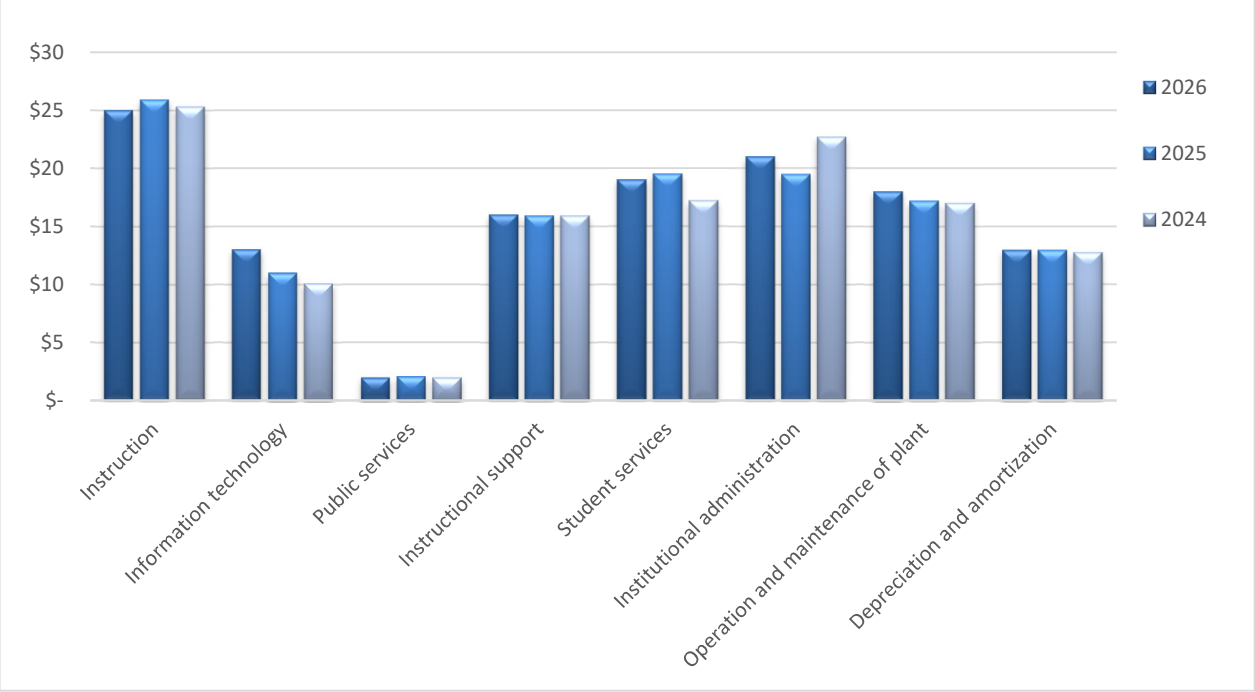
MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating Expenses

Operating expenses by function for fiscal year 2026 were as follows:



2026, 2025, 2024 Operating Expenses by Function (in millions)



MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year 2026 Compared to 2025 Analysis

Total operating expenses increased $3.5 million primarily as a result of the following factors:

- Increases of $1.6 million in information technology primarily due to increased purchases of technical equipment, service contracts, and software.

- Increases of $1.9 million in institutional administration operating expenses primarily due to an increase in the State of Michigan unfunded actuarial accrued liability payments this year compared to the prior year. There were also increases in wages and benefits as a result of filling vacant positions.

Fiscal Year 2025 Compared to 2024 Analysis

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.

Noncapital Subsidies

Noncapital subsidies increased by $0.9 million in fiscal year 2026. Property tax revenue increased by $2.7 million due to a 4.89% increase in property values across the College's district resulting in higher tax levies. This is partially offset by a slight reduction in the College's millage rate from 3.7692 mils in fiscal year 2025 to 3.7611 mils in fiscal year 2026. State appropriations decreased by $1.8 million due to a one-time appropriation received in fiscal year 2025 to be used for school safety, student mental health, academic interventions and educator workforce.

In fiscal year 2025, noncapital subsidies increased by $7.2 million, driven by a $4.2 million increase in state operational appropriations along with a one-time appropriation received to be used for school safety, student mental health, academic interventions and educator workforce. There was also an increase in property tax revenue of $3.0 million due to a 7.34% increase in property tax values across the College's district.

Other Nonoperating Revenues (Expenses)

Nonoperating revenues (expenses) decreased by $0.4 million in fiscal year 2026. Investment income and returns decreased by $0.6 million as a result of the Federal Reserve's interest rate reductions during fiscal year 2026. Interest expense decreased by $0.2 million due to reductions in long-term debt.

In fiscal year 2025, nonoperating revenues (expenses) decreased by $3.6 million due to a one-time state appropriation received in fiscal year 2024 for Infrastructure, Technology, Equipment and Maintenance (ITEM) funding.

Overall Change in Net Position

Net position increased by $30.5 million in fiscal year 2026, following an increase of $30.3 million in fiscal year 2025. The increases in both years reflect strong noncapital subsidies revenue streams, favorable pension and OPEB related adjustments and fiscally-responsible financial management.

Statement of Cash Flows

The following is a summary (in millions) of the sources and uses of cash for the years ended June 30, 2026, 2025 and 2024:

	2026	2025	Increase (Decrease) 2026-2025	2024	Increase (Decrease) 2025-2024
Cash flows from:					
Operating activities	$ (102.3)	$ (99.0)	$ (3.3)	$ (92.8)	$ (6.2)
Noncapital financing activities	118.8	116.0	2.8	102.1	13.9
Capital and related financing activities	(17.7)	(20.6)	2.9	(13.8)	(6.8)
Investing activities	7.6	1.7	5.9	5.1	(3.4)
Net change in cash	6.4	(1.9)	8.3	0.6	(2.5)
Cash, beginning of year	6.5	8.4	(1.9)	7.8	0.6
Cash, end of year	$ 12.9	$ 6.5	$ 6.4	$ 8.4	$ (1.9)

Fiscal Year 2026 Compared to 2025 Analysis

The College’s cash and cash equivalents increased by $6.4 million during 2026 primarily due to the timing of liquidating investments which provided $5.9 million more to cash to fund operations. Capital and related financing activities used $2.9 million less due to fewer capital equipment purchases and a reduction in the principal amount paid on subscription based information technology assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year 2025 Compared to 2024 Analysis

In fiscal year 2025, the College's cash and cash equivalents decreased by $1.9 million primarily due to an increase in capital activities that used $6.8 million due to an increase in capital equipment and subscription based information technology asset additions. This was partially offset by a $13.9 million increase in noncapital financing, specifically increased property taxes and state appropriations of $2.8 million and $5.2 million respectively. This also led to a decrease in use of investing activities by $3.4 million.

Capital Asset and Long-term Financing Activity

Capital Assets at Net Book Value as of June 30, 2026, 2025, and 2024 are shown below (in millions):

	2026	2025	Increase (Decrease) 2026-2025	2024	Increase (Decrease) 2025-2024
Land	$ 15.2	$ 15.2	$ -	$ 15.2	$ -
Construction in progress	2.9	2.8	0.1	0.4	2.4
Buildings and improvements	302.2	299.5	2.7	296.2	3.3
Furniture, fixtures and equipment	109.9	106.4	3.5	104.8	1.6
Infrastructure and land improvements	7.8	7.8	-	7.8	-
Subscription-based IT assets	11.3	11.3	-	8.9	2.4
Lease assets	2.0	-	2.0	2.8	(2.8)
Total capital assets	451.3	443.0	8.3	436.1	6.9
Less accumulated depreciation/amortization	228.9	217.2	11.7	209.9	7.3
Capital assets, net	**$ 222.4**	**$ 225.8**	**$ (3.4)**	**$ 226.2**	**$ (0.4)**

Fiscal Year 2026 Compared to 2025 Analysis

As of June 30, 2026, the College had $451.3 million invested in capital assets which was an $8.3 million increase. This included the capitalization of $2.7 million in building improvements for a new and innovative academic area for the College's academic cybersecurity program. Furniture and equipment had a $3.5 million increase, primarily due to a $1.7 million addition of instructional equipment for programs in the Health and Human Services and Technical Careers divisions, along with a $0.8 million addition of technical equipment to support our information technology infrastructure. Leases increased by $2 million due to the renewal of the lease for the College's East Campus facilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year 2025 Compared to 2024 Analysis

In fiscal year 2025, the College had $443.0 million invested in capital assets which was an increase of $6.9 million. This included a $3.3 million increase in building improvements to the College's Arts and Sciences and Gannon buildings, along with an increase in construction in progress of $2.4 million for a new academic cybersecurity program area. Subscription based IT assets included additions of $4.8 million which was partially offset by subscription agreement expirations in the amount of $2.4 million. There were leases that were not renewed or were terminated in the amount of $2.8 million.

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 Financing as of June 30, 2026, 2025, and 2024 are shown below (in millions):

	2026	2025	Increase (Decrease) 2026-2025	2024	Increase (Decrease) 2025-2024
2015 refunding bonds	$ -	$ 0.6	$ (0.6)	$ 1.3	$ (0.7)
2016 refunding bonds	-	0.9	(0.9)	1.7	(0.8)
2017 building & site bonds (including premium)	24.7	25.4	(0.7)	27.7	(2.3)
2019 building & site bonds (including premium)	38.9	39.9	(1.0)	40.8	(0.9)
2022 refunding bonds	12.3	14.8	(2.5)	15.5	(0.7)
Lease liabilities	1.6	-	1.6	0.7	(0.7)
Subscription based IT liabilities	3.4	4.8	(1.4)	3.9	0.9
Total long-term financing obligations	**$ 80.9**	**$ 86.4**	**$ (5.5)**	**$ 91.6**	**$ (5.2)**

During fiscal year 2026, long-term financing obligations decreased by $5.5 million as a result of annual payments toward bond debt and subscription based IT obligations. The reduction was slightly offset by the addition of a renewed lease for the College's East Campus facilities. The College also fully paid off its 2015 and 2016 bonds in May 2026.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Currently Known Facts, Decisions, or Conditions

Economic factors and revenue considerations

The property tax millage rate will be reduced to 3.7550 mils in fiscal year 2027, however the taxable value increased by 4.7%.

The College experienced a slight decline in enrollment beginning in Summer 2026 compared to the prior fiscal year. The decrease reflects demographic trends, including a declining number of high school graduates within the College's service area and across the country. Future enrollment and related revenues may continue to be impacted by projected declines in the high school graduate population, economic conditions, and uncertainties regarding federal and state funding.

State capital outlay funding

The State of Michigan approved in their fiscal year 2027 budget a state-supported capital outlay project for the Energy and Utility Training Center that will be located at the College's West Campus. The total project cost is $8,850,000 and will be funded through a combination of state capital appropriations and College resources, each contributing 50% of total project costs.

Strategic planning

The College's approved fiscal year 2027 budget reflects stable enrollment trends and continued growth in property taxes, driven by increases in district property values. The College also remains focused on cost containment and operational efficiencies. As a result, the College anticipates an increase in net position during fiscal year 2027. This growth will strengthen financial reserves and allow for flexibility to address future capital needs and support strategic initiatives.

An evaluation of the College's overall health extends beyond financial measures and includes consideration of important non financial factors such as the quality and strength of its academic programs, enrollment trends, student retention, and the condition of campus facilities. The College's strategic plan supports and strengthens these critical areas.

LANSING COMMUNITY COLLEGE

STATEMENTS OF NET POSITION

JUNE 30, 2026 AND JUNE 30, 2025

	Primary Government - College 2026	Primary Government - College 2025	Component Unit - Foundation 2026	Component Unit - Foundation 2025
Assets				
Current assets				
Cash and cash equivalents	$ 12,865,462	$ 6,511,952	$ 991,407	$ 767,694
Short-term investments	64,376,152	64,351,574	702,949	561,328
Property taxes receivable, net	535,356	1,409,028	-	-
State appropriations receivable	8,416,658	8,043,410	-	-
Accounts receivable, net	2,271,009	1,789,081	-	-
Federal and state grants receivable	1,891,543	1,995,377	-	-
Prepaid expenses and other assets	4,206,500	3,830,719	28,233	23,066
Promises to give	-	-	12,000	6,000
Due from component unit	14,017	30,820	-	-
Total current assets	**94,576,697**	**87,961,961**	**1,734,589**	**1,358,088**
Noncurrent assets				
Promises to give, net of current portion	-	-	25,976	31,061
Long-term investments	-	5,007,812	26,437,322	23,542,934
Capital assets not being depreciated	18,077,708	17,962,401	-	-
Capital assets being depreciated/amortized, net	204,354,899	207,824,377	-	-
Net other postemployment benefits asset (Note 7)	24,985,542	18,951,265	-	-
Total noncurrent assets	**247,418,149**	**249,745,855**	**26,463,298**	**23,573,995**
Total assets	**341,994,846**	**337,707,816**	**28,197,887**	**24,932,083**
Deferred outflows of resources				
Deferred charge on refunding	1,091,301	1,273,184	-	-
Deferred pension and OPEB amounts (Note 7)	32,469,040	36,402,806	-	-
Total deferred outflows of resources	**33,560,341**	**37,675,990**	**-**	**-**
Liabilities				
Current liabilities				
Accounts payable	4,108,851	3,817,569	15,188	2,218
Due to primary government	-	-	14,047	30,820
Accrued payroll and other compensation	6,529,382	6,577,595	-	-
Current compensated absences obligations	3,939,167	3,852,762	-	-
Accrued interest payable	446,810	469,131	-	-
Unearned revenue	3,318,778	3,433,895	-	-
Current portion of subscription obligations	1,371,057	2,175,395	-	-
Current portion of lease obligations	373,295	-	-	-
Current portion of debt obligations	5,410,000	5,255,000	-	-
Total current liabilities	**25,497,340**	**25,581,347**	**29,235**	**33,038**
Noncurrent liabilities				
Long-term compensated absences obligations, net of current portion	4,415,556	4,470,639	-	-
Long-term subscription obligations, net of current portion	1,990,840	2,611,389	-	-
Long-term lease obligations, net of current portion	1,220,769	-	-	-
Long-term debt obligations, net of current portion	70,503,404	76,318,228	-	-
Net pension liability (Note 7)	91,468,649	107,116,780	-	-
Total noncurrent liabilities	**169,599,218**	**190,517,036**	**-**	**-**
Total liabilities	**195,096,558**	**216,098,383**	**29,235**	**33,038**
Deferred inflows of resources				
Deferred pension and OPEB amounts (Note 7)	**60,390,270**	**69,697,640**	**-**	**-**
Net position (deficit)				
Net investment in capital assets (Note 12)	142,654,543	140,699,950	-	-
Restricted:				
Restricted fund activities	2,213,939	3,012,461	-	-
Capital projects	1,247,461	3,544,440	-	-
Net other postemployment benefits asset	24,985,542	18,951,265	-	-
Nonexpendable - endowments	-	-	14,056,776	13,284,735
Expendable - endowments, scholarships, and grants	-	-	12,711,586	10,700,474
Unrestricted (deficit) (Note 13)	(51,033,126)	(76,620,333)	1,400,290	913,836
Total net position	**$ 120,068,359**	**$ 89,587,783**	**$ 28,168,652**	**$ 24,899,045**

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, 2026 AND JUNE 30, 2025

	Primary Government - College 2026	Primary Government - College 2025	Component Unit - Foundation 2026	Component Unit - Foundation 2025
Operating revenues				
Tuition and fees (net of scholarship allowances of $17,355,009 and $15,974,486 in 2026 and 2025, respectively)	$ 28,135,121	$ 27,289,205	$ -	$ -
Federal Pell grant	19,132,053	17,664,940	-	-
Federal grants and contracts	3,725,580	2,613,841	-	-
State grants and contracts	810,322	903,094	-	-
Local grants and contracts	5,713,213	5,548,891	-	-
Sales and services of auxiliary activities	637,705	640,889	-	-
Job training programs	-	425,689	-	-
Miscellaneous	1,015,803	903,585	-	-
Total operating revenues	**59,169,797**	**55,990,134**	**-**	**-**
Operating expenses				
Instruction	25,473,264	25,890,406	-	-
Information technology	12,638,164	11,046,084	-	-
Public services	2,205,414	2,081,371	-	-
Instructional support	16,071,818	15,896,936	-	-
Student services	19,159,991	19,534,557	-	-
Institutional administration	21,412,003	19,478,885	-	-
Operation and maintenance of plant	17,477,179	17,184,252	-	-
Depreciation and amortization	13,024,005	12,903,080	-	-
Foundation operations and fundraising	-	-	694,988	781,387
Total operating expenses	**127,461,838**	**124,015,571**	**694,988**	**781,387**
Operating loss	**(68,292,041)**	**(68,025,437)**	**(694,988)**	**(781,387)**
Noncapital subsidies				
State appropriations	41,839,680	43,567,838	-	-
Property tax levy	57,294,129	54,633,090	-	-
Payments to primary government	-	-	(1,042,311)	(763,545)
Contributions	-	-	1,442,903	1,073,849
Net noncapital subsidies	**99,133,809**	**98,200,928**	**400,592**	**310,304**
Operating loss and noncapital subsidies	**30,841,768**	**30,175,491**	**(294,396)**	**(471,083)**
Other nonoperating revenues (expenses)				
Investment return and other gains	2,605,930	3,246,782	3,125,213	2,897,893
Interest on capital asset-related debt	(2,967,122)	(3,107,703)	-	-
Contributions to permanent endowments	-	-	438,790	519,223
Net other nonoperating revenues (expenses)	**(361,192)**	**139,079**	**3,564,003**	**3,417,116**
Increase in net position	**30,480,576**	**30,314,570**	**3,269,607**	**2,946,033**
Net position, beginning of year	89,587,783	59,273,213	24,899,045	21,953,012
Net position, end of year	**$ 120,068,359**	**$ 89,587,783**	**$ 28,168,652**	**$ 24,899,045**

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

LANSING COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2026 AND JUNE 30, 2025

	Primary Government - College 2026	Primary Government - College 2025
Cash flows from operating activities		
Tuition and fees	$ 27,554,879	$ 27,348,363
Grants and contracts	10,352,949	10,146,725
Payments to suppliers and students	(15,269,807)	(12,954,723)
Payments to or on behalf of employees	(127,023,636)	(126,379,467)
Auxiliary enterprise charges	764,018	1,159,420
Other	1,364,757	1,717,627
Net change in cash from operating activities	**(102,256,840)**	**(98,962,055)**
Cash flows from noncapital financing activities		
Local property taxes	58,167,801	54,262,918
Federal Pell grants	19,132,053	17,664,940
William D. Ford direct lending receipts	10,854,466	11,006,560
William D. Ford direct lending disbursements	(10,854,466)	(11,006,560)
Michigan Reconnect Expansion program receipts	163,164	2,616,028
Michigan Reconnect Expansion program disbursements	(163,164)	(2,616,028)
State scholarship and grant receipts	13,946,526	9,740,819
State scholarship and grant disbursements	(13,946,526)	(9,740,819)
State appropriations	41,466,432	43,978,030
Net change in cash from noncapital financing activities	**118,766,286**	**115,905,888**
Cash flows from capital and related financing activities		
Purchase of capital assets	(6,640,513)	(7,913,097)
Principal paid on subscriptions	(2,606,194)	(3,792,652)
Principal paid on leases	(361,760)	(738,829)
Principal paid on capital debt	(5,255,000)	(5,060,000)
Proceeds from sales of capital assets	107,810	57,200
Interest paid on capital asset-related debt, subscriptions and leases	(2,989,443)	(3,138,727)
Net change in cash from capital and related financing activities	**(17,745,100)**	**(20,586,105)**
Cash flows from investing activities		
Proceeds from sales and maturities of investments	60,829,433	78,824,396
Interest on investments and other gains	89,490	198,372
Purchases of investments	(53,329,759)	(77,326,765)
Net change in cash from investing activities	**7,589,164**	**1,696,003**
Net change in cash and cash equivalents	**6,353,510**	**(1,946,269)**
Cash and cash equivalents, beginning of year	6,511,952	8,458,221
Cash and cash equivalents, end of year	**$ 12,865,462**	**$ 6,511,952**

Noncash activity in fiscal years 2026 and 2025 related to subscription-based information technology assets, lease assets and related liabilities was $1,181,308 and $4,673,715 for subscriptions and $1,955,824 and $0 for leases, respectively.

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

LANSING COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2026 AND JUNE 30, 2025

	Primary Government - College 2026	Primary Government - College 2025
Reconciliation of operating loss to net change in cash from operating activities		
Operating loss	$ (68,292,041)	$ (68,025,437)
Adjustments to reconcile operating loss to net change in cash from operating activities:		
Federal Pell grants	(19,132,053)	(17,664,940)
Depreciation and amortization	13,024,005	12,903,080
Amortization of bond premium	(404,824)	(404,826)
Net change in loss on refunding	181,883	181,884
(Increase) decrease in operating assets and deferred outflows		
Accounts receivable, net	(465,125)	505,765
Federal and state grants receivable	103,834	1,080,899
Prepaid expenses and other assets	(375,781)	(518,369)
Change in deferred outflows for pension and OPEB amounts	3,933,766	12,854,661
Change in net OPEB asset	(6,034,277)	(16,401,792)
Increase (decrease) in operating liabilities and deferred inflows		
Accounts payable	291,282	565,436
Accrued payroll and other compensation	(48,213)	107,489
Compensated absences obligations	31,322	665,547
Unearned revenue	(115,117)	(446,607)
Change in deferred inflows for pension and OPEB amounts	(9,307,370)	12,032,954
Change in net pension liability	(15,648,131)	(36,397,799)
Net change in cash from operating activities	**$ (102,256,840)**	**$ (98,962,055)**

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

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 Statement No. 103, 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.

Change in Accounting Principle

For 2026, the College adopted GASB Statement No. 103, *Financial Reporting Model Improvements,* on a retrospective basis. This new standard introduces targeted enhancements to key components of the financial reporting model in order to improve clarity, consistency, and decision-usefulness of governmental financial statements. As part of the implementation, Management's Discussion and Analysis content is now streamlined to focus on prescribed sections with clearer analytical explanations and reduced duplication. The College has updated reporting processes and presentation formats to comply with these requirements. The adoption of GASB 103, effective July 1, 2024, and as of and for the year ended June 30, 2026, did not have an impact on the College's net position, changes in net position, or overall financial reporting results.

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.

NOTES TO FINANCIAL STATEMENTS

During the years ended June 30, 2026 and 2025, the Foundation distributed $1,042,311 and $763,545, 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.

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, 2026 and June 30, 2025 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

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: This level is defined as observable inputs, such as quoted prices in active markets for identical assets and liabilities.

Level 2: This level is defined as observable inputs other than Level 1 prices for similar assets or liabilities, such as quoted prices in active markets, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: This level is defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own valuation methodology and assumptions.

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

NOTES TO FINANCIAL STATEMENTS

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.

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 postemployment 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.

Revenue and Expense Recognition

Operating revenues of the College consist of tuition and fees, grants and contracts, Federal Pell grants, and sales and services of auxiliary enterprise activities. State appropriations, property taxes, and other non-exchange government grants are components of noncapital subsidies. Transactions related to capital and financing activities and investing activities are components of other nonoperating 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 other 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 2026 summer semester began May 18, 2026 and ended August 10, 2026. The 2025 summer semester began May 19, 2025 and ended August 11, 2025.

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, 2026 and 2025, the College levied 3.7611 and 3.7692 mills per $1,000 of assessed valuation for general operations, respectively.

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.

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.

NOTES TO FINANCIAL STATEMENTS

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.

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 2025 financial statements have been reclassified to conform with the 2026 presentation.

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	2026	2025
Cash and cash equivalents	$ 12,865,462	$ 6,511,952
Short-term investments by fair value level:		
Insured Cash Sweep (ICS) Account	6,353,666	8,595,148
Certificate of Deposit Account Registry Service (CDARS)	18,733,663	18,055,810
United States Treasury Note	4,994,775	-
Money Market Funds	15,631,398	20,021,023
Total short-term investments by fair value level	45,713,502	46,671,981
Short-term investments measured at net asset value (NAV):		
MILAF Term	10,935,049	10,394,992
Short-term investments carried at amortized cost:		
Michigan Liquid Asset Fund Plus (MILAF) – Money Market Mutual Funds	7,727,601	7,284,601
Total short-term investments	64,376,152	64,351,574
Long-term investments at market value:		
United States Treasury Note	-	5,007,812
Total Deposits and Investments	**$ 77,241,614**	**$ 75,871,338**

The MILAF Plus portfolio has a Standard & Poor's AAAm stable rating. The MILAF Term portfolio has a Fitch's AAAf 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 $10,935,049 and $10,394,992 as of June 30, 2026 and 2025, respectively. The investment pool has no unfunded commitments and requires a minimum investment of $100,000.

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, 2026 and 2025.

The College has investments with the following recurring fair value measurements as of June 30, 2026 and 2025:

2026	Level 1	Level 2	Level 3	Total
ICS & CDARS	$ 25,087,329	$ -	$ -	$ 25,087,329
Money Market	15,631,398	-	-	15,631,398
United States Treasury Note	4,994,775	-	-	4,994,775
Subtotal	45,713,502	-	-	45,713,502
Investments measured at NAV:				
MILAF - Term				10,935,049
Total Investments at fair value	**$ 45,713,502**	**$ -**	**$ -**	**$ 56,648,551**

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
Total Investments at fair value	**$ 51,679,793**	**$ -**	**$ -**	**$ 62,074,785**

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:

2026	Less Than One Year	One to Five Years	Total
ICS & CDARS	$ 25,087,329	$ -	$ 25,087,329
Money Market	23,358,999	-	23,358,999
MILAF Term	10,935,049	-	10,935,049
United States Treasury Note	4,994,775	-	4,994,775
Total Investments	**$ 64,376,152**	**$ -**	**$ 64,376,152**

2025	Less Than One Year	One to 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
Total Investments	**$ 64,351,574**	**$ 5,007,812**	**$ 69,359,386**

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.

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, 2026, $34,294,049 of the College's bank balance of $72,483,708 was uninsured or uncollateralized. At June 30, 2025, $37,700,615 of the College's bank balance of $71,301,299 was uninsured or uncollateralized. As of June 30, 2026 and 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	2026	2025
Property taxes receivable	$ 7,018,197	$ 7,038,691
Less allowance for doubtful collection	(6,482,841)	(5,629,663)
Property taxes receivable, net	**$ 535,356**	**$ 1,409,028**

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

Accounts Receivable	2026	2025
Accounts receivable	$ 7,535,071	$ 6,291,684
Less allowance for doubtful collection	(5,264,062)	(4,502,603)
Accounts receivable, net	**$ 2,271,009**	**$ 1,789,081**

NOTES TO FINANCIAL STATEMENTS

4. CAPITAL ASSETS

Capital assets activity for the years ended June 30, 2026 and 2025 follows:

Capital Asset Activity	Beginning Balance July 1, 2025	Additions	Transfers / Deletions	Ending Balance June 30, 2026
Assets not being depreciated:				
Land	$ 15,147,861	$ -	$ -	$ 15,147,861
Construction in progress	2,814,540	3,326,324	(3,211,017)	2,929,847
Total capital assets not being depreciated	17,962,401	3,326,324	(3,211,017)	18,077,708
Capital assets being depreciated/amortized:				
Buildings and improvements	299,452,646	-	2,738,563	302,191,209
Furniture and equipment	106,450,623	3,209,438	282,755	109,942,816
Infrastructure and improvements	7,778,999	46,989	(50,462)	7,775,526
Lease assets - buildings	-	1,955,824	-	1,955,824
Subscription-based information technology right-to-use assets	11,327,948	1,181,308	(1,169,599)	11,339,657
Total capital assets being depreciated/amortized	425,010,216	6,393,559	1,801,257	433,205,032
Less accumulated depreciation/amortization:				
Buildings and improvements	110,033,216	6,992,900	-	117,026,116
Furniture and equipment	97,439,720	2,452,500	(139,650)	99,752,570
Infrastructure and improvements	5,438,776	248,910	(50,462)	5,637,224
Lease assets - buildings	-	391,165	-	391,165
Subscription-based information technology right-to-use assets	4,274,127	2,938,530	(1,169,599)	6,043,058
Total accumulated depreciation/ amortization	217,185,839	13,024,005	(1,359,711)	228,850,133
Capital assets being depreciated/amortized, net	207,824,377	(6,630,446)	3,160,968	204,354,899
Capital assets, net	**$ 225,786,778**	**$ (3,304,122)**	**$ (50,049)**	**$ 222,432,607**

The furniture and equipment asset transfer/deletion amount of $282,755 consists of transfers of $472,454 from construction in progress and placed into service, net of deletions in the amount of $(189,699).

NOTES TO FINANCIAL STATEMENTS

Capital Asset Activity	Beginning Balance July 1, 2024	Additions	Transfers / Deletions	Ending Balance 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 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 technology right-to-use assets	8,932,364	4,748,564	(2,352,980)	11,327,948
Total capital assets being 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 technology right-to-use assets	3,661,248	2,965,860	(2,352,981)	4,274,127
Total accumulated depreciation/ amortization	209,895,078	12,903,080	(5,612,319)	217,185,839
Capital assets being depreciated/amortized, net	210,655,699	(6,073,571)	3,242,249	207,824,377
Capital assets, net	**$ 226,160,246**	**$ (39,377)**	**$ (334,091)**	**$ 225,786,778**

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).

NOTES TO FINANCIAL STATEMENTS

5. UNEARNED REVENUE

Unearned revenue at June 30 consists of the following:

Type of Unearned Revenue	2026	2025
Auxiliary services deposits	$ 82,954	$ 80,139
Student tuition and fees	3,225,834	3,299,967
Restricted funds	9,990	53,789
Total unearned revenue	**$ 3,318,778**	**$ 3,433,895**

6. LONG-TERM DEBT OBLIGATIONS

Long-term debt obligations activity related to bonds payable for the year ended June 30, 2026:

Long-Term Debt Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One year
Bonds payable	$ 74,060,000	$ -	$ 5,255,000	$ 68,805,000	**$ 5,410,000**
Bond premium	7,513,228	-	404,824	7,108,404	
Total liability	**$ 81,573,228**	**$ -**	**$ 5,659,824**	75,913,404	
Less current portion of long-term debt obligations				5,410,000	
Long-term debt obligations, net of current portion				**$ 70,503,404**	

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, 2026 and 2025.

NOTES TO FINANCIAL STATEMENTS

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	**$ 5,255,000**
Bond premium	7,918,054	-	404,826	7,513,228	
Total liability	**$ 87,038,054**	**$ -**	**$ 5,464,826**	81,573,228	
Less current portion of long-term debt obligations				5,255,000	
Long-term debt obligations, net of current portion				**$ 76,318,228**	

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

Bond Issues	2026	2025
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
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
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%	22,700,000	23,185,000
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%	33,805,000	34,600,000

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%	$ 12,300,000	$ 14,775,000
Total bond issues	68,805,000	74,060,000
Plus: premium on bonds	7,108,404	7,513,228
Total long-term debt obligations	**$ 75,913,404**	**$ 81,573,228**

Scheduled principal and interest requirements of debt obligations for years succeeding June 30, 2026 are summarized as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
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	6,165,000	1,919,206	8,084,206
2032-2036	15,605,000	6,576,888	22,181,888
2037-2041	8,640,000	4,060,975	12,700,975
2042-2046	9,410,000	2,064,100	11,474,100
2047-2049	6,485,000	392,850	6,877,850
Total	68,805,000	24,870,158	93,675,158
Premium on bonds	7,108,404	-	7,108,404
Total as of June 30, 2026	**$ 75,913,404**	**$ 24,870,158**	**$ 100,783,562**

NOTES TO FINANCIAL STATEMENTS

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
Total as of June 30, 2025	**$ 81,573,228**	**$ 27,684,945**	**$ 109,258,173**

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, 2026 and 2025 was $2,792,544 and $2,969,906, respectively.

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 MPSERS), 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.

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.

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, 2024 valuation will be amortized over a 14-year period beginning October 1, 2024 and ending September 30, 2038.

The table below summarizes pension contribution rates in effect for fiscal year 2026, which excludes supplemental MPSERS UAAL employer stabilization contributions that are passed through the College to MPSERS based on rates ranging from 10.58% - 15.02% on prior year covered payroll:

Benefit Structure	Member Rates	Employer Rates
Basic	0.00% - 4.00%	26.08% - 30.11%
Member Investment Plan (MIP)	3.00% - 7.00%	26.08% - 30.11%
Pension Plus	3.00% - 6.40%	21.34% - 26.27%
Pension Plus 2	6.00% - 6.20%	21.41% - 27.16%
Defined Contribution	0.00%	15.21% - 20.96%

Statutorily required contributions to the pension plan from the College were $19,979,091, $18,586,072, and $18,167,888 for the years ended June 30, 2026, 2025, and 2024, respectively. 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. No such payment was received in fiscal 2026 or fiscal 2024.

NOTES TO FINANCIAL STATEMENTS

The table below summarizes OPEB contribution rates in effect for fiscal year 2026:

Benefit Structure	Member Rates	Employer Rates
Premium Subsidy	0.00% - 3.00%	1.25% - 3.83%
Personal Healthcare Fund (PHF)	0.00%	0.00%

Required contributions to the OPEB plan from the College were $1,031,353, $1,188,727, and $3,926,049 for the years ended June 30, 2026, 2025, and 2024, respectively.

The table below summarizes defined contribution rates in effect for fiscal year 2026:

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, 2026, 2025, and 2024, required and actual contributions from the College for those members with a defined contribution benefit were $729,063, $691,890, and $571,072, respectively.

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

At June 30, 2026 and 2025, the College reported a liability of $91,468,649 and $107,116,780, respectively, for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2025 and 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 30, 2024 and 2023. 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, 2025, the College's proportion was 0.45659%, which was an increase of 0.01906% points from its proportion measured as of September 30, 2024 of 0.43753%.

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2026, the College recognized pension expense of $1,142,896. At June 30, 2026, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2026	Deferred Outflow of Resources	Deferred Inflow of Resources	Net Deferred Outflows (Inflows) of Resources
Changes in assumptions	$ 3,283,072	$ 4,834,338	$ (1,551,266)
Differences between expected and actual experience	3,542,843	814,704	2,728,139
Change in proportion and differences between employer contributions and proportionate share of contributions	4,201,037	3,469,952	731,085
Net difference between projected and actual earnings on pension plan investments	-	21,859,049	(21,859,049)
Total	11,026,952	30,978,043	(19,951,091)
Pension portion of Sec 147c state aid award subsequent to the measurement date	-	7,362,971	(7,362,971)
College contributions subsequent to the measurement date	17,071,857	-	17,071,857
Total	**$ 28,098,809**	**$ 38,341,014**	**$ (10,242,205)**

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

Fiscal Year Ended June 30,	Amount
2027	$ (2,351,770)
2028	(9,443,149)
2029	(6,470,386)
2030	(1,685,786)
Total	**$ (19,951,091)**

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 Outflow of Resources	Deferred Inflow of Resources	Net Deferred Outflows (Inflows) of Resources
Changes in assumptions	$ 11,167,559	$ 7,848,272	$ 3,319,287
Differences between expected and actual experience	2,906,154	1,163,838	1,742,316
Change in proportion and differences between employer contributions and proportionate share of contributions	75,468	7,977,323	(7,901,855)
Net difference between projected and 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 subsequent to the measurement date	-	6,146,963	(6,146,963)
College contributions subsequent to the measurement date	17,634,875	-	17,634,875
Total	**$ 31,784,056**	**$ 43,578,818**	**$ (11,794,762)**

OPEB (Asset) Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2026 and 2025, the College reported an (asset) of $(24,985,542) and $(18,951,265), respectively, for its proportionate share of the MPSERS net OPEB (asset) liability. The net OPEB asset was measured as of September 30, 2025 and 2024, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation rolled forward from September 30, 2024 and 2023. The College's proportion of the net OPEB asset was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2025, the College's proportion was 0.41101%, which was a decrease of 0.02927% points from its proportion measured as of September 30, 2024 of 0.44028%.

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2026, the College recognized OPEB benefit of $8,881,612. At June 30, 2026, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

2026	Deferred Outflow of Resources	Deferred Inflow of Resources	Net Deferred Outflows (Inflows) of Resources
Changes in assumptions	$ 3,334,588	$ 264,994	$ 3,069,594
Differences between expected and actual experience	-	17,106,286	(17,106,286)
Net difference between projected and actual earnings on OPEB plan investments	-	3,511,014	(3,511,014)
Change in proportion and differences between employer contributions and proportionate share of contributions	93,212	1,166,962	(1,073,750)
Total	3,427,800	22,049,256	(18,621,456)
College contributions subsequent to the measurement date	942,431	-	942,431
Total	**$ 4,370,231**	**$ 22,049,256**	**$ (17,679,025)**

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

Fiscal Year Ended June 30,	Amount
2027	$ (5,220,151)
2028	(4,880,904)
2029	(4,375,596)
2030	(2,842,183)
2031	(997,784)
Thereafter	(304,838)
Total	**$ (18,621,456)**

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2025, the College recognized OPEB benefit 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 Outflow of Resources	Deferred Inflow of Resources	Net Deferred Outflows (Inflows) of Resources
Changes in assumptions	$ 4,139,229	$ 475,770	$ 3,663,459
Differences between expected and actual experience	-	20,082,554	(20,082,554)
Net difference between projected and actual earnings on OPEB plan investments	-	3,587,692	(3,587,692)
Change in proportion and differences between employer contributions and 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 measurement date	353,451	-	353,451
Total	**$ 4,618,750**	**$ 26,118,822**	**$ (21,500,072)**

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, 2024 and 2023 actuarial valuations (for the fiscal years ended June 30, 2026 and 2025, 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

NOTES TO FINANCIAL STATEMENTS

Healthcare cost trend rate	Pre-65: 7.75% Year 1 graded to 3.5% Year 15 (7.25% Year 1 graded to 3.5% Year 15 in 2023) Post-65: 6.50% Year 1 graded to 3.5% Year 15
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. 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 electing two-person coverage are assumed to have coverages continuing after the retiree's death.
Coverage election at retirement	Of those not opting out, 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, 2025, are based on the results of an actuarial valuation date of September 30, 2024, and rolled forward using generally accepted actuarial procedures, including the experience study. The recognition period for pension liabilities is 4.4524 years which is the average of the expected remaining service lives of all employees. The recognition period for OPEB liabilities is 6.4654 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, 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.

NOTES TO FINANCIAL STATEMENTS

Changes in assumptions - September 30, 2024 Valuation. Healthcare cost trend rates for pre-65 increased from 7.25% to 7.75%.

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%.

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, 2025 and 2024, are summarized in the following tables:

Pension

2025 Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Domestic equity pools	21.00%	5.48%	1.15%
Private equity pools	16.00%	8.78%	1.40%
International equity pools	14.00%	5.29%	0.74%
Fixed income pools	15.00%	2.36%	0.35%
Real estate and infrastructure pools	8.00%	6.61%	0.53%
Absolute return pools	13.00%	4.15%	0.54%
Real return/opportunistic pools	9.00%	6.61%	0.59%
Short-term investment pools	4.00%	1.23%	0.05%
Total allocation	100.00%		5.35%
Inflation			2.40%
Risk adjustment			-1.75%
Investment rate of return			**6.00%**

NOTES TO FINANCIAL STATEMENTS

OPEB

2025 Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Domestic equity pools	16.00%	5.48%	0.88%
Private equity pools	16.00%	8.78%	1.40%
International equity pools	11.00%	5.29%	0.58%
Fixed income pools	26.00%	2.36%	0.61%
Real estate and infrastructure pools	5.00%	6.61%	0.33%
Absolute return pools	15.00%	4.15%	0.62%
Real return/opportunistic pools	7.00%	6.61%	0.46%
Short-term investment pools	4.00%	1.23%	0.05%
Total allocation	100.00%		4.93%
Inflation			2.40%
Risk adjustment			-1.33%
Investment rate of return			**6.00%**

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%
Investment rate of return			**6.00%**

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	100.00%		5.57%
Inflation			2.30%
Risk adjustment			-1.87%
Investment rate of return			**6.00%**

Rate of Return

For the fiscal year ended September 30, 2025, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 9.81% and 9.24%, respectively. 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. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

For the fiscal years ended September 30, 2025 and 2024, 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 the Net Pension Liability to Changes in the Discount Rate

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 6.00% as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2026:

As of June 30, 2026	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
College's proportionate share of net pension liability	$ 144,342,574	$ 91,468,649	$ 47,431,439

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:

As of June 30, 2025	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
College's proportionate share of net pension liability	$ 157,034,350	$ 107,116,780	$ 65,550,798

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

The following presents the College's proportionate share of the net OPEB (asset) calculated using the discount rate of 6.00%, as well as what the College's proportionate share of the net OPEB (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2026:

As of June 30, 2026	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
College's proportionate share of net OPEB (asset)	$ (21,526,625)	$ (24,985,542)	$ (28,012,844)

NOTES TO FINANCIAL STATEMENTS

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 (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
College's proportionate share of net OPEB (asset)	$ (14,645,694)	$ (18,951,265)	$ (22,673,886)

Sensitivity of College's Proportionate Share of the Net OPEB Asset 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, 2026:

As of June 30, 2026	1% Decrease	Current Healthcare Cost Trend	1% Increase
College's proportionate share of net OPEB (asset)	$ (27,985,219)	$ (24,985,542)	$ (21,835,979)

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 Healthcare Cost Trend	1% Increase
College's proportionate share of net OPEB (asset)	$ (22,673,927)	$ (18,951,265)	$ (14,958,731)

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.

NOTES TO FINANCIAL STATEMENTS

Payable to the Pension Plan

At June 30, 2026, the College reported a payable of $1,688,180 for the outstanding amount of pension contributions to the Plan required for the year ended June 30, 2026. 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.

Payable to the OPEB Plan

At June 30, 2026, the College reported a payable of $32,352 for the outstanding amount of OPEB contributions to the Plan required for the year ended June 30, 2026. 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.

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 185 and 182 participants at June 30, 2026 and 2025, respectively.

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, 2026 were $693,151 and $1,934,377, respectively. The participant and College contributions to ORP for the year ended June 30, 2025 were $667,890 and $1,863,880, respectively.

9. LEASES

The College is involved in one agreement as a lessee that qualifies as a long-term lease agreement. This agreement qualifies as an intangible, right-to-use asset and not financed purchase, as the College will not own the asset at the end of the contract term and the noncancelable term of the agreement surpasses one year. The present value was discounted using an interest rate of 2.698% based on the estimated borrowing rate of the College at the time the lease commenced.

Detailed information regarding the asset acquired through June 30, 2026 can be referenced in Note 4 Capital Assets.

NOTES TO FINANCIAL STATEMENTS

The net present value of future minimum payments as of June 30, 2026, were as follows:

Year Ended June 30	Principal	Interest
2027	$ 373,295	$ 38,414
2028	389,744	28,140
2029	406,737	17,416
2030	424,288	6,226
Total	**$ 1,594,064**	**$ 90,196**

For fiscal years ended June 30, 2026 and 2025, total interest charged to expense for lease obligations was $47,449 and $30,993, respectively.

Lease liability activity for the year ended June 30, 2026, was as follows:

Lease Liability	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Leases payable	$ -	$ 1,955,824	$ 361,760	$ 1,594,064	**$ 373,295**

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	$ -	**$ -**

The College has no significant long-term agreements as a lessor as of June 30, 2026 or 2025.

NOTES TO FINANCIAL STATEMENTS

10. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY AGREEMENTS

The College is involved in sixty-five 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 interest rates between 0.457% 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	1-5 years

Detailed information regarding the assets acquired and disposed through June 30, 2026 can be referenced in Note 4 Capital Assets.

The net present value of future minimum payments as of June 30, 2026, were as follows:

Year Ended June 30	Principal	Interest
2027	$ 1,371,057	$ 84,139
2028	1,230,265	49,858
2029	673,814	18,638
2030	69,100	2,227
2031	17,661	490
Total	**$ 3,361,897**	**$ 155,352**

For fiscal years ended June 30, 2026 and 2025, total interest charged to expense for subscription-based agreement obligations was $127,129 and $106,804, respectively.

NOTES TO FINANCIAL STATEMENTS

Subscription liability activity for the year ended June 30, 2026, was as follows:

Subscription Liability	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Subscriptions payable	$ 4,786,784	$ 1,181,308	$ 2,606,195	$ 3,361,897	**$ 1,371,057**

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

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

11. COMPENSATED ABSENCES

Compensated absences liability activity for the year ended June 30, 2026, was as follows:

Compensated Absences Liability	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One year
Compensated absences payable	$ 8,323,401	$ 31,322	$ -	$ 8,354,723	**$ 3,939,167**

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**

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

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:

	2026	2025
Capital assets:		
Capital assets not being depreciated	$ 18,077,708	$ 17,962,401
Capital assets being depreciated/amortized, net	204,354,899	207,824,377
Total capital assets	222,432,607	225,786,778
Related debt:		
Lease and subscription liabilities	4,955,961	4,786,784
Bonds payable	68,805,000	74,060,000
Bond premium	7,108,404	7,513,228
Less: Deferred charge on bond refunding	(1,091,301)	(1,273,184)
Total related debt	79,778,064	85,086,828
Net investment in capital assets	**$ 142,654,543**	**$ 140,699,950**

13. UNRESTRICTED NET DEFICIT

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

Unrestricted Net Deficit	2026	2025
Auxiliary activities	$ 1,961,165	$ 2,208,262
Encumbrances	352,286	342,850
Plant improvements	25,010,857	20,385,751
Pension and OPEB liabilities fund deficit	(119,389,879)	(140,411,614)
Board of Trustees designated purposes	3,796,151	7,161,543
Undesignated	37,236,294	33,692,875
Total unrestricted net deficit	**$ (51,033,126)**	**$ (76,620,333)**

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.

16. RISK AND ECONOMIC UNCERTAINTIES

The College is experiencing a slight decline in enrollment compared to the prior year which began in Summer 2026. This trend reflects a demographic shift which includes a decrease in the number of high school graduates both within the College's service areas and throughout Michigan. Looking ahead, projected decreases in the youth population, ongoing economic pressures such as inflation, and uncertainty related to federal and state funding priorities are expected to influence enrollment trends and financial outcomes. As a result, forecasting future enrollment and revenue levels remains challenging.

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, 2026 and 2025.

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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 June 30, 2026	Year Ended June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017
College's proportionate share of the net pension liability	$ 91,468,649	$ 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
College's proportion of the net pension liability	0.45659%	0.43753%	0.44341%	0.45736%	0.49494%	0.51388%	0.53686%	0.54546%	0.54747%	0.55877%
College's covered payroll	$ 50,887,705	$ 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
College's proportionate share of the net pension liability as a percentage of its covered payroll	179.75%	227.50%	315.97%	384.31%	270.95%	395.84%	385.71%	351.53%	309.15%	298.12%
Plan fiduciary net position as a percentage of the total pension liability	79.44%	74.44%	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%

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 June 30, 2026	Year Ended June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017
Statutorily required contributions	$ 19,979,091	$ 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
Contributions in relation to the statutorily required contributions	(19,979,091)	(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)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 51,655,062	$ 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
Contributions as a percentage of covered payroll	38.68%	36.69%	38.39%	35.03%	34.29%	34.24%	33.73%	30.85%	32.34%	28.99%

See notes to the required supplementary information

LANSING COMMUNITY COLLEGE

REQUIRED SUPPLEMENTARY INFORMATION

MPSERS Cost-Sharing Multiple Employer Plan

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

	Year Ended June 30, 2026	Year Ended June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
College's proportionate share of the net OPEB (asset) liability	$ (24,985,542)	$ (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	0.41101%	0.44028%	0.45068%	0.45676%	0.47395%	0.49976%	0.52465%	0.54536%	0.55010%
College's covered payroll	$ 50,887,705	$ 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	(49.10%)	(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	164.94%	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

MPSERS Cost-Sharing Multiple Employer Plan

Schedule of the College's Other Postemployment Benefits Contributions

	Year Ended June 30, 2026	Year Ended June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
Statutorily required contributions	$ 1,031,353	$ 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	(1,031,353)	(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	$ 51,655,062	$ 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	2.00%	2.35%	8.30%	8.25%	8.62%	8.54%	8.41%	8.23%	7.46%

See notes to the required supplementary information

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Pension Information

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

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

- 2026 - There have been no material changes in the valuation assumptions.
- 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.

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:

- 2026 - Healthcare cost trend rates for pre-65 increased from 7.25% to 7.75%.

- 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)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
OPERATING REVENUES										
Tuition and fees (net of scholarships allowances)	$ 28,135,121	$ 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
Federal Pell grant (6)	19,132,053	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
Federal grants and contracts	3,725,580	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
State grants and contracts (2)	810,322	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
Local grants and contracts	5,713,213	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
Sales and services of educational activities	-	-	-	-	2,097	73	54,123	12,494	12,170	22,323
Sales and services of auxiliary activities	637,705	640,889	737,500	647,208	132,919	7,177	623,643	407,136	136,280	1,280,918
Job Training Programs	-	425,689	625,118	336,677	372,719	84,894	214,296	313,051	213,399	408,793
Miscellaneous	1,015,803	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
Total operating revenues	59,169,797	55,990,134	52,186,578	49,774,358	52,810,831	51,348,181	56,350,114	58,283,684	59,089,235	59,918,430
OPERATING EXPENSES										
Instruction (5)	25,473,264	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
Information technology (1)(3)(5)	12,638,164	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 (4)(5)	2,205,414	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
Instructional support (5)	16,071,818	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
Student services (5)	19,159,991	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
Institutional administration (2)(4)(5)	21,412,003	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
Operation and maintenance of plant (2)(5)	17,477,179	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
Depreciation and amortization (2)(3)	13,024,005	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
Total operating expenses	127,461,838	124,015,571	122,919,498	125,830,776	123,620,504	132,178,788	141,289,141	133,371,330	132,144,748	123,764,426
Operating loss	**(68,292,041)**	**(68,025,437)**	**(70,732,920)**	**(76,056,418)**	**(70,809,673)**	**(80,830,607)**	**(84,939,027)**	**(75,087,646)**	**(73,055,513)**	**(63,845,996)**
NONCAPITAL SUBSIDIES (6)										
State appropriations	41,839,680	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
Property tax levy	57,294,129	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
Total noncapital subsidies	99,133,809	98,200,928	91,032,136	84,999,456	82,705,821	79,731,983	73,731,963	76,182,534	74,743,482	73,227,928
Operating loss and noncapital subsidies	30,841,768	30,175,491	20,299,216	8,943,038	11,896,148	(1,098,624)	(11,207,064)	1,094,888	1,687,969	9,381,932
OTHER NONOPERATING REVENUES (EXPENSES) (6)										
Investment return and other gains (losses)	2,605,930	3,246,782	3,312,337	2,040,154	288,473	(724,860)	2,039,284	900,682	498,034	178,180
Interest on capital asset - related debt	(2,967,122)	(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)
Federal CARES/HEERF grants	-	-	-	6,870,966	16,038,737	16,749,041	1,775,621	-	-	-
State capital appropriations	-	-	3,593,200	-	-	-	-	-	-	-
State capital grants	-	-	-	-	-	-	-	-	599,701	4,400,299
Capital gifts	-	-	-	-	101,947	220,000	-	-	-	202,518
Net other nonoperating revenues (expenses)	(361,192)	139,079	3,730,775	5,632,830	12,904,129	12,125,066	55,510	(1,853,004)	(1,526,810)	2,033,489
Total change in net position	**30,480,576**	**30,314,570**	**24,029,991**	**14,575,868**	**24,800,277**	**11,026,442**	**(11,151,554)**	**(758,116)**	**161,159**	**11,415,421**
NET POSITION (DEFICIT), beginning of year	**89,587,783**	**59,273,213**	**39,393,168**	**24,817,300**	**17,023**	(11,009,419)	142,135	900,251	48,107,556	36,692,135
Implementation of GASB 75	-	-	-	-	-	-	-	-	(47,368,464)	-
Implementation of GASB 101	-	-	(4,149,946)	-	-	-	-	-	-	-
NET POSITION (DEFICIT), beginning of year, as restated	89,587,783	59,273,213	35,243,222	24,817,300	17,023	(11,009,419)	142,135	900,251	739,092	36,692,135
NET POSITION (DEFICIT), end of year	**$ 120,068,359**	**$ 89,587,783**	**$ 59,273,213**	**$ 39,393,168**	**$ 24,817,300**	**$ 17,023**	**$ (11,009,419)**	**$ 142,135**	**$ 900,251**	**$ 48,107,556**

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) 2021 amounts restated to account for changes to the restricted fund and presentation of GASB 87.

(3) 2022 amounts restated to account for changes to the presentation of GASB 96.

(4) 2023 amounts reclassified to conform with the 2024 presentation.

(5) 2024 amounts restated to account for changes to the presentation of GASB 101.

(6) 2026 GASB 103 instituted classification changes to the presentation of the schedule of revenues, expenses and changes in net position.

LANSING COMMUNITY COLLEGE

FINANCIAL TRENDS

Net Position by Components

Last Ten Fiscal Years

(Unaudited)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Net Position										
Net investment in capital assets	$ 142,654,543	$ 140,699,950	$ 135,932,710	$ 134,201,767	$ 128,864,293	$ 125,297,760	$ 127,533,232	$ 130,783,094	$ 135,187,005	$ 132,962,327
Restricted for:										
Restricted fund activities	2,213,939	3,012,461	457,988	290,710	229,982	221,826	143,914	246,003	199,611	7,917
Capital projects	1,247,461	3,544,440	3,593,200	-	-	-	-	-	-	-
Net other postemployment benefits asset	24,985,542	18,951,265	2,549,473	-	-	-	-	-	-	-
Unrestricted	(51,033,126)	(76,620,333)	(83,260,158)	(95,099,309)	(104,276,975)	(125,502,563)	(138,686,565)	(130,886,962)	(134,486,365)	(84,862,688)
Total Net Position (Deficit)	**$ 120,068,359**	**$ 89,587,783**	**$ 59,273,213**	**$ 39,393,168**	**$ 24,817,300**	**$ 17,023**	**$ (11,009,419)**	**$ 142,135**	**$ 900,251**	**$ 48,107,556**

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

LANSING COMMUNITY COLLEGE
REVENUE CAPACITY
Major Taxpayers
2026 Levy Year vs. 2017 Levy Year
(Unaudited)

2026 Levy Year					2017 Levy Year				
2026 Taxpayer	**Type of Business**	**2026 Taxable Valuation**	**Rank (1)**	**Percentage of Total College District Taxable Valuation ($16,159,689,316)**	**2017 Taxpayer**	**Type of Business**	**2017 Taxable Valuation**	**Rank (1)**	**Percentage of Total College District Taxable Valuation ($10,614,700,749)**
Consumers Energy	Utility	$319,108,237	1	1.97%	Enbridge Energy LP	Oil & Gas Delivery/Storage	$190,853,165	1	1.80%
Enbridge Energy	Oil & Gas Delivery/Storage	161,883,847	2	1.00%	Consumers Energy Company	Utility	110,002,182	2	1.04%
Dart Container	Packaging Products	70,669,816	3	0.44%	Jackson National Life	Insurance	44,528,493	3	0.42%
Eyde G & L	Property Management	52,531,624	4	0.33%	Enbridge Pipelines (Toledo) Inc	Crude Oil Transportation	34,736,800	4	0.33%
Jackson National Life	Insurance	40,260,503	5	0.25%	Meridian Mall LTD Partnership	Shopping Mall	31,283,743	5	0.29%
Accident Fund Ins Co of America	Insurance	37,412,900	6	0.23%	Retail Properties of America, Inc.	Retail Property Management	27,683,779	6	0.26%
CASL Landmark/Albert/Newman	Property Management	37,339,547	7	0.23%	Dart Container Corporation	Packaging Products	21,109,636	7	0.20%
Core Campus LLC	Property Management	34,666,693	8	0.21%	C 150 2929 Hannah Lofts LLC	Property Management	20,565,197	8	0.19%
DTE Energy	Utility	33,754,400	9	0.21%	General Motors Company	Automotive	15,537,203	9	0.15%
Neogen Corp/Properties	R&D Food & Animal Safety	33,512,300	10	0.21%	Gestamp Mason LLC	Metal Heat Treating	7,889,524	10	0.07%

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)

Fiscal Year Ended June 30	Taxable Valuation (1)	Tax Rates (per $1,000) of Valuation (1)	Taxes Levied	Collections through June 30 Each Year (2)	Percent of Taxes Levied Uncollected through June 30 Each Year
2026	$ 16,159,689,316	3.7611	$ 60,778,207	$ 57,271,978	5.77%
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%

(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)

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	Percentage of the Levy Collected within Fiscal Year of Levy	Collections in Subsequent Years	Total Tax Collection to Date	Percentage of Levy Total Collections
2026	$ 60,778,207	$ 57,271,978	94.23%	-	$ 57,271,978	94.23%
2025	58,148,169	53,688,577	92.33%	$ 956,835	54,645,412	93.98%
2024	54,198,844	50,958,064	94.02%	678,629	51,636,693	95.27%
2023	50,994,353	48,054,336	94.23%	632,740	48,687,076	95.48%
2022	48,274,916	45,946,764	95.18%	637,364	46,584,128	96.50%
2021	46,528,042	44,587,201	95.83%	663,896	45,251,097	97.26%
2020	45,026,318	43,275,558	96.11%	553,419	43,828,977	97.34%
2019	43,371,939	41,908,334	96.63%	574,282	42,482,616	97.95%
2018	41,740,420	40,709,394	97.53%	462,406	41,171,800	98.64%
2017	40,412,289	38,482,235	95.22%	1,318,318	39,800,553	98.49%

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)
2026	$ 16,159,689,316	$ 21,160,217,467	$ 3,174,032,620	$ 75,913,404	$ 1,594,064	$ 3,361,897	$ 80,869,365	$ 3,093,163,255	$ 212,852,175	$ 131,982,810	---
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	218
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

(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)

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income	Unemployment Rate (3)
2026	-	-	-	4.70%
2025	396,570	-	-	5.70%
2024	396,782	$ 21,881,557	$ 55,207	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%

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

2026 Employers vs. 2017 Employers

(Unaudited)

2026 (1)					2017 (2)				
Employer	**Product/Service**	**Rank**	**No. of Employees**	**% of Total District Population**	**Employer**	**Product/Service**	**Rank**	**No. of Employees**	**% of Total District Population**
State of Michigan	Government	1	13,880	3.53%	State of Michigan	Government	1	15,000	3.78%
Michigan State University	Higher Education	2	11,118	2.83%	Michigan State University	Higher Education	2	12,516	3.15%
University of Michigan Health-Sparrow	Health Care	3	9,000	2.29%	Sparrow Health System	Health Care	3	9,500	2.39%
Auto Owners Insurance Group	Insurance	4	5,943	1.51%	General Motors Corporation	Automotive	4	5,800	1.46%
General Motors Corporation	Automotive	5	4,183	1.06%	Ingham Regional Medical Center/McLaren	Health Care	5	3,000	0.76%
Jackson National Life	Insurance	6	2,907	0.74%	Lansing School District	Education	6	3,000	0.76%
Peckham Industries	Textiles, Auto parts	7	2,200	0.56%	Lansing Community College	Education	7	2,424	0.61%
Lansing Community College	Higher Education	8	1,800	0.46%	Meijer's, Inc.	Retail	8	2,215	0.56%
Lansing School District	K-12 Education	9	1,490	0.38%	Auto Owners Insurance	Insurance	9	1,800	0.45%
McLaren Health	Health Care	10	1,401	0.36%	Jackson National Life Insurance Company	Insurance	10	1,700	0.43%

Source:

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

(2) LCC FY2017 Annual Comprehensive Financial Report source Ingham County December 31, 2016

LANSING COMMUNITY COLLEGE

DEMOGRAPHIC AND ECONOMIC INFORMATION

Capital Asset Statistics

Last Ten Fiscal Years

(Unaudited)

Facilities Data	2026 (1)	2025	2024	2023	2022	2021	2020	2019	2018	2017
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)	2,081,629	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
Number of classrooms	110	127	127	127	127	127	123	123	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) FY26 Capital Outlay Plan submitted to the state October 2025

(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)

Fiscal Year	FYES (1)	Unduplicated Headcount	Duplicated Headcount	Headcount per Section	Total Credit Hours	In District Tuition Rate	Out of District Tuition Rate	Out of State Tuition Rate	Tuition & Fees per FYES	Total Tuition $ Fee Revenue (2)
2026 (3)	-	-	-	-	-	$ 120	$ 240	$ 360	-	-
2025	6,492	17,563	63,212	17.5	194,652	120	240	360	$ 6,359	$ 41,285,342
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	14.7	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

Source: Fiscal Year's 2026 Michigan Postsecondary Data Inventory (www.mischooldata.org/DistrictSchoolProfiles2/PostsecondaryDataInventory/PostsecondaryDataInventory.aspx)
Fiscal Year's 2017 and prior Activity Classification Structure Data (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, 2026 is due November 1, 2026, 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)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
ADMINISTRATOR FTE:	**233**	**232**	**201**	**185**	**183**	**172**	**228**	**223**	**198**	**169**
Full-Time	231	230	199	182	181	170	224	219	194	164
Part-Time	5	6	7	8	7	7	11	12	11	16
Calculated Part-Time FTE (1)	2	2	2	3	2	2	4	4	4	5
FACULTY FTE:	**327**	**318**	**416**	**416**	**475**	**480**	**588**	**641**	**626**	**645**
Full-Time	202	189	185	185	183	182	202	202	191	190
Part-Time	376	388	692	692	876	893	1,157	1,317	1,305	1,364
Calculated Part-Time FTE (1)	125	129	231	231	292	298	386	439	435	455
SUPPORT FTE:	**328**	**349**	**399**	**395**	**387**	**406**	**284**	**279**	**286**	**287**
Full-Time	272	285	291	289	276	284	226	223	235	229
Part-Time	169	191	324	317	334	365	174	169	154	173
Calculated Part-Time FTE (1)	56	64	108	106	111	122	58	56	51	58
Actual total employees reported	1,255	1,289	1,698	1,673	1,857	1,901	1,994	2,142	2,090	2,136
TOTAL FTE (1)	888	899	1,016	995	1,046	1,058	1,099	1,143	1,110	1,101

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, 2026

	Combined Total	General Fund	Pension and OPEB Liabilities Fund	Designated Funds	Auxiliary Activities Funds	Expendable Restricted Funds	Plant Funds	Agency Funds
Assets								
Current assets								
Cash and cash equivalents	$ 12,865,462	$ 12,865,462	$ -	$ -	$ -	$ -	$ -	$ -
Short-term investments	64,376,152	64,376,152	-	-	-	-	-	-
Property taxes receivable, net	535,356	535,356	-	-	-	-	-	-
State appropriations receivable	8,416,658	7,077,936	-	-	-	1,338,722	-	-
Accounts receivable, net	2,271,009	2,218,778	-	-	52,231	-	-	-
Federal and state grants receivable	1,891,543	-	-	-	-	1,891,543	-	-
Prepaid expenses and other assets	4,206,500	4,143,620	-	-	30,529	-	27,954	4,397
Due from (due to) other funds	-	(34,311,051)	-	3,800,573	2,010,130	362,564	27,721,017	416,767
Due from component unit	14,017	-	-	-	-	14,017	-	-
Total current assets	**94,576,697**	**56,906,253**	**-**	**3,800,573**	**2,092,890**	**3,606,846**	**27,748,971**	**421,164**
Noncurrent assets								
Capital assets not being depreciated	18,077,708	-	-	-	-	-	18,077,708	-
Capital assets being depreciated/amortized, net	204,354,899	-	-	-	-	-	204,354,899	-
Net other postemployment benefits asset	24,985,542	-	24,985,542	-	-	-	-	-
Total noncurrent assets	**247,418,149**	**-**	**24,985,542**	**-**	**-**	**-**	**222,432,607**	**-**
Total assets	**341,994,846**	**56,906,253**	**24,985,542**	**3,800,573**	**2,092,890**	**3,606,846**	**250,181,578**	**421,164**
Deferred outflows of resources								
Deferred charge on bond refunding	1,091,301	-	-	-	-	-	1,091,301	-
Deferred pension and OPEB amounts	32,469,040	-	32,469,040	-	-	-	-	-
Total deferred outflows of resources	**33,560,341**	**-**	**32,469,040**	**-**	**-**	**-**	**1,091,301**	**-**
Liabilities								
Current liabilities								
Accounts payable	4,108,851	1,439,810	-	4,422	48,771	1,382,917	1,043,843	189,088
Accrued payroll and other compensation	6,529,382	6,297,306	-	-	-	-	-	232,076
Current compensated absences obligations	3,939,167	3,939,167	-	-	-	-	-	-
Accrued interest payable	446,810	-	-	-	-	-	446,810	-
Unearned revenue	3,318,778	3,225,834	-	-	82,954	9,990	-	-
Current portion of subscription obligations	1,371,057	-	-	-	-	-	1,371,057	-
Current portion of lease obligations	373,295	-	-	-	-	-	373,295	-
Current portion of debt obligations	5,410,000	-	-	-	-	-	5,410,000	-
Total current liabilities	**25,497,340**	**14,902,117**	**-**	**4,422**	**131,725**	**1,392,907**	**8,645,005**	**421,164**
Noncurrent liabilities								
Long-term compensated absences obligations, net of current	4,415,556	4,415,556	-	-	-	-	-	-
Long-term subscription obligations, net of current portion	1,990,840	-	-	-	-	-	1,990,840	-
Long-term lease obligations, net of current portion	1,220,769	-	-	-	-	-	1,220,769	-
Long-term debt obligations, net of current portion	70,503,404	-	-	-	-	-	70,503,404	-
Net pension liability	91,468,649	-	91,468,649	-	-	-	-	-
Total noncurrent liabilities	**169,599,218**	**4,415,556**	**91,468,649**	**-**	**-**	**-**	**73,715,013**	**-**
Total liabilities	**195,096,558**	**19,317,673**	**91,468,649**	**4,422**	**131,725**	**1,392,907**	**82,360,018**	**421,164**
Deferred inflows of resources								
Deferred pension and OPEB amounts	**60,390,270**	**-**	**60,390,270**	**-**	**-**	**-**	**-**	**-**
Net position (deficit)								
Net investment in capital assets	142,654,543	-	-	-	-	-	142,654,543	-
Restricted:								
Restricted fund activities	2,213,939	-	-	-	-	2,213,939	-	-
Capital projects	1,247,461	-	-	-	-	-	1,247,461	-
Net other postemployment benefits asset	24,985,542	-	24,985,542	-	-	-	-	-
Unrestricted (deficit)	(51,033,126)	37,588,580	(119,389,879)	3,796,151	1,961,165	-	25,010,857	-
Total net position (deficit)	**$ 120,068,359**	**$ 37,588,580**	**$ (94,404,337)**	**$ 3,796,151**	**$ 1,961,165**	**$ 2,213,939**	**$ 168,912,861**	**$ -**

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

	Combined Total	General Fund	Pension and OPEB Liabilities Fund	Designated Funds	Auxiliary Activities Funds	Expendable Restricted Funds	Plant Funds	Agency Funds
Assets								
Current assets								
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	-	-
Total current assets	**87,961,961**	**47,203,829**	**-**	**7,322,401**	**2,329,318**	**4,021,600**	**26,582,304**	**502,509**
Noncurrent assets								
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	-	-	-	-	-
Total noncurrent assets	**249,745,855**	**5,007,812**	**18,951,265**	**-**	**-**	**-**	**225,786,778**	**-**
Total assets	**337,707,816**	**52,211,641**	**18,951,265**	**7,322,401**	**2,329,318**	**4,021,600**	**252,369,082**	**502,509**
Deferred outflows of resources								
Deferred charge on bond refunding	1,273,184	-	-	-	-	-	1,273,184	-
Deferred pension and OPEB amounts	36,402,806	-	36,402,806	-	-	-	-	-
Total deferred outflows of resources	**37,675,990**	**-**	**36,402,806**	**-**	**-**	**-**	**1,273,184**	**-**
Liabilities								
Current liabilities								
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	-
Total current liabilities	**25,581,347**	**13,705,277**	**-**	**160,858**	**121,056**	**1,009,139**	**10,082,508**	**502,509**
Noncurrent liabilities								
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	-	-	-	-	-
Total noncurrent liabilities	**190,517,036**	**4,470,639**	**107,116,780**	**-**	**-**	**-**	**78,929,617**	**-**
Total liabilities	**216,098,383**	**18,175,916**	**107,116,780**	**160,858**	**121,056**	**1,009,139**	**89,012,125**	**502,509**
Deferred inflows of resources								
Deferred pension and OPEB amounts	**69,697,640**	**-**	**69,697,640**	**-**	**-**	**-**	**-**	**-**
Net position (deficit)								
Net investment in capital assets	140,699,950	-	-	-	-	-	140,699,950	-
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)	(76,620,333)	34,035,725	(140,411,614)	7,161,543	2,208,262	-	20,385,751	-
Total net position (deficit)	**$ 89,587,783**	**$ 34,035,725**	**$ (121,460,349)**	**$ 7,161,543**	**$ 2,208,262**	**$ 3,012,461**	**$ 164,630,141**	**$ -**

LANSING COMMUNITY COLLEGE
COMBINING SCHEDULE OF REVENUES, EXPENSES, TRANSFERS AND CHANGES IN NET POSITION (Unaudited)
YEAR ENDED JUNE 30, 2026

	Combined Total	Eliminations	General Fund	Pension and OPEB Liabilities Fund	Designated Funds	Auxiliary Activities Funds	Expendable Restricted Funds	Plant Funds
Operating revenues								
Tuition and fees (net of scholarship allowances of $17,355,009)	$ 28,135,121	$ (17,355,009)	$ 43,384,289	$ -	$ -	$ 1,117,881	$ -	$ 987,960
Federal Pell grant	19,132,053	-	-	-	-	-	19,132,053	-
Federal grants and contracts	3,725,580	-	-	-	-	-	3,725,580	-
State grants and contracts	810,322	-	-	-	-	-	810,322	-
Local grants and contracts	5,713,213	-	2,927,648	-	-	-	2,785,565	-
Sales and services of auxiliary activities	637,705	-	1,571	-	-	624,791	-	11,343
Miscellaneous	1,015,803	-	732,261	-	17,800	143,141	-	122,601
Total operating revenues	**59,169,797**	**(17,355,009)**	**47,045,769**	**-**	**17,800**	**1,885,813**	**26,453,520**	**1,121,904**
Operating expenses								
Instruction	25,473,264	-	37,553,170	(13,011,480)	469	-	931,105	-
Information technology	12,638,164	-	14,864,315	(2,841,038)	540,201	300,907	87,860	(314,081)
Public services	2,205,414	-	1,414,280	(618,325)	31,521	581,103	796,835	-
Instructional support	16,071,818	-	21,870,292	(6,950,761)	105,605	-	1,046,682	-
Student services	19,159,991	(17,355,009)	17,851,135	(4,595,150)	60,637		23,198,378	-
Institutional administration	21,412,003	-	18,113,569	(4,313,164)	-	8,848	7,602,750	-
Operation and maintenance of plant	17,477,179	-	15,248,343	(2,089,065)	41,046	804,631	585,178	2,887,046
Depreciation and amortization	13,024,005	-	-	-	-	-	-	13,024,005
Total operating expenses	**127,461,838**	**(17,355,009)**	**126,915,104**	**(34,418,983)**	**779,479**	**1,695,489**	**34,248,788**	**15,596,970**
Operating (loss) income	**(68,292,041)**	**-**	**(79,869,335)**	**34,418,983**	**(761,679)**	**190,324**	**(7,795,268)**	**(14,475,066)**
Noncapital subsidies								
State appropriations	41,839,680	-	41,659,862	(7,362,971)	-	-	7,542,789	-
Property tax levy	57,294,129	-	57,294,129	-	-	-	-	-
Total noncapital subsidies	**99,133,809**	**-**	**98,953,991**	**(7,362,971)**	**-**	**-**	**7,542,789**	**-**
Operating (loss) income and noncapital subsidies	**30,841,768**	**-**	**19,084,656**	**27,056,012**	**(761,679)**	**190,324**	**(252,479)**	**(14,475,066)**
Other nonoperating revenues (expenses)								
Investment return and other gains	2,605,930	-	2,543,168	-	-	-	-	62,762
Interest on capital asset - related debt	(2,967,122)	-	-	-	-	-	-	(2,967,122)
Net other nonoperating revenues (expenses)	**(361,192)**	**-**	**2,543,168**	**-**	**-**	**-**	**-**	**(2,904,360)**
Transfers (out) in	**-**	-	(18,074,969)	-	(2,603,713)	(437,421)	(546,043)	21,662,146
Increase (decrease) in net position	**30,480,576**	**-**	**3,552,855**	**27,056,012**	**(3,365,392)**	**(247,097)**	**(798,522)**	**4,282,720**
Net position (deficit), beginning of year	**89,587,783**	**-**	**34,035,725**	**(121,460,349)**	**7,161,543**	**2,208,262**	**3,012,461**	**164,630,141**
Net position (deficit), end of year	**$ 120,068,359**	**$ -**	**$ 37,588,580**	**$ (94,404,337)**	**$ 3,796,151**	**$ 1,961,165**	**$ 2,213,939**	**$ 168,912,861**

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

	Combined Total	Eliminations	General Fund	Pension and OPEB Liabilities Fund	Designated Funds	Auxiliary Activities Funds	Expendable Restricted Funds	Plant Funds
Operating revenues								
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 Pell grant	17,664,940	-	-	-	-	-	17,664,940	-
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
Total operating revenues	**55,990,134**	**(15,974,486)**	**45,040,251**	**-**	**30,650**	**1,784,589**	**24,151,843**	**957,287**
Operating expenses								
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
Total operating expenses	**124,015,571**	**(15,974,486)**	**125,603,649**	**(34,058,939)**	**1,320,489**	**1,212,050**	**31,249,739**	**14,663,069**
Operating (loss) income	**(68,025,437)**	**-**	**(80,563,398)**	**34,058,939**	**(1,289,839)**	**572,539**	**(7,097,896)**	**(13,705,782)**
Noncapital subsidies								
State appropriations	43,567,838	-	40,359,928	(6,146,963)	-	-	9,354,873	-
Property tax levy	54,633,090	-	54,633,090	-	-	-	-	-
Total noncapital subsidies	**98,200,928**	**-**	**94,993,018**	**(6,146,963)**	**-**	**-**	**9,354,873**	**-**
Operating (loss) income and noncapital subsidies	**30,175,491**	**-**	**14,429,620**	**27,911,976**	**(1,289,839)**	**572,539**	**2,256,977**	**(13,705,782)**
Other nonoperating revenues (expenses)								
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)
Net other nonoperating revenues (expenses)	**139,079**	**-**	**3,211,154**	**-**	**-**	**-**	**-**	**(3,072,075)**
Transfers (out) in	-	-	(15,872,459)		979,487	(542,791)	297,496	15,138,267
Increase (decrease) in net position	**30,314,570**	**-**	**1,768,315**	**27,911,976**	**(310,352)**	**29,748**	**2,554,473**	**(1,639,590)**
Net position (deficit), beginning of year	**59,273,213**	**-**	**32,267,410**	**(149,372,325)**	**7,471,895**	**2,178,514**	**457,988**	**166,269,731**
Net position (deficit), end of year	**$ 89,587,783**	**$ -**	**$ 34,035,725**	**$ (121,460,349)**	**$ 7,161,543**	**$ 2,208,262**	**$ 3,012,461**	**$ 164,630,141**