

# Comprehensive Annual Financial Report

For the Fiscal Years Ended  
June 30, 2021 and June 30, 2020

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LANSING COMMUNITY COLLEGE · LANSING, MI



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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**Fiscal Years Ended June 30, 2021 and June 30, 2020**

Prepared by:  
Financial Services Division

Donald L. Wilske  
Chief Financial Officer

Lisa L. Mazure, C.P.A.  
Controller


Megan L. Garrett  
Assistant Controller

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**LANSING COMMUNITY COLLEGE**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEARS ENDED JUNE 30, 2021 AND JUNE 30, 2020**

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# Introductory Section

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October 8, 2021

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

The Comprehensive Annual Financial Report of Lansing Community College (the College) for the fiscal years ended June 30, 2021 and June 30, 2020, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is 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, 2021 and 2020. 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. The MD&A complements this letter of transmittal 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 Comprehensive Annual 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.

As the Strategic Plan 2017-2021 concluded, college leadership envisioned the next strategic plan as a three-year refresh, including continuation of five key focus areas: Engaged Learning and Student Success; Leadership, Culture and Communication; Community Engagement; Competitiveness and Innovation; and Resource Management and Fiscal Responsibility. A sixth focus area was added, specifically dedicated to Diversity, Equity and Inclusion. The strategic plan will continue to be integrated into the College's planning and budgeting processes to support student success and institutional growth.

The College's capital plan is dynamic and is updated on a regular basis to reflect the most recent assessment of all projects required to address the evolving academic programs and services needed. 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 Lansing Community College an excellent place of higher education. Lansing Community College - *"Where Success Begins"*.

## PROFILE OF THE COLLEGE

Lansing Community College is a major urban community college, situated on 48 acres, in a nine-city block area in downtown Lansing, Michigan. Founded in 1957, Lansing Community College is now the seventh largest community college in the state of Michigan. The College currently enrolls more than 16,000 college-credit students each year, and has over 600 full-time and over 1,200 part-time employees. The College offers classes year-round in a three-semester curriculum. The College offers 211 degree and certificate programs and over 950 courses to match career and workforce development pursuits, transfer curricula, 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 (BCI) 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 (M-TEC), the East Campus in East Lansing, the Livingston Center at Parker Campus in Howell, and the Aviation Maintenance Center at the Mason-Jewett Airport in Mason. In addition, 73 courses including 134 class sections were offered at off-campus locations. Lansing Community College was the first Michigan community college to offer a complete associate's degree online and now offers over 1,300 online/hybrid sections per year, or approximately 36.1% of all section offerings.

The College is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. The College's accreditation was reaffirmed on June 27, 2016, for ten years.

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

<u>Enrollment</u>	<u>FALL 2020</u>	<u>FALL 2019</u>	<u>FALL 2018</u>	<u>FALL 2017</u>	<u>FALL 2016</u>
College (unduplicated head count)	10,306	11,673	11,771	12,882	13,583
Full-time Equivalents	5,783	6,674	6,804	7,461	7,920
Total Credit Hours	93,116	106,100	107,257	117,655	123,341

## 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 2% to 4% range. The exception to this was FY 2017 when in-district tuition was increased by \$11 per billing hour. This significant tuition increase provided an estimated \$1.8 million for additional staffing for Academic Success Coaches and expanded tutoring services.

	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>
In-District Tuition Rate (per billing hour)	\$111	\$108	\$105	\$103	\$99
In-District Tuition Increase (per billing hour)	\$3	\$3	\$2	\$4	\$11

With tuition and fees accounting for 34.3% 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) declining revenue.

The College is well positioned to attract a diverse group of students, with its fiscal year 2022 \$114 in-district per billing hour rate well below the state average rate of community college in-district tuition of \$124. High potential targets include those who are looking for a less expensive post-secondary education option and those looking to further their education in order to remain competitive in the job market. Additionally, as the price of four-year institutions continues to rise, cost becomes a preeminent

concern and the College's value proposition to graduating high school students improves. The College's value is aided by the numerous transfer and articulation agreements the College maintains with four-year institutions in the State of Michigan as well as the partnerships at the College's University 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 was reduced to 3.7692 mils in 2021 and will impact the College's property tax revenue for FY 2022. The state average for all community colleges was 2.2817 mils in fiscal year 2020.

### ***Capital Projects***

In fiscal year 2019, the Board of Trustees authorized an issuance of up to \$52.5 million in bonds to finance the construction of a new parking ramp and the demolition and replacement of the Gannon Parking Ramp to address critical parking needs on the Downtown Campus.

In fiscal year 2020, the College issued 30-year general obligation bonds, rated AA by Standard and Poors and Aa2 by Moody's, to finance the construction of new parking facilities. Bond proceeds and \$6,100,000 of on-hand local dollars are being used for the demolition of the existing parking structure and building a replacement parking structure along with renovation of an existing flat lot. The College Board of Trustees approved a new \$4 per billing hour student fee effective Fall semester 2020, to provide additional financial resources for the new long-term debt obligation of \$44.7 million. The project is expected to be completed by Fall 2022.

## **COVID-19 PANDEMIC**

As with all of higher education and the United States as a whole, Lansing Community College has been significantly impacted by the COVID-19 pandemic. The College's Emergency Operations Committee (EOC), led by the Director of Emergency Management, was activated in early March 2020 to respond to the pandemic. Students and faculty were scheduled to return from Spring Break on Monday, March 16th. On that date faculty began converting face-to-face classes to an online format. However, resumption of classes for students was postponed until Wednesday, March 18th, and the College began remote operations that day. Only essential workers were permitted on campus and for the least amount of time possible. The EOC continues to meet to monitor the pandemic and its impact on the College's operations. As of the 2021 Fall semester there has been a gradual return to on-campus operations as necessary.

The College has been allocated a total of \$37.8 million by the U.S. Department of Education under the Higher Education Emergency Relief Fund. The College has greatly exceeded the amount of emergency

financial awards to students that were required by the federal legislation. In addition, the Institutional portion has been used primarily for projects having a long-term impact. Due to the pandemic in FY 2020, the State of Michigan experienced a significant loss of revenue and the College's operating appropriation was reduced by \$3.7 million. In FY 2021, the College received an equal amount of State of Michigan governmental CARES grants that was applied towards eligible expenses.

## **CHANGE IN COLLEGE LEADERSHIP**

Shortly after June 30, 2020, the College's president, Dr. Brent Knight retired after leading Lansing Community College for 12 years. Dr. Steve Robinson has succeeded Dr. Knight as the College's new president.

## **MICHIGAN'S ECONOMIC OUTLOOK**

### ***Local Economy***

Michigan's economy spent the 2000 to 2010 period in recession, largely driven by the same fundamental restructuring that affected manufacturing globally. Michigan's manufacturing sector experienced, and continues to experience, a significant surge in productivity driven by increased competition in the economy. For Michigan, the effect of productivity improvements has been substantial for at least three reasons: 1) there was more room for productivity improvements in the durable goods and motor vehicle manufacturing sectors than in many other sectors, 2) Michigan was, and remains, very disproportionately concentrated in motor vehicle manufacturing, and 3) the motor vehicle industry has become one of the most competitive sectors of the economy. For Michigan, those factors were complicated as General Motors, Ford, and Chrysler lost market share over most of the 2000-2010 decade. Thus, Michigan lost jobs as a result of both higher productivity and reduced demand. The impact on the Michigan economy was exacerbated by the rapid and drastic decline in automobile sales in late 2008 and during 2009, reflecting national collapses in sectors such as construction, real estate, and finance.

The drag from the manufacturing sector on Michigan's economy largely bottomed out in 2010 and the recovery in vehicle sales nationally has helped Michigan's economic situation. Manufacturing employment in Michigan rose 46.1% between June 2009, when the U.S. recession ended, and December 2019, although most of the growth occurred prior to 2015. Employment gains since 2009 helped the Michigan unemployment rate decline from a high of 14.9% in June 2009 to 3.6% in February 2020, the lowest level since May 2000.

The impact of COVID-19 on the Michigan economy was, and continues to be, substantial. Between February 2020 and April 2020, Michigan payroll employment declined by 23.7%, or approximately 1.1 million jobs. As of March 2021, payroll employment in Michigan was up 735,200 jobs from the April 2020 report, but was still 7.2% below the level in February 2020 and roughly on par with the level in September 2013.

### ***Forecast Summary***

During 2021, both the US and Michigan economies are expected to exhibit a reasonably strong recovery from the COVID-19-induced recession in 2020. During 2022 and 2023, both the US and Michigan economies are expected to continue to exhibit growth, although Michigan generally is expected to grow more slowly than the nation as a whole.

Employment gains over the forecast period will be muted. Although productivity growth during 2020 was at the highest level since 2010, and is expected to remain relatively high during 2021, in 2022 and 2023 consumer demand is not likely to grow much more rapidly than productivity. The Michigan unemployment rate, which averaged 4.1% during 2019 but rose to 9.9% during 2020, is forecasted to decrease to 5.2% in 2021, 4.8% in 2022 and 4.4% in 2023.

## ***Prospects for the Future***

### **State of Michigan FY 2020-21 Revised Revenue Estimate**

- Combined General Fund/General Purpose (GF/GP) and School Aid Fund (SAF) revenue is expected to total \$26.5 billion in FY 2020-21. The revised estimate of FY 2020-21 is up 6.9%, or \$1.7 million, from final revenue for FY 2019-20. The revised estimate for FY 2020-21 is \$2.2 million above the January 2021 consensus revenue estimate. The revenue increase in FY 2020-21 primarily reflects Michigan economic activity growing slowly while still facing headwinds due to the COVID-19 pandemic, with a significant boost from rescue and stimulus measures at the Federal level.

### **State of Michigan FY 2021-22 Revised Revenue Estimate**

- Combined GF/GP and SAF revenue is expected to total over \$26.6 billion in FY 2021-22. The revised estimate for FY 2021-22 is 0.5%, or \$1.3 million more than the revised estimate for FY 2020-21. The revised estimate for FY 2021-22 is \$1.3 million above the January 2021 consensus revenue estimate. The revenue increase in FY 2021-22 reflects increased economic activity as Michigan continues to recover from the COVID-19 pandemic.

### **State of Michigan FY 2022-23 Revised Revenue Estimate**

- Combined GF/GP and SAF revenue is expected to total \$27.4 billion in FY 2022-23. The revised estimate for FY 2022-23 is up 2.9%, or \$774 million from the revised estimate for FY 2021-22. The revised estimate for FY 2022-23 is \$1.5 million above the January 2021 consensus revenue estimate. The revenue increase in FY 2022-23 reflects increased economic activity as Michigan continues to recover from the COVID-19 pandemic.

Source: MICHIGAN'S ECONOMIC OUTLOOK AND BUDGET REVIEW - FY 2020-21, FY 2021-22, and FY 2022-23  
May 19, 2021 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 Lansing Community College for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. 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 twelve consecutive years. We believe that our current Comprehensive Annual Financial Report 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, 2020. The GFOA established the Popular Annual Financial Reporting Awards Program to encourage and assist state and local governments to extract information from their comprehensive annual 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 ten consecutive years.

The College's Purchasing Department is the recipient of the 2020 Annual Achievement of Excellence in Procurement Award. Lansing Community College has received the award for eighteen consecutive years and is one of only two agencies in Michigan and one of only 25 higher education organizations in the United States and Canada to receive the national award. The award is designed to recognize organizational excellence in procurement through efficient and effective practices within an organization's procurement policies and processes. It acknowledges measures in innovation, professionalism, e-procurement, productivity and leadership attributes of the procurement function. The College's Purchasing Department has submitted the 2021 AEP application and is waiting for response of awarded recipients. Due to the global pandemic, the Achievement of Excellence in Procurement Evaluation Committee postponed scheduled evaluations until mid-September.

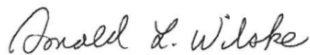
### ***Independent Audit***

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

Respectfully submitted,

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

Donald L. Wilske  
Chief Financial Officer

## LANSING COMMUNITY COLLEGE

### PRINCIPAL OFFICIALS (As of October 8, 2021)

#### BOARD OF TRUSTEES

<u>Trustee</u>	<u>Position</u>	<u>Term Expires</u>
Ryan Buck	Chairperson	2022
Angela L. Mathews	Vice Chairperson	2022
Lawrence Hidalgo, Jr.	Secretary	2024
Robert E. Proctor	Treasurer	2022
Andrew P. Abood	Trustee	2026
LaShunda Thomas	Trustee	2026
Samantha Vaive	Trustee	2024

#### OFFICERS OF THE COLLEGE

<u>Officer</u>	<u>Position</u>
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

<u>Officer</u>	<u>Position</u>
Donald L. Wilske	Chief Financial Officer
Lisa L. Mazure, C.P.A.	Controller
Megan L. Garrett	Assistant Controller

#### DIVISION ISSUING REPORT

Financial Services Division

# LANSING COMMUNITY COLLEGE







Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Lansing Community College  
Michigan**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

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# Financial Section

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## INDEPENDENT AUDITORS' REPORT

October 8, 2021

Board of Trustees  
Lansing Community College  
Lansing, Michigan

### Report on the Financial Statements

We have audited the accompanying 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, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Independent Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Lansing Community College Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Rehmann is an independent member of Nexia International.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audits, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component unit of **Lansing Community College** as of June 30, 2021 and 2020, and the results of their operations and cash flows, where applicable, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

### ***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 and the related notes to the schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The additional information identified in the introductory, statistical and special reports sections in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in our audits of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued under separate cover our report dated October 8, 2021 on our consideration of **Lansing Community 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 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 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 **Lansing Community College's** internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lehmann Johnson LLC". The signature is written in a cursive, flowing style.

# **LANSING COMMUNITY COLLEGE**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **YEARS ENDED JUNE 30, 2021 AND 2020**

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, 2021 and 2020. Management has prepared the fiscal year 2021 and 2020 financial statements and the related footnote disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the College's management.

#### **Using this Report**

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

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

#### **Component Unit**

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

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

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

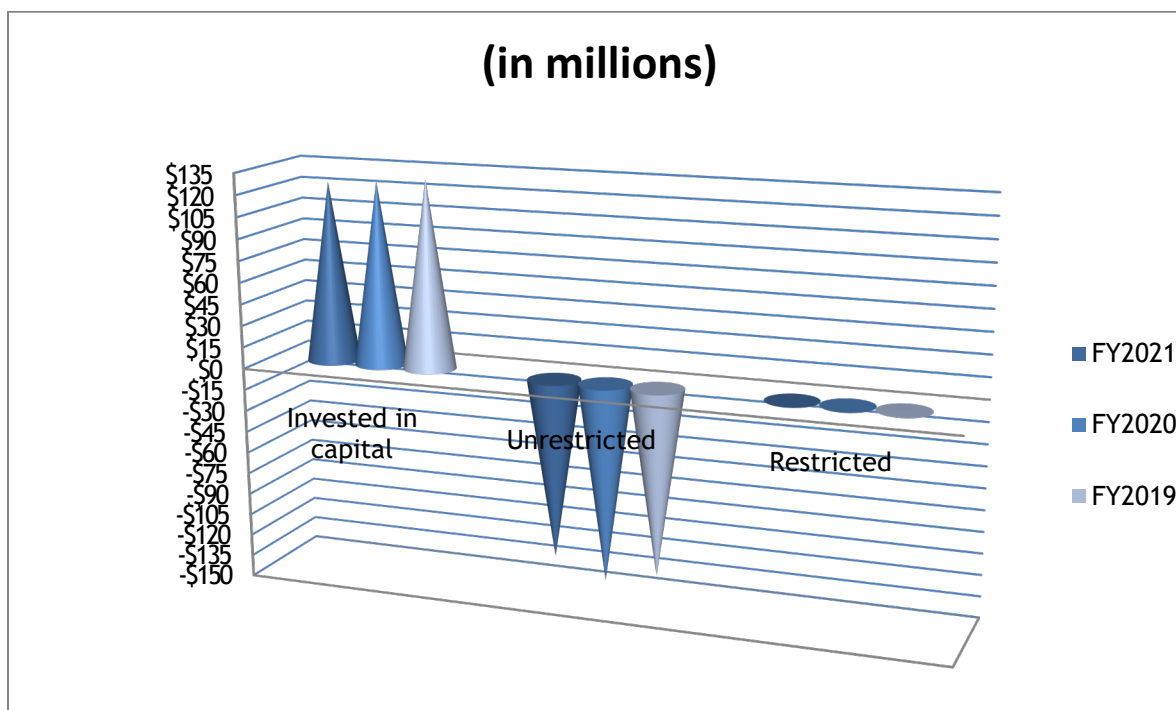
#### **Financial Highlights**

The College's financial position increased during the fiscal year ended June 30, 2021, with an \$11.0 million increase in total net position. The College's total assets increased \$13.4 million which is attributed to several items including the increase in state appropriations receivable; capitalization of capital assets; increase of cash and investments as a result of revenues exceeding related expenses; and an increase in federal accounts receivable as a result of the Higher Education Emergency Relief Fund (HEERF) grants. Deferred outflows of resources and deferred inflows of resources decreased \$12.6 and increased \$4.1 million, respectively, due to the necessary adjustments to the deferred pension and OPEB amounts and by a decrease for the amortization of the deferred charge on refunding. The College's total liabilities decreased \$14.3 million due to the decrease in the net pension and OPEB liabilities of \$12.2 million and a \$5.3 million decrease in long term debt offset by an increase of \$2.9 million in current accounts payable due to the timing of vendor invoices at year end. The major categories of net position changed, as shown in the graph below. Total net position increased by \$11.0 million, net position invested in capital assets decreased by \$2.2 million as a result of the net impact of additions to capital assets offset by the payment of long-term debt. This was offset by an increase of \$13.2 million in unrestricted net position, from \$(138.7) to \$(125.5) million due to results of decreased operating expenses; the reimbursement of prior year expenses from the HEERF and Coronavirus Relief Fund (CRF) grants; and, the recording of the College's share of the Michigan Public School Employees Retirement System (MPERS) long-term net pension and other postemployment benefits liability as required by GASB Statements 68, *Accounting And Financial Reporting For Pensions*, and 75, *Accounting And Financial Reporting For*

*Postemployment Benefits Other Than Pensions.* While the implementation of GASB 68 and 75 continues to impact total net position, it did not have any impact on the College's cash flows or operating budgets.

The College's financial position declined during the fiscal year ended June 30, 2020, with an \$11.2 million decrease in total net position. The College's total assets increased \$38.4 million which is primarily attributed to the proceeds received from a General Obligation bond issuance in October 2019. Deferred outflows of resources and deferred inflows of resources increased \$0.8 and \$1.6 million, respectively, due to the necessary adjustments to the deferred pension and OPEB amounts offset by a decrease for the amortization of the deferred charge on refunding. The College's total liabilities increased \$48.7 million due to the increase in the net pension and OPEB liabilities of \$8.1 million and a \$39.6 million increase in long term debt as a result of the October 2019 bond issuance. The major categories of net position changed, as shown in the graph below. Total net position decreased by \$11.2 million, both net position invested in capital assets and unrestricted net position decreased due to depreciation of capitalized assets and recording of the College's share of the Michigan Public School Employees Retirement System (MPERS) long-term net pension and other postemployment benefits liability as required by GASB Statements 68, *Accounting And Financial Reporting For Pensions*, and 75, *Accounting And Financial Reporting For Postemployment Benefits Other Than Pensions*. While the implementation of GASB 68 and 75 continues to impact total net position, it did not have any impact on the College's cash flows or operating budgets.

### Total Net Position



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

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



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

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

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

	2021	2020	Increase (Decrease) 2021-2020	2019	Increase (Decrease) 2020-2019
Current and other assets	\$ 123.1	\$ 118.1	\$ 5.0	\$ 74.1	\$ 44.0
Capital assets, net of depreciation	195.0	186.5	8.5	192.2	(5.7)
Total assets	318.1	304.7	13.4	266.3	38.3
Deferred outflows of resources	49.8	62.4	(12.6)	61.6	0.8
Other liabilities	20.1	17.2	2.9	16.2	1.0
Debt obligations	107.2	112.3	(5.1)	72.7	39.6
Net pension and OPEB liabilities	203.3	215.4	(12.1)	207.3	8.1
Total liabilities	330.6	344.9	(14.3)	296.2	48.7
Deferred inflows of resources	37.3	33.2	4.1	31.6	1.6
Net (deficit) position					
Net investment in capital assets	125.3	127.5	(2.2)	130.8	(3.3)
Restricted	0.2	0.1	0.1	0.2	(0.1)
Unrestricted	(125.5)	(138.7)	13.2	(130.9)	(7.8)
Total net (deficit) position	\$ 0.0	\$ (11.0)	\$ 11.0	\$ 0.1	\$ (11.2)

*Amounts may not foot due to rounding.*

#### **Fiscal Year 2021 Compared to 2020**

The College increased its current and other assets by \$5.0 million primarily due to reimbursement of prior year expenses related to the HEERF and CRF grants and the reduction in operating expenses. Capital assets, net of depreciation increased \$8.5 million due to the purchase of equipment and the construction in progress related to approved capital projects. Other liabilities increased \$2.9 million as result of invoices related to construction of the Gannon parking ramp. 2020 Debt obligations decreased \$5.1 million due to principal payments on outstanding bond issues. The College overall net position increased by \$11.0 million. This is due to a number of factors as discussed above in the *Financial Highlights* section.

#### **Fiscal Year 2020 Compared to 2019**

The College increased its current and other assets by \$44.0 million primarily due to the proceeds from a General Obligation Bond issuance in October 2019. Debt obligations increased \$39.6 million due to the General Obligation Bond issuance in October 2019 offset by principal payments on other outstanding bond issues. The College overall net position decreased by \$11.2 million. This is primarily due to recording the required entries related to the College's share of the net pension and net other postemployment benefits liability and deferred outflows and inflows and the decrease in net investment in capital assets as discussed in the *Financial Highlights* section.

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

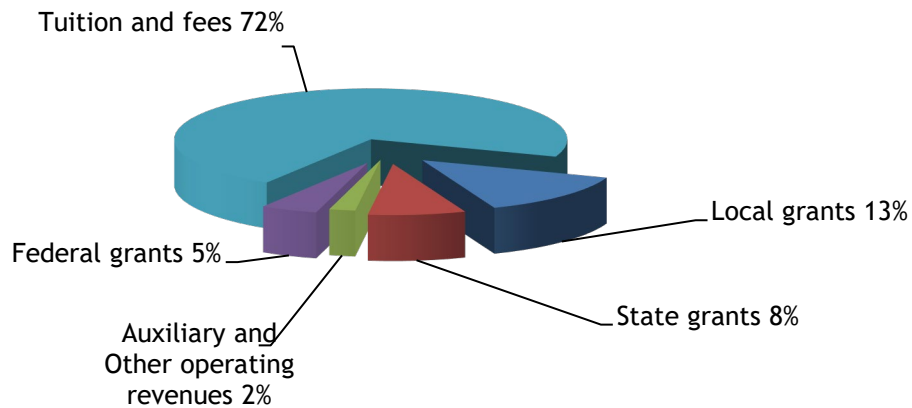
	2021	2020	Increase (Decrease) 2021-2020	2019	Increase (Decrease) 2020-2019
Total operating revenues	\$ 42.1	\$ 43.1	\$ (1.0)	\$ 45.0	\$ (1.9)
Total operating expenses	133.7	141.3	(7.6)	133.4	7.9
Operating loss	(91.5)	(98.1)	6.6	(88.4)	(9.7)
Net nonoperating revenues	102.3	87.0	15.3	87.6	(0.6)
Change in net position	10.8	(11.2)	22.0	(0.8)	(10.4)
Net (deficit) position - beginning of year	(11.0)	0.1	(11.1)	0.9	(0.8)
Net (deficit) position- end of year	\$ 0.0	\$ (11.0)	\$ 11.0	\$ 0.1	\$ (11.1)

*Amounts may not foot due to rounding.*

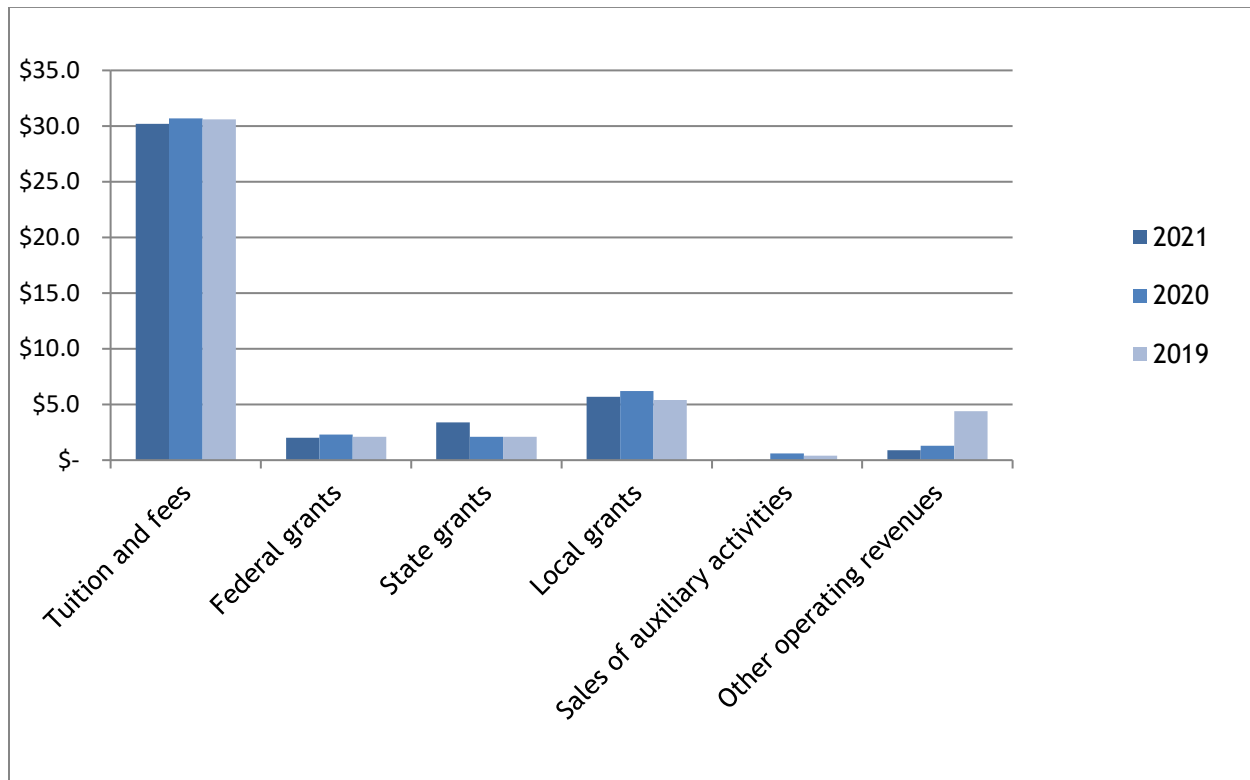
**Operating Revenues**

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

**2021 Operating Revenues by Source**



**2021, 2020, 2019 Operating Revenues by Source (in millions)**



**Fiscal Year 2021 Compared to 2020**

Operating revenue decreased \$1.0 million as the result of the following factors:

- Tuition and fee revenue decreased by \$0.5 million. The decrease is due to a decline in enrollment.
- Federal and Local grants decreased \$0.3 and \$0.5 million, respectively. Federal grants decreased primarily due to a decrease in utilization of Federal Work Study funding. Local grants decreased due primarily to decreases in promise and external scholarships and private personal loans for students.
- Sales of auxiliary activities and Job training programs decreased \$0.6 and \$0.1 million, respectively due to the pandemic and the closure of conferences services and the inability to provide training programs for companies under the Michigan New Jobs Training Program.
- These decreases were offset by an increase in State grant revenue of \$1.3 million primarily due to increased appropriations for State UAAL payments and implementation of the Michigan Futures for Frontliners Program.

**Fiscal Year 2020 Compared to 2019**

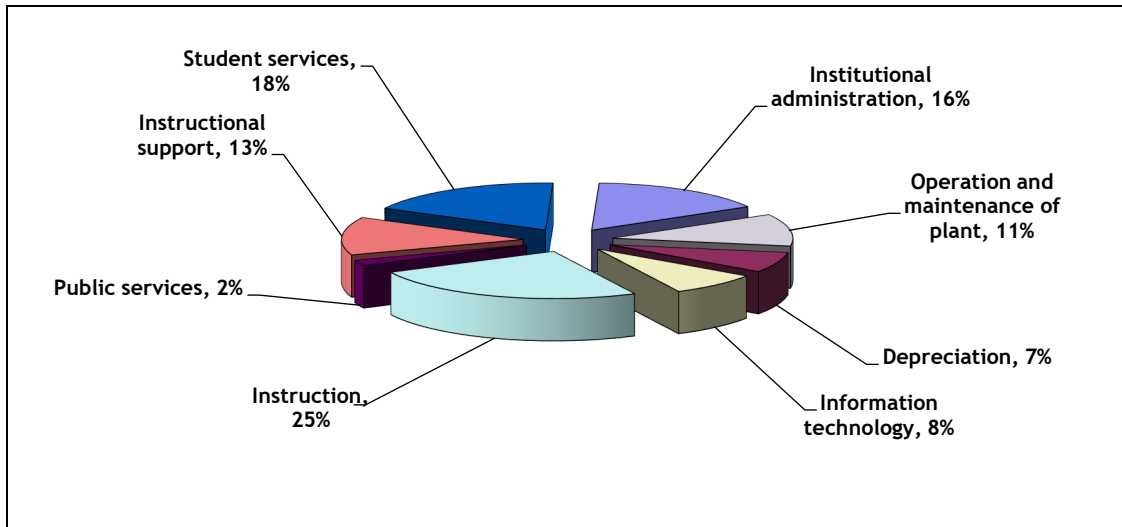
Operating revenue decreased \$1.9 million as the result of the following factors:

- Tuition and fee revenue increased by \$0.1 million. The increase is due to a decline in enrollment offset by an increase in the tuition rate and student support fees.
- Local grants increased \$0.8 million due to increases in promise and external scholarships and private personal loans for students.
- Miscellaneous revenue decreased \$3.1 million primarily due to the favorable settlement with the Department of Education which had been expensed in fiscal year 2018 and recognized as miscellaneous revenue upon write off of the liability in fiscal year 2019 totaling \$1.9 million and a decrease in in-kind donations to the College of \$0.4 million. The remaining decrease is smaller amounts in several areas and programs of the College.

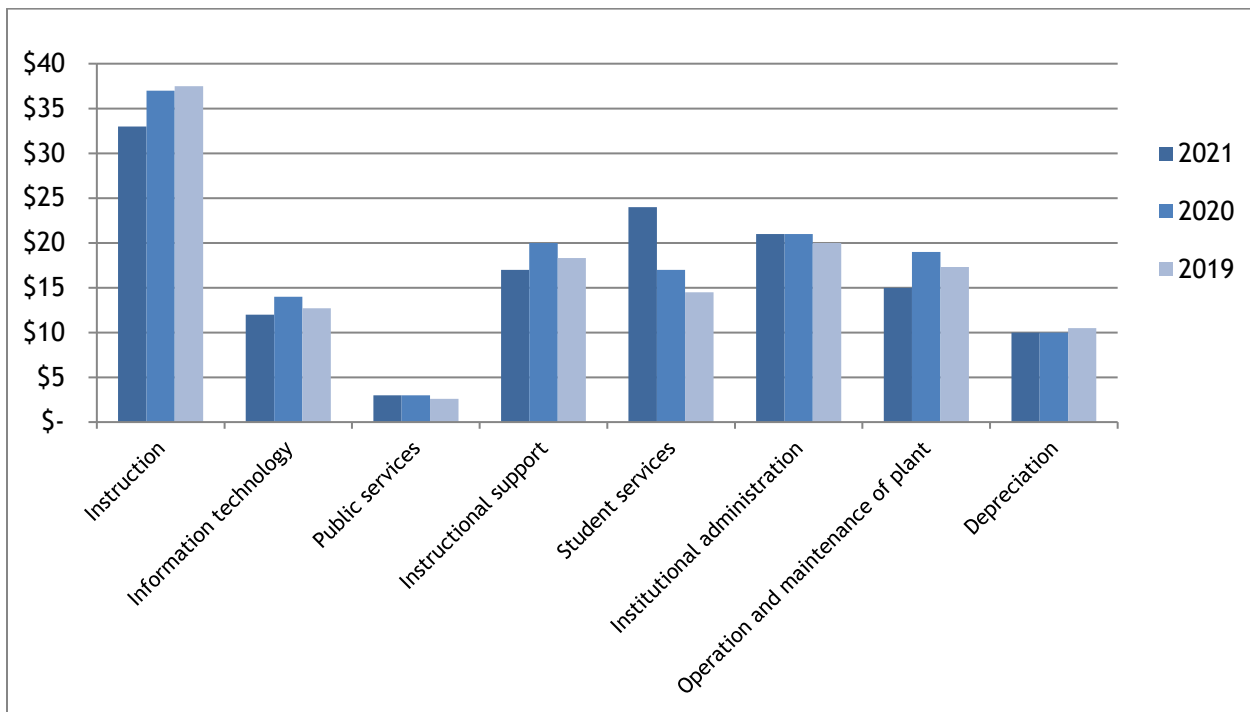
### Operating Expenses

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

#### 2021 Operating Expenses



#### 2021, 2020, 2019 Operating Expenses by Function (in millions)



### ***Fiscal Year 2021 Compared to 2020***

Total operating expenses decreased \$7.6 million primarily as a result of the following factors:

- Decreases of \$8.1 million in operating expense relate to General Fund operations. These decreases were primarily in instruction, instructional support, and student services as a result of decreased class offerings, the inability to have face to face instruction required for some academic programs, and no athletic programs as a result of the pandemic.
- Decreases of \$4.1 million in operating expenses related to Pension and OPEB Liabilities. These expenses are allocated to the various functions based on the fiscal year payroll charged to each function.
- Decreases of \$6.1 million in Plant Funds due to decreases in varying activities as a result of decreased utilization of the campus during the pandemic.
- These decreases were offset by increases of \$10.2 million in Expendable Restricted Funds primarily due to the payment of emergency student financial assistance under HEERF and institutional expenses related to HEERF.

### ***Fiscal Year 2020 Compared to 2019***

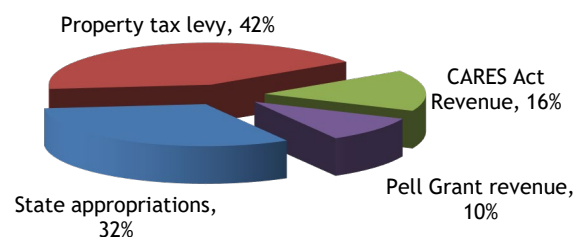
Total operating expenses increased \$7.9 million primarily as a result of the following factors:

- Increases of \$4.1 million in operating expenses in Pension and OPEB Liabilities. These expenses are allocated to the various functions based on the fiscal year payroll charged to each function.
- Increases of \$1.6 million in Expendable Restricted Funds primarily due to the payment of emergency student financial assistance under the Higher Education Emergency Relief Fund of the CARES Act.
- Increases of \$1.5 million in Plant Funds due to an increases in varying activities including repairs and maintenance, building renovations, and administrative fees for bonds and construction consulting projects.

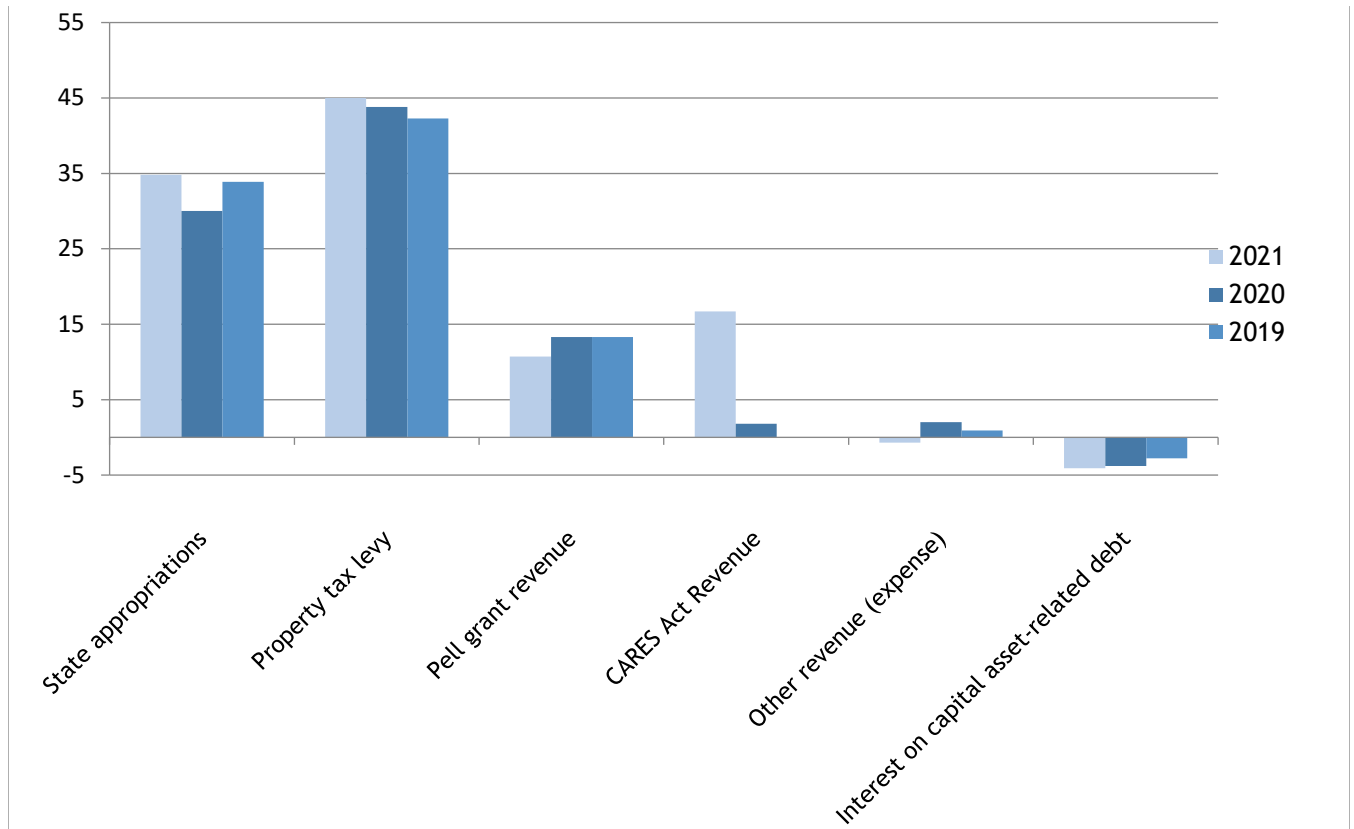
### **Nonoperating Revenues**

Nonoperating revenues consist primarily of state appropriations, property tax revenue, Pell Grant, federal nonoperating grants revenue, and other revenue.

#### **2021 Nonoperating & Other Revenue**



**2021, 2020, 2019 Net Nonoperating Revenue (in millions)**



**Fiscal Year 2021 Compared to 2020**

Total net nonoperating revenues increased \$15.3 million. This increase was primarily due to increased State Appropriations of \$4.8 million as a result of the funds from the 11% budget cut implemented by the State of Michigan in fiscal year 2020 being reinstated. An increase in Property Tax Levy of \$1.2 million due to increased taxable values. An increase of \$15.0 million due to the payment of emergency student financial assistance under HEERF and institutional expenses related to HEERF and CRF. These increases were offset by decreases of \$2.5 million in Pell Grant revenue due to lower enrollment; \$2.8 million due to unrealized gains and losses recorded an overall loss for the fiscal year compared to the prior year's gain; and, increased interest on capital asset-related debt due to higher outstanding bond issues as a result of the bond issuance completed in fiscal year 2020.

**Fiscal Year 2020 Compared to 2019**

Total net nonoperating revenues decreased \$0.6 million. This decrease was primarily due to a decrease in State Appropriations of \$3.9 million as a result of the 11% budget cut implemented by the State of Michigan and necessary adjustments in relations to the GASB 75 entries. Also, an increase in interest expense on outstanding bonds of \$1.0 million as a result of the October 2019 debt issuance. These were offset by increases in the Property Tax Levy of \$1.5 million due to increased taxable values. Also, an increase of \$1.8 million due to the receipt of emergency student financial assistance under the Higher Education Emergency Relief Fund of the CARES Act. In addition, an increases in Investment Return and Other Gains of \$1.1 million due to the investment of the bond proceeds and favorable interest rates for the first 9 months of the fiscal year.

### **Statement of Cash Flows**

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

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

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

	2021	2020	Increase (Decrease) 2021-2020	2019	Increase (Decrease) 2020-2019
Cash provided (used) by:					
Operating activities	\$ (75.6)	\$ (78.4)	\$ 2.8	\$ (78.1)	\$ (0.3)
Noncapital financing activities	104.1	91.5	12.6	89.2	2.3
Capital and related financing activities	(27.9)	32.3	(60.2)	(10.1)	42.4
Investing activities	9.1	(48.4)	57.5	3.5	(51.9)
Net increase (decrease) in cash	9.8	(2.9)	12.7	4.6	(7.5)
Cash, beginning of year	15.1	18.1	(3.0)	13.5	4.6
Cash, end of year	\$ 24.9	\$ 15.1	\$ 9.8	\$ 18.1	\$ (3.0)

*Amounts may not foot due to rounding.*

### **Fiscal Year 2021 Compared to 2020**

The College's cash and cash equivalents increased by \$9.8 million during 2021 due to a number of offsetting factors in each of the following 4 categories:

- Operating activities used \$2.8 million less primarily due to lower payments to students and suppliers and the impact of the entries related to Pension and OPEB Liabilities.
- Noncapital financing activities increased \$12.6 million due to increases in property taxes of \$1.4 million and federal CARES Act of \$15.0 million offset by a \$2.5 million decrease in Pell Grant funds and \$1.2 million decrease in State Appropriations.
- Capital and Related Financing Activities used \$60.2 million more due to the prior year receiving proceeds of \$44.7 million from the October 2020 bond issuance coupled with an increase of \$13.5 million in purchase of capital assets related to the bond funded building projects for the Technology and Learning Center building and the parking facilities.
- Investing Activities provided \$57.5 million more due to investing activities throughout the year that resulted in sale and maturities of investments of \$40.9 million more coupled with \$16.5 million less in purchase of investments.

### **Fiscal Year 2020 Compared to 2019**

The College's cash and cash equivalents decreased by \$2.9 million during 2020 due to a number of offsetting factors in each of the following 3 categories:

- Noncapital financing activities increased \$2.3 million due to increases in property taxes of \$1.4 million and federal CARES Act of \$1.8 million offset by an \$0.8 million decrease in State Appropriations.
- Capital and Related Financing Activities provided \$42.4 million more due to proceeds received from the October 2019 bond issuance.

- Investing Activities used \$51.9 million more due to investing activities throughout the year that resulted in sale and maturities of investments of \$14.4 million less coupled with \$37.7 million more in purchase of investments.

### **Capital Assets and Debt Administration**

Capital Assets at Net Book Value as of June 30, 2021, 2020, and 2019 are shown below (in millions):

	2021	2020	Increase (Decrease) 2021-2020	2019	Increase (Decrease) 2020-2019
Land	\$ 15.1	\$ 15.1	\$ -	\$ 15.1	\$ -
Buildings and improvements	241.7	251.0	(9.3)	250.8	0.2
Furniture, fixtures and equipment	98.0	95.0	3.0	94.2	0.8
Infrastructure and land improvements	5.2	5.2	-	5.1	0.1
Construction in progress	10.7	3.0	7.7	-	3.0
Total capital assets	370.8	369.3	1.5	365.3	4.1
Less accumulated depreciation	175.9	182.8	(6.9)	173.2	9.6
Capital assets, net	<u>\$ 195.0</u>	<u>\$ 186.5</u>	<u>\$ 8.4</u>	<u>\$ 192.2</u>	<u>\$ (5.7)</u>

*Amounts may not foot due to rounding*

#### ***Fiscal Year 2021 Compared to 2020***

As of June 30, 2021, the College had \$370.8 million invested in capital assets, net of accumulated depreciation of \$175.9 million, resulting in \$195.0 million in net capital assets. This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, and construction in progress. The total increase in the College's net capital assets for the 2021 fiscal year is \$8.4 million. Annual depreciation for fiscal 2021 was \$10.0 million, which was offset by additions of \$19.6 million primarily due to the construction of the Gannon parking ramp and other parking improvement capital projects (\$17.2 million) and purchase of air filtration systems (\$0.6 million).

Significant additions include bond related building projects for the Technology and Learning Center building and the parking facilities totaling \$17.2 million. Also, additions of instructional equipment of \$0.7 million and operational equipment and technical equipment of \$1.4 million. Additionally, the old Gannon parking ramp was demolished resulting in the removal of \$17.9 million in capital assets, \$16.8 million in accumulated depreciation, and a loss on disposal of \$1.2 million.

#### ***Fiscal Year 2020 Compared to 2019***

As of June 30, 2020, the College had \$369.3 million invested in capital assets, net of accumulated depreciation of \$182.8 million, resulting in \$186.5 million in net capital assets. This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, and construction in progress. The total decrease in the College's net capital assets for the 2020 fiscal year is \$5.6 million. Annual depreciation for fiscal 2020 was \$10.4 million, which was offset by additions of \$4.8 million.

Significant additions include bond related building projects for the Technology and Learning Center building and the parking facilities projects totaling \$3.3 million. Also, additions of instructional equipment of \$0.7 million and operational equipment and technical equipment of \$0.5 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 (pages 38 and 39).



Long-Term Debt Obligations as of June 30, 2021, 2020, and 2019 are shown below  
(in millions):

			Increase (Decrease)		Increase (Decrease)
	2021	2020	2021-2020	2019	2020-2019
2012 building & site bonds (including premium)	\$ 25.7	\$ 27.9	\$ (2.2)	\$ 31.0	\$ (3.1)
2015 refunding bonds	4.0	4.7	(0.7)	5.4	(0.7)
2016 refunding bonds	4.3	5.1	(0.8)	5.9	(0.8)
2017 building & site bonds (including premium)	29.5	30.1	(0.6)	30.3	(0.2)
2019 building & site bonds (including premium)	43.6	44.4	(0.8)	-	44.4
Total long-term debt	107.2	112.2	(5.0)	72.6	39.6
Less current portion of long-term debt	(4.5)	(4.3)	(0.2)	(4.2)	(0.1)
Long-term debt, net of current portion	\$ 102.7	\$ 107.9	\$ (5.2)	\$ 68.4	\$ 39.5

*Amounts may not foot due to rounding*

At FY 2021 year end, the College had \$107.2 million in outstanding debt including five outstanding bond issues. In October 2019, the College issued new building and site bonds. The 2019 bond will be paid off in May 2049. The December 2017 bond issue refunded a portion of the 2012 bonds and included new funding for approved capital projects. The 2017 bond will be paid off in May 2037. The remaining 2012 bond issue will be paid off in May of 2032. The 2015 refunding bonds issued in May 2016 were to pay off the 2006 bond issue. The 2016 refunding bonds issued in May 2017 were to pay off the 2007 bond issue. Both the 2015 and 2016 refunding bonds will be paid off in May 2026.

For more detailed information on debt activity, refer to Note 6, Long-term Liabilities within the notes to financial statements section of this document (pages 40 through 43).

#### **Economic Factors That Will Affect the Future**

In fiscal year 2002, Lansing Community College received more than \$32 million in state appropriations. Since that time, Michigan community colleges have experienced a continued decrease in state appropriations until fiscal year 2013. Beginning in fiscal year 2013, appropriations to community colleges began to increase. In fiscal year 2017 through 2019 the College received appropriation above the level of 2012 for operations. Due to the Coronavirus pandemic in 2020, the College's FY 2020 State of Michigan operating appropriation was reduced by 11%. In addition, the College's Board of Trustees approved a 13% reduction in the College's FY 2021 budget. Subsequent to the adoption of the College's FY 2021 budget, the State determined to keep community college operating appropriations at the original FY 2020 levels. The College's administration is monitoring and assessed its FY 2021 adopted budget and made budget amendment recommendations that the Board of Trustees approved. The state legislature continues to review the funding formula and process for determining appropriations for Michigan community colleges. The level of future funding to Lansing Community College may be adversely impacted by some proposed funding models.

The Coronavirus pandemic also impacted the College's ability to offer and conduct face to face classes which will continue to impact enrollment in the upcoming academic year. While the current fall enrollment compared to the prior year is currently 0.3% higher than the prior year, the overall enrollment for the 2022 fiscal year is budgeted at a level amount compared to fiscal year 2021.

During 2021, both the US and Michigan economies are expected to exhibit a reasonably strong recovery from the COVID-19-induced recession in 2020. During 2022 and 2023, both the US and Michigan economies are expected to continue to exhibit growth, although Michigan generally is expected to grow more slowly than the nation as a whole. Employment gains over the forecast period will be muted. Although productivity growth during 2020 was at the highest level since 2010, and is expected to remain relatively high during 2021, in 2022 and 2023 consumer demand is not likely to grow much more rapidly than productivity. The Michigan unemployment rate, which averaged 4.1% during 2019 but rose to 9.9% during 2020, is forecasted to decrease to 5.2% in 2021, 4.8% in 2022 and 4.4% in 2023.

Property tax revenue to the College increased again in 2021. The impact of higher taxable values was offset by the reduction in property tax levy per \$1,000 of taxable valuation from 3.8072 to 3.7777 in FY 2021. Lansing Community College ranks in the middle of Michigan's 28 community colleges in terms of taxable value per Fiscal Year Equated Student (FYES). Property tax revenue is projected to continue a slight increase in the subsequent fiscal year with continued increases in property values. In addition, the Michigan Legislature passed legislation, which caused major changes to the taxation of commercial and industrial personal property that will have an additional negative impact. Community colleges are currently receiving personal property tax replacement disbursements from the State's Local Community Stabilization Authority. The College received \$303 thousand in FY 2021 as compared to \$289 thousand in FY 2020. The continued funding from this Authority is formula based and new personal property placed in service by a business is not subject to the calculation and, accordingly, the College will realize no new revenue. The property tax levy per \$1,000 of taxable valuation was reduced to 3.7692 and will impact the property tax revenue in FY 2022.

The College faces continued increases in benefit costs. The College is required to contribute the full actuarial funding contribution amount to fund pension benefits, plus an additional amount to fund retiree healthcare benefits on a cash disbursement basis. The contribution requirements of plan members and the College are established by Michigan statute and may be amended only by action of the State Legislature. The rates for the years ended June 30, 2021 and 2020 as a percentage of payroll ranged from 33.37 to 41.86 and 33.17 to 39.91 percent, respectively. The rates for the upcoming fiscal year range from 35.47 to 42.72 percent.

The College budgets approximately \$45.2 million in salaries and wages for General Fund employees who participate in MPSERS, therefore, each 1% increase in contribution rate equates to approximately \$452,000 more in retirement contribution costs.

The College anticipates an increase in benefit costs in Fiscal Year 2022 as a result of the increase in the mandatory hard cap percentage public employers are required to fund toward employee health benefits and the increased contribution requirements for MPSERS.

#### **Contacting the College's Financial Management**

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

# LANSING COMMUNITY COLLEGE

## STATEMENTS OF NET POSITION JUNE 30, 2021 AND JUNE 30, 2020

### Assets

#### Current assets

Cash and cash equivalents	\$ 24,920,161	\$ 15,073,366	\$ 253,716	\$ 331,180
Short-term investments	47,329,813	40,476,077	492,606	165,499
Property taxes receivable, net	697,915	798,349	-	-
State appropriations receivable	7,426,421	4,287,954	-	-
Accounts receivable, net	1,223,728	2,321,738	-	-
Federal and state grants receivable	3,020,101	1,656,135	-	-
Prepaid expenses and other assets	2,641,304	2,056,847	22,466	1,958
Promises to give	-	-	5,000	24,960
Due from component unit	4,688	31,017	-	-
<b>Total current assets</b>	<b>87,264,131</b>	<b>66,701,483</b>	<b>773,788</b>	<b>523,597</b>

#### Noncurrent assets

Restricted cash - unspent bond proceeds	-	75,984	-	-
Restricted short-term investments - unspent bond proceeds	33,840,908	32,438,581	-	-
Restricted long-term investments - unspent bond proceeds	1,982,077	18,917,682	-	-
Promises to give, net of current portion	-	-	15,000	-
Long-term investments	-	-	18,131,520	13,932,157
Capital assets not being depreciated	25,846,278	18,134,237	-	-
Capital assets being depreciated, net	169,137,696	168,386,605	-	-
<b>Total noncurrent assets</b>	<b>230,806,959</b>	<b>237,953,089</b>	<b>18,146,520</b>	<b>13,932,157</b>

### Total assets

<b>318,071,090</b>	<b>304,654,572</b>	<b>18,920,308</b>	<b>14,455,754</b>
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### Deferred outflows of resources

Deferred charge on refunding	1,650,664	1,867,316	-	-
Deferred pension and OPEB amounts (Note 7)	48,160,423	60,577,120	-	-
<b>Total deferred outflows of resources</b>	<b>49,811,087</b>	<b>62,444,436</b>	<b>-</b>	<b>-</b>

### Liabilities

#### Current liabilities

Accounts payable	6,369,878	3,456,207	844	1,256
Due to primary government	-	-	4,688	31,017
Accrued payroll and other compensation	7,023,534	7,260,510	-	-
Accrued vacation	1,841,206	2,332,902	-	-
Accrued interest payable	665,549	690,786	-	-
Unearned revenue	4,234,554	3,428,552	-	-
Current portion of debt obligations	4,495,000	4,345,000	-	-
<b>Total current liabilities</b>	<b>24,629,721</b>	<b>21,513,957</b>	<b>5,532</b>	<b>32,273</b>

#### Noncurrent liabilities

Long-term debt obligations, net of current portion	102,664,863	107,942,173	-	-
Net pension liability (Note 7)	176,522,247	177,789,942	-	-
Net other postemployment benefits liability (Note 7)	26,773,639	37,657,910	-	-
<b>Total noncurrent liabilities</b>	<b>305,960,749</b>	<b>323,390,025</b>	<b>-</b>	<b>-</b>

### Total liabilities

<b>330,590,470</b>	<b>344,903,982</b>	<b>5,532</b>	<b>32,273</b>
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### Deferred inflows of resources

Deferred pension and OPEB amounts (Note 7)	<b>37,274,684</b>	<b>33,204,445</b>	<b>-</b>	<b>-</b>
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### Net position (deficit)

Net investment in capital assets (Note 9)	125,297,760	127,533,232	-	-
Restricted:				
Restricted fund activities	221,826	143,914	-	-
Nonexpendable - endowments	-	-	10,517,102	10,011,497
Expendable - endowments, scholarships, and grants	-	-	7,980,017	4,096,075
Unrestricted (deficit) (Note 10)	(125,502,563)	(138,686,565)	417,657	315,909
<b>Total net position (deficit)</b>	<b>\$ 17,023</b>	<b>\$ (11,009,419)</b>	<b>\$ 18,914,776</b>	<b>\$ 14,423,481</b>

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

# LANSING COMMUNITY COLLEGE

## STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION YEARS ENDED JUNE 30, 2021 AND JUNE 30, 2020

	Primary Government Lansing Community College 2021	Primary Government Lansing Community College 2020	Component Unit Lansing Community College Foundation 2021	Component Unit Lansing Community College Foundation 2020
<b>Operating revenues</b>				
Tuition and fees (net of scholarship allowances of \$15,316,483 and \$16,674,804 in 2021 and 2020, respectively)	\$ 30,203,838	\$ 30,728,261	\$ -	\$ -
Federal grants and contracts	1,973,859	2,267,357	-	-
State grants and contracts	3,370,492	2,070,538	-	-
Local grants and contracts	5,681,392	6,178,030	-	-
Sales and services of educational activities	73	54,123	-	-
Sales and services of auxiliary activities	7,177	623,643	-	-
Job training programs	84,894	214,296	-	-
Miscellaneous	807,036	1,005,797	-	-
<b>Total operating revenues</b>	<b>42,128,761</b>	<b>43,142,045</b>	<b>-</b>	<b>-</b>
<b>Operating expenses</b>				
Instruction	33,160,622	37,459,754	-	-
Information technology	11,381,058	13,574,193	-	-
Public services	2,655,040	2,560,771	-	-
Instructional support	17,138,188	20,207,931	-	-
Student services	23,531,260	17,222,229	-	-
Institutional administration	20,723,534	20,920,319	-	-
Operation and maintenance of plant	15,083,537	18,963,328	-	-
Depreciation	9,979,246	10,380,616	-	-
Foundation operations and fundraising	-	-	711,514	571,323
<b>Total operating expenses</b>	<b>133,652,485</b>	<b>141,289,141</b>	<b>711,514</b>	<b>571,323</b>
<b>Operating loss</b>	<b>(91,523,724)</b>	<b>(98,147,096)</b>	<b>(711,514)</b>	<b>(571,323)</b>
<b>Nonoperating revenues (expenses)</b>				
State appropriations	34,775,424	29,950,889	-	-
Property tax levy	44,956,559	43,781,074	-	-
Pell Grant revenue	10,693,117	13,208,069	-	-
Federal nonoperating grants - CARES Act	16,749,041	1,775,621	-	-
Investment return and other (losses) gains	(724,860)	2,039,284	4,262,569	291,297
Interest on capital asset-related debt	(4,119,115)	(3,759,395)	-	-
Gifts	-	-	975,577	809,708
Payments to primary government	-	-	(456,161)	(436,487)
<b>Net nonoperating revenues</b>	<b>102,330,166</b>	<b>86,995,542</b>	<b>4,781,985</b>	<b>664,518</b>
<b>Change in net position before other revenues</b>	<b>10,806,442</b>	<b>(11,151,554)</b>	<b>4,070,471</b>	<b>93,195</b>
<b>Other revenues</b>				
Capital gifts	220,000	-	-	-
Additions to permanent endowment funds	-	-	420,824	199,228
<b>Total other revenues</b>	<b>220,000</b>	<b>-</b>	<b>420,824</b>	<b>199,228</b>
<b>Change in net position</b>	<b>11,026,442</b>	<b>(11,151,554)</b>	<b>4,491,295</b>	<b>292,423</b>
Net (deficit) position, beginning of year	(11,009,419)	142,135	14,423,481	14,131,058
<b>Net position (deficit), end of year</b>	<b>\$ 17,023</b>	<b>\$ (11,009,419)</b>	<b>\$ 18,914,776</b>	<b>\$ 14,423,481</b>

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

# LANSING COMMUNITY COLLEGE

## STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2021 AND JUNE 30, 2020

	Primary Government Lansing Community College 2021	Primary Government Lansing Community College 2020
<b>Cash flows from operating activities</b>		
Tuition and fees	\$ 32,134,179	\$ 31,174,590
Grants and contracts	9,661,777	10,391,493
Payments to suppliers and students	(40,327,877)	(46,039,605)
Payments to or on behalf of employees	(78,545,376)	(76,264,226)
Educational enterprise charges	73	54,123
Auxiliary enterprise charges	34,643	774,456
Other	1,434,333	1,480,262
<b>Net cash used in operating activities</b>	<b>(75,608,248)</b>	<b>(78,428,907)</b>
<b>Cash flows from noncapital financing activities</b>		
Local property taxes	45,056,993	43,677,619
Pell Grant receipts	10,693,117	13,208,069
Federal nonoperating grants - CARES Act	16,749,041	1,775,621
William D. Ford direct lending receipts	11,383,273	11,898,668
William D. Ford direct lending disbursements	(11,383,273)	(11,898,668)
State scholarship and grant receipts	1,885,851	2,135,356
State scholarship and grant disbursements	(1,885,851)	(2,135,356)
State appropriations	31,636,957	32,841,427
<b>Net cash provided by noncapital financing activities</b>	<b>104,136,108</b>	<b>91,502,736</b>
<b>Cash flows from capital and related financing activities</b>		
Purchase of capital assets	(19,380,919)	(4,747,250)
Principal paid on capital debt	(4,345,000)	(4,255,000)
Proceeds from sales of capital assets	7,492	177,561
Proceeds from bond refunding and bond issuance	-	44,668,317
Interest paid on capital asset-related debt	(4,144,352)	(3,508,640)
<b>Net cash (used in) provided by capital and related financing activities</b>	<b>(27,862,779)</b>	<b>32,334,988</b>
<b>Cash flows from investing activities</b>		
Proceeds from sales and maturities of investments	85,282,331	44,399,074
Interest on investments and other gains	71,928	43,820
Purchases of investments	(76,248,529)	(92,797,963)
<b>Net cash provided by (used in) investing activities</b>	<b>9,105,730</b>	<b>(48,355,069)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>9,770,811</b>	<b>(2,946,252)</b>
Cash and cash equivalents, beginning of year	15,149,350	18,095,602
<b>Cash and cash equivalents, end of year</b>	<b>\$ 24,920,161</b>	<b>\$ 15,149,350</b>
<b>Reconciliation to Statements of Net Position:</b>		
Cash and cash equivalents	\$ 24,920,161	\$ 15,073,366
Restricted cash - unspent bond proceeds	-	75,984
<b>Cash and cash equivalents, end of year</b>	<b>\$ 24,920,161</b>	<b>\$ 15,149,350</b>

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

# LANSING COMMUNITY COLLEGE

## STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2021 AND JUNE 30, 2020

	Primary Government Lansing Community College 2021	Primary Government Lansing Community College 2020
<b>Reconciliation of operating loss to net cash used in operating activities</b>		
Operating loss	\$ (91,523,724)	\$ (98,147,096)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	9,979,246	10,380,616
Amortization of bond premium	(782,310)	(782,310)
Amortization of loss on refunding	216,653	216,653
(Increase) decrease in operating assets:		
Accounts receivable, net	1,124,339	443,537
Federal and state grants receivable	(1,363,966)	(124,432)
Prepaid expenses and other assets	(584,457)	160,327
Increase (decrease) in operating liabilities:		
Accounts payable	2,913,671	(559,753)
Accrued payroll and other compensation	(236,976)	716,525
Accrued vacation	(491,696)	570,385
Unearned revenue	806,002	2,792
Change in net pension and OPEB liability and deferred amounts	4,334,970	8,693,849
<b>Net cash used in operating activities</b>	<b>\$ (75,608,248)</b>	<b>\$ (78,428,907)</b>

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

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

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

#### A. Reporting Entity

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

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

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

During the years ended June 30, 2021 and 2020, the Foundation distributed \$456,161 and \$436,487, 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.

#### B. 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.

### **C. Cash and Cash Equivalents**

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

### **D. Investments**

College investments must conform to State statutes governing investment of public funds and are limited to allowable investments as stated in the statute. All College investments held at June 30, 2021 and June 30, 2020 were in the form of Insured Cash Sweep Account (ICS), Certificate of Deposit Account Registry Service (CDARS), Certificates of Deposit (CD), Commercial Paper, and the Michigan Liquid Asset Fund Plus (MILAF). A portion of the investments at MILAF are invested in open market securities, such as commercial paper and US Treasury Notes which are managed by an investment advisor. All of these types of investments are recorded at the initial investment amount plus earned interest and are classified as short- or long-term investments based on the instrument's maturity date.

The College records its investments at fair value, which is 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.

### **E. Fair Value Measurements**

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

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

Level 1: Valuation is based upon quoted prices for identical instruments traded in active markets.

Level 2: Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3: Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect the estimates of assumptions that market participants would use in pricing the asset or liability.

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



### F. 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.

### G. 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

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.

### H. 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.

### I. Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to one or more 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.

### **J. Deferred Inflows of Resources**

In addition to liabilities, the statement 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 position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The College reports deferred inflows of resources for certain pension and OPEB related amounts. More detailed information can be found in Note 7.

### **K. 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.

### **L. Other Postemployment Benefits**

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

### **M. Revenue and Expense Recognition**

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

Revenues received prior to year-end that are related to the next fiscal period are recorded as unearned revenues. Unearned revenue relates primarily to student tuition and fees on the summer semester and student deposits. The 2021 summer semester began May 17, 2021 and ended August 9, 2021. The 2020 summer semester began May 18, 2020 and ended August 10, 2020.

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### **N. 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 uncollectibles. For the years ended June 30, 2021 and 2020, the College levied 3.7777 and 3.8072 mills, respectively, per \$1,000 of assessed valuation for general operations.

### **O. State Appropriations Revenue**

State appropriations revenue has been recorded in accordance with the MUFR. Due to the COVID-19 pandemic during fiscal year 2020, the State of Michigan experienced a significant loss of revenue and the College's operating appropriations were reduced by \$3.7 million. The College received an equal amount in fiscal year 2021 from the State of Michigan's CARES grants to apply towards eligible expenses.

### **P. 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.

### **Q. Accrued Vacation**

Accrued vacation represents the accumulated liability to be paid under the College's vacation pay policy. Under the College's policy, employees earn vacation time based on time of service with the College and must use their accrued vacation within one year or it is forfeited. Accordingly, the entire accrued vacation balance as of June 30, 2021 and 2020 is classified as a current liability in the accompanying statements of net position.

### **R. Long-Term Obligations**

In the College's financial statements, 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.

### **S. 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.

### **T. 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. Estimates include allowances for doubtful accounts, estimated useful lives and salvage value of property, net pension and OPEB liabilities, and deferred outflows and inflows related to pension and OPEB amounts.

### **U. 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.

### **V. Change in Accounting Principle**

For 2020, the College implemented Governmental Accounting Standards Board (GASB) Statement No. 95, *"Postponement of the Effective Dates of Certain Authoritative Guidance."* GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by extending the effective dates of certain accounting and financial reporting provisions in Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018. This statement had no effect on beginning net position/fund balance.

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### 2. DEPOSITS AND INVESTMENTS

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

Type of Deposit and Investment	2021	2020
Cash and cash equivalents	\$ 24,920,161	\$ 15,073,366
Restricted cash	-	75,984
Short-term investments:		
Certificates of Deposit (CDs)	-	12,663,242
Insured Cash Sweep (ICS) Account	228,835	228,648
Certificate of Deposit Account Registry Service (CDARS)	19,237,133	17,224,214
Commercial Paper	7,625,430	-
Michigan Liquid Asset Fund Plus (MILAF) – Money Market Mutual Funds	20,238,415	10,359,973
Total short-term investments	72,249,974	40,476,077
Restricted short-term investments:		
Commercial Paper	-	9,218,802
US Treasury Notes	13,310,651	-
Federal Agency Notes	3,389,100	-
MILAF - Term	6,700,000	1,900,000
MILAF – Money Market Mutual Funds	10,441,157	21,319,779
Total short-term restricted investments	33,840,908	32,438,581
Restricted long-term investments:		
US Treasury Notes	1,982,077	15,462,177
Federal Agency Notes	-	3,455,505
Total long-term restricted investments	1,982,077	18,917,682
<b>Total Deposits and Investments</b>	<b>\$108,072,959</b>	<b>\$106,981,690</b>

**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.

Term issues: Valued at face value plus accrued interest earned and classified as level 1.

US Treasury Notes/Bonds, Federal Agency Notes/Bonds, and Commercial Paper: Value is based on similar data values or market prices and classified as level 2.

The College does not have any level 3 issues as of June 30, 2021 and June 30, 2020.

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

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

2021	Level 1	Level 2	Level 3	Total
ICS & CDARS	\$ 19,465,968	\$ -	\$ -	\$ 19,465,968
Money Market & Term	37,379,572	-	-	37,379,572
Commercial Paper	-	7,625,430	-	7,625,430
US Treasury Notes	-	15,292,728	-	15,292,728
Federal Agency Notes	-	3,389,100	-	3,389,100
<b>Total Investments</b>	<b>\$ 56,845,540</b>	<b>\$ 26,307,258</b>	<b>\$ -</b>	<b>\$ 83,152,798</b>

2020	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ 12,663,242	\$ -	\$ -	\$ 12,663,242
ICS & CDARS	17,452,862	-	-	17,452,862
Money Market & Term	33,579,752	-	-	33,579,752
Commercial Paper	-	9,218,802	-	9,218,802
US Treasury Notes	-	15,462,177	-	15,462,177
Federal Agency Notes	-	3,455,505	-	3,455,505
<b>Total Investments</b>	<b>\$ 63,695,856</b>	<b>\$ 28,136,484</b>	<b>\$ -</b>	<b>\$ 91,832,340</b>

**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:

2021	Less Than One Year	One to Five Years	Total
ICS & CDARS	\$ 19,465,968	\$ -	\$ 19,465,968
Money Market & Term	37,379,572	-	37,379,572
Commercial Paper	7,625,430	-	7,625,430
US Treasury Notes	13,310,651	1,982,077	15,292,728
Federal Agency Notes	3,389,100	-	3,389,100
<b>Total Investments</b>	<b>\$ 81,170,721</b>	<b>\$ 1,982,077</b>	<b>\$ 83,152,798</b>

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

2020	Less Than One Year	One to Five Years	Total
Certificates of deposit	\$ 12,663,242	\$ -	\$ 12,663,242
ICS & CDARS	17,452,862	-	17,452,862
Money Market & Term	33,579,752	-	33,579,752
Commercial Paper	9,218,802	-	9,218,802
US Treasury Notes	-	15,462,177	15,462,177
Federal Agency Notes	-	3,455,505	3,455,505
<b>Total Investments</b>	<b>\$ 72,914,658</b>	<b>\$ 18,917,682</b>	<b>\$ 91,832,340</b>

**Credit risk.** State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO). The College does not allow direct investment in corporate bonds. The College has investments in commercial papers that are rated at A-1 and A-1+ by Moody's and P-1 by Standard & Poor's.

**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 \$10,000,000 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.

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, 2021, \$63,686,830 of the College's bank balance of \$108,473,153 was uninsured or uncollateralized. At June 30, 2020, \$73,879,478 of the College's bank balance of \$109,313,990 was uninsured or uncollateralized. The College does have over \$10,000,000 at one institution as of June 30, 2021 and 2020. That institution collateralizes the College's balances with U.S. Treasury Notes.

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

**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	2021	2020
Property taxes receivable	\$ 3,204,835	\$ 2,705,232
Less allowance for doubtful collection	<u>(2,506,920)</u>	<u>(1,906,883)</u>
<b>Property taxes receivable, net</b>	<b><u>\$ 697,915</u></b>	<b><u>\$ 798,349</u></b>

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

Accounts Receivable	2021	2020
Accounts receivable	\$ 15,315,990	\$ 17,863,182
Less allowance for doubtful collection	<u>(14,092,262)</u>	<u>(15,541,444)</u>
<b>Accounts receivable, net</b>	<b><u>\$ 1,223,728</u></b>	<b><u>\$ 2,321,738</u></b>



# **LANSING COMMUNITY COLLEGE**

## **NOTES TO FINANCIAL STATEMENTS**

### **4. CAPITAL ASSETS**

Capital assets activity for the years ended June 30, 2021 and 2020 follows:

<b>Capital Asset Activity</b>	<b>Beginning Balance July 1, 2020</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Ending Balance June 30, 2021</b>
Assets not being depreciated:					
Land	\$ 15,147,861	\$ -	\$ -	\$ -	\$ 15,147,861
Construction in progress	2,986,376	17,227,314	-	(9,515,273)	10,698,417
Total capital assets not being depreciated	18,134,237	17,227,314	-	(9,515,273)	25,846,278
Capital assets being depreciated:					
Buildings and Improvements	251,028,245	220,000	(17,914,722)	8,409,067	241,742,590
Furniture and equipment	94,970,738	2,088,392	(153,775)	1,106,206	98,011,561
Infrastructure and improvements	5,175,714	65,213	-	-	5,240,927
Total capital assets being depreciated	351,174,697	2,373,605	(18,068,497)	9,515,273	344,995,078
Less accumulated depreciation:					
Buildings and Improvements	95,435,971	5,401,118	(16,762,677)	-	84,074,412
Furniture and equipment	83,113,365	4,366,834	(147,279)	-	87,332,920
Infrastructure and improvements	4,238,756	211,294	-	-	4,450,050
Total accumulated depreciation	182,788,092	9,979,246	(16,909,956)	-	175,857,382
Capital assets being depreciated, net	168,386,605	(7,605,641)	(1,158,541)	9,515,273	169,137,696
<b>Capital assets, net</b>	<b>\$ 186,520,842</b>	<b>\$ 9,621,673</b>	<b>\$(1,158,541)</b>	<b>\$ -</b>	<b>\$ 194,983,974</b>

# LANSGING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

Capital Asset Activity	Beginning Balance July 1, 2019	Additions	Deletions	Transfers	Ending Balance June 30, 2020
Assets not being depreciated:					
Land	\$ 15,147,861	\$ -	\$ -	\$ -	\$ 15,147,861
Construction in progress	7,290	3,333,238	-	(354,152)	2,986,376
Total capital assets not being depreciated	15,155,151	3,333,238	-	(354,152)	18,134,237
Capital assets being depreciated:					
Buildings and Improvements	250,816,093	-	-	212,152	251,028,245
Furniture and equipment	94,234,046	1,360,596	(765,904)	142,000	94,970,738
Infrastructure and improvements	5,099,256	76,458	-	-	5,175,714
Total capital assets being depreciated	350,149,395	1,437,054	(765,904)	354,152	351,174,697
Less accumulated depreciation:					
Buildings and Improvements	90,050,055	5,385,916	-	-	95,435,971
Furniture and equipment	79,070,973	4,785,254	(742,862)	-	83,113,365
Infrastructure and improvements	4,029,310	209,446	-	-	4,238,756
Total accumulated depreciation	173,150,338	10,380,616	(742,862)	-	182,788,092
Capital assets being depreciated, net	176,999,057	(8,943,562)	(23,042)	354,152	168,386,605
<b>Capital assets, net</b>	<b>\$192,154,208</b>	<b>\$ (5,610,324)</b>	<b>\$(23,042)</b>	<b>\$ -</b>	<b>\$186,520,842</b>

As of June 30, 2021, construction in progress reflected amounts expended for the new parking ramp project and Perkins equipment for a drone with related software which was not yet completed or received as of June 30, 2021. As of June 30, 2021, the College had \$37,217,500 of outstanding commitments related to these projects, which will be funded by certain grant and bond monies.

# LANSGING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### 5. UNEARNED REVENUE

Unearned revenue at June 30 consists of the following:

Type of Unearned Revenue	2021	2020
Auxiliary services deposits	\$ 13,122	\$ 31,802
Student tuition and fees	3,263,178	3,206,510
Restricted funds	958,254	190,240
<b>Total unearned revenue</b>	<b>\$ 4,234,554</b>	<b>\$ 3,428,552</b>

### 6. LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2021 was as follows:

Long-Term Liability	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable	\$ 98,220,000	\$ -	\$ 4,345,000	\$93,875,000	<u>\$4,495,000</u>
Bond Premium	14,067,173	-	782,310	13,284,863	
<b>Total Liability</b>	<b>\$ 112,287,173</b>	<b>\$ -</b>	<b>\$ 5,127,310</b>	107,159,863	
Less current portion of long-term liabilities				4,495,000	
Long-term liabilities, net of current portion				<u><b>\$102,664,863</b></u>	

Long-term liabilities activity for the year ended June 30, 2020 was as follows:

Long-Term Liability	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable	\$ 64,445,000	\$38,030,000	\$ 4,255,000	\$98,220,000	<u>\$4,345,000</u>
Bond Premium	8,211,166	6,638,317	782,310	14,067,173	
<b>Total Liability</b>	<b>\$72,656,166</b>	<b>\$44,668,317</b>	<b>\$5,037,310</b>	112,287,173	
Less current portion of long-term liabilities				4,345,000	
Long-term liabilities, net of current portion				<u><b>\$107,942,173</b></u>	

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

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

Bond Issues	2021	2020
2012 building and site and refunding bonds original balance of \$50,300,000, due in annual installments of \$80,000 to \$5,240,000 through May 1, 2032 plus interest at 2.0% to 5.0% (partially refunded during fiscal 2017)	\$21,595,000	\$ 23,395,000
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%	4,005,000	4,735,000
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%	4,300,000	5,130,000
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%	26,565,000	26,930,000
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%	37,410,000	38,030,000
Total bond issues	93,875,000	98,220,000
Plus: premium on bonds	13,284,863	14,067,173
<b>Total long-term debt obligations</b>	<b>\$107,159,863</b>	<b>\$112,287,173</b>

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

Scheduled principal and interest requirements of debt obligations for years succeeding June 30, 2021 are summarized as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 4,495,000	\$ 3,993,292	\$ 8,488,292
2023	4,675,000	3,818,191	8,493,191
2024	4,860,000	3,630,589	8,490,589
2025	5,055,000	3,434,302	8,489,302
2026	5,265,000	3,229,671	8,494,671
2027-2031	29,130,000	12,818,111	41,948,111
2032-2036	15,860,000	6,622,764	22,482,764
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	93,875,000	44,064,845	137,939,845
Premium on bonds	13,284,863	-	13,284,863
<b>Total as of June 30, 2021</b>	<b>\$ 107,159,863</b>	<b>\$ 44,064,845</b>	<b>\$ 151,224,708</b>

Scheduled principal and interest requirements of debt obligations for years succeeding June 30, 2020 are summarized as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2021	\$ 4,345,000	\$ 4,144,714	\$ 8,489,714
2022	4,495,000	3,993,292	8,488,292
2023	4,675,000	3,818,191	8,493,191
2024	4,860,000	3,630,589	8,490,589
2025	5,055,000	3,434,302	8,489,302
2026-2030	28,015,000	14,039,520	42,054,520
2031-2035	19,795,000	7,551,813	27,346,813
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	98,220,000	48,209,559	146,429,559
Premium on bonds	14,067,173	-	14,067,173
<b>Total as of June 30, 2020</b>	<b>\$ 112,287,173</b>	<b>\$ 48,209,559</b>	<b>\$ 160,496,732</b>

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

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 the years ended June 30, 2021 and 2020 was \$4,119,115 and \$3,759,395, respectively.

### **Bond Defeasance**

During fiscal year 2018, Lansing Community College advance refunded \$16,680,000 of 2012 general obligation limited tax bonds to provide resources to purchase U.S. government securities that were placed in an escrow fund for the purpose of generating resources for all future debt service payments on \$16,680,000 of refunded debt. As a result, the certificates are considered defeased and the liabilities have been removed from the statement of net position. The refunding resulted in an interest savings of \$1,404,788 and an economic gain of \$900,005. At June 30, 2021 and 2020, \$16,680,000 of bonds outstanding are considered defeased.

## 7. EMPLOYEE RETIREMENT SYSTEM

### **Defined Benefit Plan**

*Plan Description.* The College contributes to the Michigan Public School Employees Retirement System (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](http://www.michigan.gov/orsschools).

*Pension Benefits Provided.* Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25% to 1.50%. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

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

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.

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

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

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

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2019 valuation will be amortized over a 19-year period beginning October 1, 2019 and ending September 30, 2038.

The table below summarizes pension contribution rates in effect for fiscal year 2021, which excludes supplemental MPSERS UAAL employer stabilization contributions that are passed through the College to MPSERS based on rates ranging from 12.41% - 14.51% on prior year covered payroll:

Benefit Structure	Member Rates	Employer Rates
Basic	0.00% - 4.00%	19.41% – 19.78%
Member Investment Plan (MIP)	3.00% - 7.00%	19.41% – 19.78%
Pension Plus	3.00% - 6.40%	16.46% – 16.82%
Pension Plus 2	6.20%	19.59%
Defined Contribution	0.00%	13.39%

Required contributions to the pension plan from the College were \$14,864,047, \$15,350,591, and \$14,371,191 for the years ended June 30, 2021, 2020, and 2019, respectively.



# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

The table below summarizes OPEB contribution rates in effect for fiscal year 2021:

Benefit Structure	Member Rates	Employer Rates
Premium Subsidy	3.00%	8.09% – 8.43%
Personal Healthcare Fund (PHF)	0.00%	7.57%

Required contributions to the OPEB plan from the College were \$3,706,977, \$3,826,617, and \$3,835,528 for the years ended June 30, 2021, 2020, and 2019, respectively.

The table below summarizes defined contribution rates in effect for fiscal year 2021:

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, 2021, 2020, and 2019, required and actual contributions from the College for those members with a defined contribution benefit were \$379,897, \$381,979, and \$379,642, respectively.

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

At June 30, 2021 and 2020, the College reported a liability of \$176,522,247 and \$177,789,942, respectively, for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2020 and 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 30, 2019 and 2018, respectively. 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, 2020, the College's proportion was 0.51388%, which was a decrease of 0.02298% points from its proportion measured as of September 30, 2019 of 0.53686%.

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2021, the College recognized pension expense of \$23,259,000. At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2021	Deferred Outflow of Resources	Deferred Inflow of Resources	Net Deferred Outflows (Inflows) of Resources
Changes in assumptions	\$ 19,560,367	\$ -	\$ 19,560,367
Differences between expected and actual experience	2,697,115	376,761	2,320,354
Change in proportion and differences between employer contributions and proportionate share	-	6,866,770	(6,866,770)
Net difference between projected and actual earnings on pension plan investments	741,668	-	741,668
Total	22,999,150	7,243,531	15,755,619
Pension portion of Sec 147c state aid award subsequent to the measurement date	-	6,857,803	(6,857,803)
College contributions subsequent to the measurement date	13,148,528	-	13,148,528
<b>Total</b>	<b>\$ 36,147,678</b>	<b>\$ 14,101,334</b>	<b>\$ 22,046,344</b>

The \$13,148,528 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, 2022. The \$6,857,803 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, 2022. 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
2022	\$ 7,892,812
2023	5,218,506
2024	2,152,220
2025	492,081
<b>Total</b>	<b>\$ 15,755,619</b>

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2020, the College recognized pension expense of \$26,101,000. At June 30, 2020, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2020	Deferred Outflow of Resources	Deferred Inflow of Resources	Net Deferred Outflows (Inflows) of Resources
Changes in assumptions	\$ 34,811,396	\$ -	\$ 34,811,396
Differences between expected and actual experience	796,911	741,367	55,544
Change in proportion and differences between employer contributions and proportionate share	252,686	3,240,142	(2,987,456)
Net difference between projected and actual earnings on pension plan investments	-	5,697,866	(5,697,866)
Total	35,860,993	9,679,375	26,181,618
Pension portion of Sec 147c state aid award subsequent to the measurement date	-	7,132,996	(7,132,996)
College contributions subsequent to the measurement date	13,574,684	-	13,574,684
Total	<u>\$ 49,435,677</u>	<u>\$ 16,812,371</u>	<u>\$ 32,623,306</u>

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

At June 30, 2021 and 2020, the College reported a liability of \$26,773,639 and \$37,657,910, respectively, for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2020 and 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 30, 2019 and 2018. The College's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2020, the College's proportion was 0.49976%, which was a decrease of 0.02489% points from its proportion measured as of September 30, 2019 of 0.52465%.

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2021, the College recognized a reduction in OPEB expense of \$1,509,000. At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

2021	Deferred Outflow of Resources	Deferred Inflow of Resources	Net Deferred Outflows (Inflows) of Resources
Changes in assumptions	\$ 8,827,801	\$ -	\$ 8,827,801
Differences between expected and actual experience	-	19,948,864	(19,948,864)
Net difference between projected and actual earnings on OPEB plan investments	223,456	-	223,456
Changes in proportion and differences between employer contributions and proportionate share of contributions	43,577	3,224,486	(3,180,909)
Total	9,094,834	23,173,350	(14,078,516)
College contributions subsequent to the measurement date	2,917,911	-	2,917,911
<b>Total</b>	<b>\$ 12,012,745</b>	<b>\$ 23,173,350</b>	<b>\$ (11,160,605)</b>

The \$2,917,911 reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. 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
2022	\$ (3,727,889)
2023	(3,418,245)
2024	(2,894,648)
2025	(2,302,206)
2026	(1,735,528)
<b>Total</b>	<b>\$ (14,078,516)</b>

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2020, the College recognized OPEB expense of \$535,000. At June 30, 2020, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

2020	Deferred Outflow of Resources	Deferred Inflow of Resources	Net Deferred Outflows (Inflows) of Resources
Changes in assumptions	\$ 8,159,707	\$ -	\$ 8,159,707
Differences between expected and actual experience	-	13,817,752	(13,817,752)
Net difference between projected and actual earnings on OPEB plan investments	-	654,889	(654,889)
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,203	1,919,433	(1,910,230)
Total	8,168,910	16,392,074	(8,223,164)
College contributions subsequent to the measurement date	2,972,533	-	2,972,533
<b>Total</b>	<b>\$ 11,141,443</b>	<b>\$ 16,392,074</b>	<b>\$ (5,250,631)</b>

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

The total pension and OPEB liabilities in the September 30, 2019 and 2018 actuarial valuations (for the fiscal years ended June 30, 2021 and 2020, 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 increases	2.75% - 11.55%, including wage inflation at 2.75%
Investment rate of return:	
MIP and Basic plans (non-hybrid)	6.80%
Pension Plus plan (hybrid)	6.80%

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

Pension Plus 2 plan (hybrid)	6.00%
OPEB plans	6.95%
Cost of living adjustments	3.0% annual, non-compounded for MIP members
Healthcare cost trend rate	7.0% Year 1 graded to 3.5% Year 15; 3.0% Year 120 (7.5% Year 1 graded to 3.5% Year 12 in 2018)
Mortality	RP-2014 Male and Female Employee Annuitant Mortality Tables, adjusted for mortality improvements using projection scale MP-2017 from 2006. For retirees, the tables were scaled by 82% for males and 78% for females. For active members, 100% of the table rates were used for both males and females.
Other OPEB assumptions:	
Opt out assumptions	21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt-out of the retiree health plan.
Survivor coverage	80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
Coverage election at retirement	75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2017 valuation. The total pension and OPEB liabilities as of September 30, 2020, is based on the results of an actuarial valuation date of September 30, 2019, and rolled forward using generally accepted actuarial procedures, including the experience study. The recognition period for pension liabilities is 4.4892 years which is the average of the expected remaining service lives of all employees. The recognition period for OPEB liabilities is 5.9870 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 2012 through 2017 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2017 valuation. The total pension and OPEB liabilities as of September 30, 2020, are based on the results of an actuarial valuation date of September 30, 2019, and rolled forward using generally accepted actuarial procedures, including the experience study. The recognition period for pension liabilities is 4.4977 years which is the average of the expected remaining service lives of all employees. The recognition period for OPEB liabilities is 5.7101 years which is the average of the expected remaining service lives of all employees. The recognition period for assets is 5 years.

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### *Long-Term Expected Return on Pension Plan Assets.*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of September 30, 2020 and 2019, are summarized in the following tables:

<b>2020</b>			
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>	<b>Expected Money-Weighted Rate of Return</b>
Domestic equity pools	25.00%	5.29%	1.32%
Alternative investment pools	16.00	8.78	1.40
International equity	15.00	6.98	1.05
Fixed income pools	10.50	0.47	0.05
Real estate and infrastructure pools	10.00	4.62	0.46
Absolute return pools	9.00	3.02	0.27
Real return/opportunistic pools	12.50	6.23	0.78
Short-term investment pools	2.00	-0.09	0.00
			5.33%
Total Allocation	100.00%		
Inflation			2.10
Risk Adjustment			-0.63
<b>Investment rate of return</b>			<b>6.80%</b>

<b>2019</b>			
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>	<b>Expected Money-Weighted Rate of Return</b>
Domestic equity pools	28.00 %	5.50%	1.54%
Alternative investment pools	18.00	8.60	1.55
International equity	16.00	7.30	1.17
Fixed income pools	10.50	1.20	0.13
Real estate and infrastructure pools	10.00	4.20	0.42
Absolute return pools	15.50	5.40	0.84
Short-term investment pools	2.00	0.08	0.00
			5.65%
Total Allocation	100.00 %		
Inflation			2.30
Risk Adjustment			-1.15
<b>Investment rate of return</b>			<b>6.80%</b>

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### *Long-term Expected Return on OPEB Plan Assets*

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2020 and 2019, are summarized in the following tables:

2020			
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Domestic equity pools	25.00%	5.29%	1.32%
Alternative investment pools	16.00	8.78	1.40
International equity	15.00	6.98	1.05
Fixed income pools	10.50	0.47	0.05
Real estate and infrastructure pools	10.00	4.62	0.46
Absolute return pools	9.00	3.02	0.27
Real return/opportunistic pools	12.50	6.23	0.78
Short-term investment pools	2.00	-0.09	0.00
			5.33%
Total Allocation	100.00%		
Inflation			2.10
Risk Adjustment			-0.48
<b>Investment rate of return</b>			<b>6.95%</b>
2019			
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Domestic equity pools	28.00 %	5.50 %	1.54%
Alternative investment pools	18.00	8.60	1.55
International equity	16.00	7.30	1.17
Fixed income pools	10.50	1.20	0.13
Real estate and infrastructure pools	10.00	4.20	0.42
Absolute return pools	15.50	5.40	0.84
Short-term investment pools	2.00	0.08	0.00
			5.65%
Total Allocation	100.00 %		
Inflation			2.30
Risk Adjustment			-1.00
<b>Investment rate of return</b>			<b>6.95%</b>



# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### *Rate of Return*

For the fiscal year ended September 30, 2020, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 5.37% and 5.24%, respectively. For the fiscal year ended September 30, 2019, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 5.14% and 5.37%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### *Discount Rate*

A discount rate of 6.80% (6.80% for 2020) was used to measure the total pension liability (6.80% for the Pension Plus plan (6.80% for 2020), 6.0% for the Pension Plus 2 plan, both of which are hybrid plans provided through non-university employers only) and a discount rate of 6.95% (6.95% for 2020) was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on pension and OPEB plan investments of 6.80% (6.80% for 2020) 6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan) and 6.95% (6.95% for 2020), respectively. The projection of cash flows used to determine these discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension and OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities.

### *Sensitivity of the College's Proportionate Share of 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 6.80% (6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan), 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, 2021:

As of June 30, 2021	1% Decrease (5.80%/5.80% /5.00%)	Current Discount Rate (6.80%/6.80% /6.00%)	1% Increase (7.80%/7.80% /7.00%)
College's proportionate share of net pension liability	\$ 228,478,104	\$ 176,522,247	\$ 133,462,422

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 6.80% (6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan), 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, 2020:

As of June 30, 2020	1% Decrease (5.80%/5.80% /5.00%)	Current Discount Rate (6.80%/6.80% /6.00%)	1% Increase (7.80%/7.80% /7.00%)
College's proportionate share of net pension liability	\$ 231,138,299	\$ 177,789,942	\$ 133,562,317

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

The following presents the College's proportionate share of the net OPEB liability calculated using the discount rate of 6.95%, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2021:

As of June 30, 2021	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
College's proportionate share of net OPEB liability	\$ 34,393,783	\$ 26,773,639	\$ 20,358,117

The following presents the College's proportionate share of the net OPEB liability calculated using the discount rate of 6.95%, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2020:

As of June 30, 2020	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
College's proportionate share of net OPEB liability	\$ 46,193,085	\$ 37,657,910	\$ 30,490,733

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### ***Sensitivity of College's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate***

The following presents the College's proportionate share of the net OPEB liability calculated using the assumed trend rates, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2021:

As of June 30, 2021	1% Decrease (6.00%)	Current Cost Trend Rate (7.00%)	1% Increase (8.00%)
College's proportionate share of net OPEB liability	\$ 20,112,479	\$ 26,773,639	\$ 34,349,887

The following presents the College's proportionate share of the net OPEB liability calculated using the assumed trend rates, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2020:

As of June 30, 2020	1% Decrease (6.5%)	Current Cost Trend Rate (7.5%)	1% Increase (8.5%)
College's proportionate share of net OPEB liability	\$ 30,186,876	\$ 37,657,910	\$ 46,192,073

***Pension and OPEB Plans Fiduciary Net Position.*** Detailed information about the pension and OPEB plan's fiduciary net position is available in the separately issued MPSERS financial statements available on the State of Michigan Office of Retirement Services website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

***Payable to the Pension Plan.*** At June 30, 2021, the College reported a payable of \$1,643,655 for the outstanding amount of pension contributions to the Plan required for the year ended June 30, 2021. As of June 30, 2020, the College reported a payable of \$1,455,227 for the outstanding amount of pension contributions to the Plan required for the year ended June 30, 2020.

***Payable to the OPEB Plan.*** At June 30, 2021, the College reported a payable of \$178,646 for the outstanding amount of OPEB contributions to the Plan required for the year ended June 30, 2021. At June 30, 2020, the College reported a payable of \$163,294 for the outstanding amount of OPEB contributions to the Plan required for the year ended June 30, 2020.

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### 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 the College 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 154 participants at both June 30, 2021 and 2020.

#### 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, 2021 were \$544,307 and \$1,519,002, respectively. The participant and College contributions to ORP for the year ended June 30, 2020 were \$546,208 and \$1,524,309, respectively.

### 9. NET INVESTMENT IN CAPITAL ASSETS

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

	2021	2020
Capital assets:		
Capital assets not being depreciated	\$ 25,846,278	\$ 18,134,237
Capital assets being depreciated, net	169,137,696	168,386,605
Total capital assets	<u>194,983,974</u>	<u>186,520,842</u>
Related debt:		
Bonds payable	93,875,000	98,220,000
Bond premium	13,284,863	14,067,173
Less: Unexpended bond proceeds	(35,822,985)	(51,432,247)
Less: Deferred charge on bond refunding	(1,650,664)	(1,867,316)
Total related debt	<u>69,686,214</u>	<u>58,987,610</u>
Net investment in capital assets	<u>\$ 125,297,760</u>	<u>\$ 127,533,232</u>

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### 10. UNRESTRICTED NET DEFICIT

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

Unrestricted Net Deficit	2021	2020
Auxiliary activities	\$ 2,099,795	\$ 2,293,096
Encumbrances	307,117	609,091
Plant improvements	30,355,512	19,954,830
Pension and OPEB liabilities fund deficit	(192,410,147)	(188,075,177)
Board of Trustees designated purposes	6,610,538	707,401
Undesignated	27,534,622	25,824,194
<b>Total unrestricted net deficit</b>	<b>\$ (125,502,563)</b>	<b>\$ (138,686,565)</b>

### 11. LEASES

The College conducts a portion of its operations with leased property, including parking facilities and buildings. Net rental expense on these operating leases was \$838,575 and \$836,741 for fiscal 2021 and 2020, respectively.

The following is a schedule of annual future minimum lease payments required under these non-cancelable operating leases as of June 30, 2021:

Year	Amount
2022	\$ 1,425,748
2023	710,058
2024	458,909
2025	464,795
2026	65,159
2027-2031	317,334
2032-2036	159,785
<b>Total</b>	<b>\$ 3,601,788</b>

### 12. 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.

# LANSING COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

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.

### 13. 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.

### 14. RISK AND ECONOMIC UNCERTAINTIES

The outbreak of a novel coronavirus (COVID-19), which the World Health Organization declared in March 2020 to be a pandemic, continues to have impacts throughout the United States of America and the globe. Due to the pandemic, Michigan's Governor issued temporary Executive Orders that, among other stipulations, effectively prohibited certain in-person activities while requiring numerous safety measures and protocols to be met in order to resume in person learning, having the effect of suspending or severely curtailing certain on-campus operations including on-campus learning, health and fitness center, and conference services for the last quarter of Fiscal Year 2020 and continued throughout the College's Fiscal Year 2021. In response to the pandemic, the College was allocated funding from the Higher Education Emergency Relief Fund (HEERF) in the amount of approximately \$38.0 million for student emergency grants and institutional funding through the three federal stimulus packages passed in March 2020, December 2020, and March 2021. During the year ended June 30, 2021, the College awarded eligible students \$10.2 million from the student emergency grant funding and the institutional funding from the HEERF allocation. The College also incurred \$2.9 million in eligible institutional costs under HEERF. Subsequent to the College's Fiscal Year 2020 year end, the College received CARES Act CRF funding in the amount of \$3,681,900 from the State of Michigan. The College reported the full amount on its Fiscal Year 2021 SEFA reimbursing the general fund for \$2.7 million in expenses incurred during Fiscal Year 2020 and incurring an additional \$1.0 million in eligible expenses in Fiscal Year 2021. The continued impact of the pandemic on the College's operational and financial performance will depend on various developments, including the duration and spread of the outbreak, and its impact on students, employees, and vendors, all of which continue to change and still cannot be reasonably predicted at this time.

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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, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
College's proportionate share of the net pension liability	\$176,522,247	\$177,789,942	\$163,974,876	\$141,871,522	\$139,408,096	\$134,564,773	\$123,194,232
College's proportion of the net pension liability	0.51388%	0.53686%	0.54546%	0.54747%	0.55877%	0.55093%	0.55930%
College's covered payroll	\$ 44,594,537	\$ 46,094,149	\$ 46,646,511	\$ 45,891,363	\$ 46,761,637	\$ 45,514,783	\$ 52,829,768
College's proportionate share of the net pension liability as a percentage of its covered payroll	395.84%	385.71%	351.53%	309.15%	298.12%	295.65%	233.19%
Plan fiduciary net position as a percentage of the total pension liability	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.15%

See notes to required supplementary information.

## LANSING COMMUNITY COLLEGE

### Required Supplementary Information

MPSERS Cost-Sharing Multiple Employer Plan  
Schedule of the College's Pension Contributions

	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	Year Ended June 30, 2016	Year Ended June 30, 2015
Statutorily required contributions	\$ 14,864,047	\$ 15,350,591	\$ 14,371,191	\$ 15,209,331	\$ 13,710,723	\$ 11,176,120	\$ 14,585,927
Contributions in relation to the statutorily required contributions	<u>(14,864,047)</u>	<u>(15,350,591)</u>	<u>(14,371,191)</u>	<u>(15,209,331)</u>	<u>(13,710,723)</u>	<u>(11,176,120)</u>	<u>(14,585,927)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 43,408,900	\$ 45,511,835	\$ 46,579,321	\$ 47,024,894	\$ 47,289,366	\$ 46,159,222	\$ 48,782,946
Contributions as a percentage of covered payroll	34.24%	33.73%	30.85%	32.34%	28.99%	24.21%	29.90%

See notes to 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 Benefit Liability

	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 liability	\$ 26,773,639	\$ 37,657,910	\$ 43,350,196	\$ 48,713,989
College's proportion of the net OPEB liability	0.49976%	0.52465%	0.54536%	0.55010%
College's covered payroll	\$ 44,594,537	\$ 46,094,149	\$ 46,646,511	\$ 45,891,363
College's proportionate share of the net OPEB liability as a percentage of its covered payroll	60.04%	81.70%	92.93%	106.15%
Plan fiduciary net position as a percentage of the total OPEB liability	59.44%	48.46%	42.95%	36.39%

See notes to required supplementary information.

## LANSING COMMUNITY COLLEGE

### Required Supplementary Information

MPERS Cost-Sharing Multiple Employer Plan  
Schedule of the College's Other Postemployment Benefit Contributions

	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
Statutorily required contributions	\$ 3,706,977	\$ 3,826,617	\$ 3,835,528	\$ 3,508,061
Contributions in relation to the statutorily required contributions	<u>(3,706,977)</u>	<u>(3,826,617)</u>	<u>(3,835,528)</u>	<u>(3,508,061)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 43,408,900	\$ 45,511,835	\$ 46,579,321	\$ 47,024,894
Contributions as a percentage of covered payroll	8.54%	8.41%	8.23%	7.46%

See notes to required supplementary information.

# LANSING COMMUNITY COLLEGE

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

### Pension Information

GASB 68 was implemented in fiscal year 2015. The pension 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 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:

- 2021 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2022 employer contributions decreased from 3.5% to 3.0%.
- 2020 - The discount rate used in the September 30, 2018 actuarial valuation decreased to 6.80% for the MIP and Basic plans, 6.80% for the Pension Plus Plan, and 6.00% for the Pension Plus 2 Plan.
- 2019 - The discount rate used in the September 30, 2017 actuarial valuation decreased to 7.05% for the MIP and Basic plans, 7.00% for the Pension Plus plan, and 6.00% for the Pension Plus 2 plan.
- 2018 - The discount rate used in the September 30, 2016 actuarial valuation decreased to 7.50% for the MIP and Basic plans and 7.00% for the Pension Plus plan.

### OPEB Information

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

The amounts presented in the schedule of the College's Proportionate Share of the Net OPEB 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:

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

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# Statistical Section

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# LANSING COMMUNITY COLLEGE

## STATISTICAL SECTION

This part of the College's Statistical section of the comprehensive annual 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 comprehensive annual financial reports for the relevant year.

**LANSING COMMUNITY COLLEGE**

FINANCIAL TRENDS

Statements of Revenues, Expenses, and Changes in Net Position

Last Ten Fiscal Years

(Unaudited)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>OPERATING REVENUES</b>										
Tuition and fees (net of scholarships allowances)	\$ 30,203,838	\$ 30,728,261	\$ 30,611,199	\$ 31,112,089	\$ 30,405,367	\$ 27,216,821	\$ 27,560,464	\$ 28,554,591	\$ 29,363,192	\$ 28,979,245
Federal grants and contracts	1,973,859	2,267,357	2,131,800	2,413,388	3,352,561	3,555,172	4,194,022	3,508,779	4,226,015	4,610,027
State grants and contracts (3)	3,370,492	2,070,538	2,076,078	2,149,369	2,039,964	1,989,818	1,709,876	1,202,810	1,414,642	1,236,128
Local grants and contracts (3)	5,681,392	6,178,030	5,388,047	4,618,048	3,243,550	3,372,026	3,316,514	2,842,918	3,028,011	2,936,104
Sales and services of educational activities (1)	73	54,123	12,494	12,170	22,323	153,547	280,068	401,923	361,835	1,207,875
Sales and services of auxiliary activities	7,177	623,643	407,136	136,280	1,280,918	1,200,923	158,246	1,701,672	2,641,831	3,303,012
Job Training Programs	84,894	214,296	313,051	213,399	408,793	1,145,395	369,171	484,437	-	-
Miscellaneous (3)	807,036	1,005,797	4,076,182	1,973,231	3,184,897	2,888,170	2,668,037	1,451,163	1,473,168	1,643,600
Total operating revenues	42,128,761	43,142,045	45,015,987	42,627,974	43,938,373	41,521,872	40,256,398	40,148,293	42,508,694	43,915,991
<b>OPERATING EXPENSES</b>										
Instruction (3)	33,160,622	37,459,754	37,541,664	37,305,679	36,462,526	47,019,899	45,539,843	47,495,410	48,827,540	48,921,597
Information technology (2)	11,381,058	13,574,193	12,727,743	12,258,907	10,434,438	-	-	-	-	-
Public services (3)	2,655,040	2,560,771	2,567,157	2,754,459	2,703,721	1,911,608	2,015,322	2,162,257	2,196,929	3,164,438
Instructional support (3)	17,138,188	20,207,931	18,307,771	16,502,356	17,547,370	26,570,255	23,323,896	21,917,746	22,020,718	21,545,150
Student services (1)(3)	23,531,260	17,222,229	14,499,277	17,352,582	11,782,303	13,322,729	15,240,309	17,926,228	20,559,075	26,742,055
Institutional administration (1)(3)	20,723,534	20,920,319	19,954,545	19,835,166	20,265,334	20,696,479	18,125,659	16,630,435	12,999,388	12,029,791
Operation and maintenance of plant (1)(3)	15,083,537	18,963,328	17,269,139	16,044,964	15,925,694	18,600,704	18,489,746	17,033,486	16,993,682	17,927,676
Depreciation expense	9,979,246	10,380,616	10,504,034	10,090,635	8,643,040	7,834,826	7,262,393	6,978,813	8,726,093	8,170,195
Total operating expenses	133,652,485	141,289,141	133,371,330	132,144,748	123,764,426	135,956,500	129,997,168	130,144,375	132,323,425	138,500,902
Operating loss	(91,523,724)	(98,147,096)	(88,355,343)	(89,516,774)	(79,826,053)	(94,434,628)	(89,740,770)	(89,996,082)	(89,814,731)	(94,584,911)
<b>NONOPERATING REVENUES (EXPENSES)</b>										
State appropriations	34,775,424	29,950,889	33,884,167	33,759,671	33,317,442	33,761,131	35,344,860	32,824,815	30,724,364	28,651,900
Property tax levy	44,956,559	43,781,074	42,298,367	40,983,811	39,910,486	39,207,101	37,390,260	36,718,154	37,294,876	38,543,630
Pell Grant revenue	10,693,117	13,208,069	13,267,697	16,461,261	15,980,057	18,705,818	22,505,731	26,380,689	29,347,419	33,125,802
Federal nonoperating grants - CARES Act	16,749,041	1,775,621	-	-	-	-	-	-	-	-
Investment return and other (losses) gains	(724,860)	2,039,284	900,682	498,034	178,180	156,030	139,381	177,187	224,494	509,745
Interest on capital asset - related debt	(4,119,115)	(3,759,395)	(2,753,687)	(2,624,545)	(2,747,508)	(3,579,459)	(3,396,095)	(3,627,164)	(3,664,322)	(2,403,409)
Net nonoperating revenues	102,330,166	86,995,542	87,597,226	89,078,232	86,638,657	88,250,621	91,984,137	92,473,681	93,926,831	98,427,668
Change in net position before other revenues	10,806,442	(11,151,554)	(758,116)	(438,542)	6,812,604	(6,184,007)	2,243,367	2,477,599	4,112,100	3,842,757
<b>OTHER REVENUES</b>										
State capital appropriations	-	-	-	-	-	-	-	9,366,050	-	-
State capital grants	-	-	-	599,701	4,400,299	-	-	-	-	-
Capital gifts	220,000	-	-	-	202,518	142,896	-	50,000	1,300,000	-
Total other revenues	220,000	-	-	599,701	4,602,817	142,896	-	9,416,050	1,300,000	-
Total change in net position	11,026,442	(11,151,554)	(758,116)	161,159	11,415,421	(6,041,111)	2,243,367	11,893,649	5,412,100	3,842,757
<b>NET (DEFICIT) POSITION, beginning of year</b>	<b>(11,009,419)</b>	<b>142,135</b>	<b>900,251</b>	<b>48,107,556</b>	36,692,135	42,733,246	160,769,992	148,876,343	143,464,243	137,988,429
Implementation of GASB 68	-	-	-	-	-	-	(120,280,113)	-	-	-
Implementation of GASB 75	-	-	-	(47,368,464)	-	-	-	-	-	-
<b>NET (DEFICIT) POSITION, beginning of year</b>	<b>(11,009,419)</b>	<b>142,135</b>	<b>900,251</b>	<b>739,092</b>	36,692,135	42,733,246	40,489,879	148,876,343	143,464,243	137,988,429
<b>NET POSITION (DEFICIT), end of year</b>	<b>\$ 17,023</b>	<b>\$ (11,009,419)</b>	<b>\$ 142,135</b>	<b>\$ 900,251</b>	<b>\$ 48,107,556</b>	<b>\$ 36,692,135</b>	<b>\$ 42,733,246</b>	<b>\$ 160,769,992</b>	<b>\$ 148,876,343</b>	<b>\$ 141,831,186</b>

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

(1) 2013 amounts restated to account for changes to the designated fund.

(2) 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.

(3) 2016 amounts reclassified to conform with the 2017 presentation.



**LANSING COMMUNITY COLLEGE**  
**FINANCIAL TRENDS**  
**Net Position by Components**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net Position										
Net investment in capital assets	\$ 125,297,760	\$ 127,533,232	\$ 130,783,094	\$ 135,187,005	\$ 132,962,327	\$ 126,365,209	\$ 119,409,027	\$ 115,441,982	\$ 104,514,717	\$ 104,243,439
Restricted for:										
Restricted fund activities	221,826	143,914	246,003	199,611	7,917	-	152,940	-	-	171,618
Unrestricted	<u>(125,502,563)</u>	<u>(138,686,565)</u>	<u>(130,886,962)</u>	<u>(134,486,365)</u>	<u>(84,862,688)</u>	<u>(89,673,074)</u>	<u>(76,828,721)</u>	<u>45,328,010</u>	<u>44,361,626</u>	<u>37,416,129</u>
<b>Total Net Position (Deficit)</b>	<b><u>\$ 17,023</u></b>	<b><u>\$ (11,009,419)</u></b>	<b><u>\$ 142,135</u></b>	<b><u>\$ 900,251</u></b>	<b><u>\$ 48,107,556</u></b>	<b><u>\$ 36,692,135</u></b>	<b><u>\$ 42,733,246</u></b>	<b><u>\$ 160,769,992</u></b>	<b><u>\$ 148,876,343</u></b>	<b><u>\$ 141,831,186</u></b>

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

**LANSING COMMUNITY COLLEGE**  
**REVENUE CAPACITY**  
Major Taxpayers  
2021 Levy Year vs. 2012 Levy Year  
(Unaudited)

2021 Levy Year					2012 Levy Year				
2021 Taxpayer	Type of Business	2021 Taxable Valuation	Rank (1)	Percentage of Total College District Taxable Valuation (\$12,316,500,113)	2012 Taxpayer	Type of Business	2012 Taxable Valuation	Rank (1)	Percentage of Total College District Taxable Valuation (\$10,477,691,694)
Enbridge Energy LP	Oil & Gas Delivery/Storage	\$181,629,731	1	1.47%	Consumers Energy	Utility	\$84,112,458	1	0.84%
Consumers Energy Company	Utility	158,286,262	2	1.29%	Dart Container Corporation	Packaging Products	33,042,609	2	0.33%
Retail Properties of America, Inc.	Retail Property Management	30,225,534	3	0.25%	Inland Western Lansing Eastwood LLC	Shopping Mall	29,338,206	3	0.29%
Accident Fund Ins Co of America	Insurance	29,968,700	4	0.24%	Meridian Mall LTD Partnership	Shopping Mall	28,788,600	4	0.29%
General Motors Company	Automotive	24,797,149	5	0.20%	Gestamps US Hardtech Inc.	Metal Heat Treating	27,537,105	5	0.27%
Lansing Properties LLC	Property Management	24,281,751	6	0.20%	Jackson National Life	Insurance	26,596,552	6	0.26%
HB BM East Lansing LLC	Property Development	24,170,075	7	0.20%	General Motors Company	Automotive	21,120,217	7	0.21%
Core Campus Lansing LLC	Property Management	22,746,519	8	0.18%	Meijer, Inc.	Retail	20,115,712	8	0.20%
C150 2929 Hannah Lofts LLC	Property Management	21,730,600	9	0.18%	RSDC	Steel Distribution	19,803,700	9	0.20%
Dart Container of Michigan LLC	Packaging Products	21,681,242	10	0.18%	Comcast LLC	Cable	18,519,300	10	0.18%

Source: Ingham County Assessor, Ingham.org

(1) Ranking in terms of Ad Valorem Taxable Valuation

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

<b>Fiscal Year Ended June 30</b>		<b>Taxable Valuation (1)</b>	<b>Tax Rates (per \$1,000) of Valuation (1)</b>	<b>Taxes Levied</b>	<b>Collections through June 30 Each Year (2)</b>	<b>Percent of Taxes Levied Uncollected through June 30 Each Year</b>
2021	\$	12,316,500,113	3.7777	\$46,528,042	\$ 44,587,201	4.17%
2020		11,826,622,757	3.8072	45,026,318	43,275,558	3.89%
2019		11,392,083,246	3.8072	43,371,939	41,908,334	3.37%
2018		10,963,548,011	3.8072	41,740,420	40,709,394	2.47%
2017		10,614,700,749	3.8072	40,412,289	38,482,235	4.78%
2016		10,451,534,470	3.8072	39,791,082	38,639,111	2.90%
2015		10,131,872,904	3.8072	38,574,067	37,264,108	3.40%
2014		9,989,851,902	3.8072	38,033,364	36,654,758	3.62%
2013		10,068,843,104	3.8072	38,334,099	37,252,732	2.82%
2012		10,477,691,694	3.8072	39,890,668	38,652,739	3.10%

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

(2) Per LCC Controller Office

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

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>	<b>Percentage of the Levy Collected within Fiscal Year of Levy</b>	<b>Collections in Subsequent Years</b>	<b>Total Tax Collection to Date</b>	<b>Percentage of Levy Total Collections</b>
2021	\$ 46,528,042	\$ 44,587,201	95.83%	---	\$ 44,587,201	95.83%
2020	45,026,318	43,275,558	96.11%	\$ 523,939	43,275,558	96.11%
2019	43,371,939	41,908,334	96.63%	548,727	42,457,061	97.89%
2018	41,740,420	40,709,394	97.53%	455,052	41,164,446	98.62%
2017	40,412,289	38,482,235	95.22%	1,314,852	39,797,087	98.48%
2016	39,791,082	38,639,111	97.10%	497,390	39,136,501	98.35%
2015	38,574,067	37,264,108	96.60%	985,866	38,249,974	99.16%
2014	38,033,364	36,654,758	96.38%	332,763	36,987,521	97.25%
2013	38,334,099	37,252,732	97.18%	358,125	37,610,857	98.11%
2012	39,890,668	38,652,739	96.90%	549,376	39,202,115	98.27%

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	Note Payable (1)	Total Outstanding Debt (2)(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)
2021	\$ 12,316,500,113	\$ 14,897,211,981	\$ 2,234,581,797	\$ 107,159,863	\$ -	\$ 107,159,863	\$ 2,127,421,934	\$ 150,222,120	\$ 43,062,257	----
2020	11,826,622,757	14,035,518,728	2,105,327,809	112,287,173	-	112,287,173	1,993,040,636	141,605,187	29,318,014	285
2019	11,392,083,246	13,113,220,698	1,966,983,105	72,656,166	-	72,656,166	1,894,326,939	132,382,207	59,726,041	180
2018	10,963,548,011	12,674,865,915	1,901,229,887	77,337,199	-	77,337,199	1,823,892,688	127,998,659	50,661,460	192
2017	10,614,700,749	12,042,682,731	1,806,402,410	68,665,095	-	68,665,095	1,737,737,315	121,676,827	53,011,732	172
2016	10,451,534,470	11,493,211,119	1,723,981,668	75,363,858	-	75,363,858	1,648,617,810	116,182,111	40,818,253	190
2015	10,131,872,904	10,869,735,968	1,630,460,395	80,508,790	-	80,508,790	1,549,951,605	109,947,360	29,438,570	204
2014	9,989,851,902	10,597,803,080	1,589,670,462	86,310,907	99,848	86,410,755	1,503,259,707	107,228,031	20,817,276	220
2013	10,068,843,104	10,673,406,039	1,601,010,906	91,488,710	392,061	91,880,771	1,509,130,135	107,984,060	16,103,289	235
2012	10,477,691,694	11,367,915,808	1,705,187,371	51,428,711	673,970	52,102,681	1,653,084,690	114,929,158	62,826,477	134

(1) Note Payable to the bank began October 24, 2004, secured by equipment, with monthly payments at an interest rate at 6.5%. The note payable matured October 2014.

(2) Adjusted 2010-2013 outstanding debt figures based on comments from GFOA on FY2012 Comprehensive Annual Financial Report submission.

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

(a) 15% of SEV

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

(c) Debt Limit less Total Outstanding Debt

(d) The College may incur indebtedness that is not greater than 1.5% of the first \$25,000,000 of SEV

of the taxable property within the college district and 1% of the excess SEV over \$250,000,000 without a vote of the electors of the College

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

(f) Total Outstanding Debt divided by population

---- Information is unavailable

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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate (3)</u>
2021	----	----	----	5.50%
2020	394,075	----	----	11.20%
2019	402,674	\$ 16,854,052	\$ 42,326	3.90%
2018	402,561	16,620,879	41,727	3.90%
2017	399,213	15,704,271	39,790	4.30%
2016	397,211	15,274,294	38,865	4.60%
2015	394,886	14,751,514	37,532	5.00%
2014	393,161	14,172,325	36,176	6.52%
2013	390,582	14,047,691	35,901	7.40%
2012	389,731	13,674,927	35,057	7.70%

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  
2021 Employers vs. 2012 Employers  
(Unaudited)

2021 (1)					2012 (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	15,729	3.99%	State of Michigan	Government	1	11,200	2.88%
Michigan State University	Higher Education	2	10,253	2.60%	Michigan State University	Higher Education	2	10,725	2.76%
Sparrow Health System	Health Care	3	7,600	1.93%	Sparrow Health System	Health Care	3	5,735	1.48%
General Motors Corporation	Automotive	4	4,549	1.15%	Liberty National Life Insurance	Insurance	4	5,000	1.29%
Lansing Community College	Higher Education	5	3,144	0.80%	General Motors Corporation	Automotive	5	4,035	1.04%
McLaren Health/Ingham Reg Medical Ctr	Health Care	6	3,000	0.76%	Lansing Community College	Higher Education	6	3,180	0.82%
Auto Owners Insurance	Insurance	7	2,578	0.65%	Ingham Regional Medical Center	Health Care	7	2,400	0.62%
Peckham Industries	Textiles, Auto parts	8	2,510	0.64%	Meijer's, Inc	Retail	8	2,000	0.52%
Jackson National Life	Insurance	9	2,500	0.63%	Lansing School District	Education	9	1,601	0.41%
Dart Container Corporation	Packaging Products	10	2,000	0.51%	Jackson National Life	Insurance	10	1,200	0.31%

Source:

(1) Ingham County December 31, 2020 Comprehensive Annual Financial Report source US Census Bureau.

(2) LCC FY2012 Comprehensive Annual Financial Report source Ingham County December 31, 2011 Comprehensive Annual Financial Report

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

<b>Facilities Data</b>	<b>2021 (1)</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Size of campus (acres)	96.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00	94.00
Square footage of gross building space (2)	1,894,412	1,894,412	1,894,412	1,895,612	1,883,612	1,883,612	1,883,612	1,873,640	1,870,683	1,870,683
Number of classrooms	127	123	123	136	136	136	136	136	136	132
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: 2011-2020 LCC Campus Master Plans

(1) FY21 Master Plan submitted to the state October 2020

(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)

<b>Fiscal Year</b>	<b>FYES (1)</b>	<b>Unduplicated Headcount</b>	<b>Duplicated Headcount</b>	<b>Headcount per Section</b>	<b>Total Credit Hours</b>	<b>In District Tuition Rate</b>	<b>Out of District Tuition Rate</b>	<b>Out of State Tuition Rate</b>	<b>Tuition &amp; Fees per FYES</b>	<b>Total Tuition \$ Fee Revenue (2)</b>
2021 (3)	----	----	----	----	----	\$ 111	\$ 222	\$ 333	----	----
2020	7,701	20,155	74,631	17.6	230,952	108	216	324	\$ 5,867	\$ 45,183,978
2019	7,940	21,399	76,031	16.7	238,104	105	210	315	5,817	46,186,862
2018	8,639	22,928	82,815	17.0	259,090	103	206	309	5,633	48,666,455
2017	8,971	23,353	84,841	16.7	269,131	99	198	297	5,308	47,621,129
2016	9,570	25,527	94,348	17.0	296,678	88	176	264	4,894	46,831,687
2015	10,313	25,574	98,753	17.7	319,717	85	170	255	4,760	49,092,761
2014	11,374	27,734	109,332	18.4	352,592	83	166	249	4,587	52,175,883
2013	12,124	29,245	118,575	18.5	375,835	81	162	243	4,516	54,752,661
2012	13,232	31,042	128,383	18.1	410,190	79	158	237	4,180	55,311,454

Source: Fiscal Year's 2021 Michigan Postsecondary Data Inventory ([www.mischooldata.org/DistrictSchoolProfiles2/PostsecondaryDataInventory/PostsecondaryDataInventory.aspx](http://www.mischooldata.org/DistrictSchoolProfiles2/PostsecondaryDataInventory/PostsecondaryDataInventory.aspx))

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

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

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

(3) The MCCDI Report for June 30, 2021 is due November 1, 2021, 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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>ADMINISTRATOR FTE:</b>	<b>172</b>	<b>228</b>	<b>223</b>	<b>198</b>	<b>169</b>	<b>162</b>	<b>163</b>	<b>224</b>	<b>142</b>	<b>171</b>
Full-Time	170	224	219	194	164	156	156	200	133	155
Part-Time	7	11	12	11	16	17	22	72	27	47
Calculated Part-Time FTE (1)	2	4	4	4	5	6	7	24	9	16
<b>FACULTY FTE:</b>	<b>480</b>	<b>588</b>	<b>641</b>	<b>626</b>	<b>645</b>	<b>647</b>	<b>697</b>	<b>725</b>	<b>778</b>	<b>865</b>
Full-Time	182	202	202	191	190	179	189	184	211	225
Part-Time	893	1,157	1,317	1,305	1,364	1,404	1,524	1,624	1,700	1,919
Calculated Part-Time FTE (1)	298	386	439	435	455	468	508	541	567	640
<b>SUPPORT FTE:</b>	<b>406</b>	<b>284</b>	<b>279</b>	<b>286</b>	<b>287</b>	<b>270</b>	<b>260</b>	<b>204</b>	<b>286</b>	<b>275</b>
Full-Time	284	226	223	235	229	212	204	150	198	183
Part-Time	365	174	169	154	173	175	168	163	264	275
Calculated Part-Time FTE (1)	122	58	56	51	58	58	56	65	88	92
Actual total employees reported	1,901	1,994	2,142	2,090	2,136	2,143	2,263	2,393	2,533	2,804
<b>TOTAL FTE (1)</b>	<b>1,058</b>	<b>1,099</b>	<b>1,143</b>	<b>1,110</b>	<b>1,101</b>	<b>1,079</b>	<b>1,120</b>	<b>1,153</b>	<b>1,206</b>	<b>1,311</b>

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

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



# Special Reports Section

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**LANSING COMMUNITY COLLEGE**  
**COMBINING STATEMENT OF NET POSITION (Unaudited)**  
**JUNE 30, 2021**

	Combined Total	General Fund	Pension and OPEB Liabilities Fund	Designated Fund	Auxiliary Activities Funds	Expendable Restricted Funds	Plant Funds	Agency Funds
<b>Assets</b>								
<b>Current assets</b>								
Cash and cash equivalents	\$ 24,920,161	\$ 24,920,161	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Short-term investments	47,329,813	47,329,813	-	-	-	-	-	-
Property taxes receivable, net	697,915	697,915	-	-	-	-	-	-
State appropriations receivable	7,426,421	6,179,547	-	-	-	1,246,874	-	-
Accounts receivable, net	1,223,728	1,220,545	-	-	1,983	-	-	1,200
Federal and state grants receivable	3,020,101	-	-	-	-	3,020,101	-	-
Prepaid expenses and other assets	2,641,304	2,313,331	-	-	6,946	-	185,702	135,325
Due from (due to) other funds	-	(42,098,435)	-	6,610,538	2,187,907	(1,628,329)	33,969,655	958,664
Due from component unit	4,688	-	-	-	-	4,688	-	-
<b>Total current assets</b>	<b>87,264,131</b>	<b>40,562,877</b>	<b>-</b>	<b>6,610,538</b>	<b>2,196,836</b>	<b>2,643,334</b>	<b>34,155,357</b>	<b>1,095,189</b>
<b>Noncurrent assets</b>								
Restricted short-term investments - unspent bond proceeds	33,840,908	-	-	-	-	-	33,840,908	-
Restricted cash - long-term investments - unspent bond proceeds	1,982,077	-	-	-	-	-	1,982,077	-
Capital assets not being depreciated	25,846,278	-	-	-	-	-	25,846,278	-
Capital assets being depreciated, net	169,137,696	-	-	-	-	-	169,137,696	-
<b>Total noncurrent assets</b>	<b>230,806,959</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>230,806,959</b>	<b>-</b>
<b>Total assets</b>	<b>318,071,090</b>	<b>40,562,877</b>	<b>-</b>	<b>6,610,538</b>	<b>2,196,836</b>	<b>2,643,334</b>	<b>264,962,316</b>	<b>1,095,189</b>
<b>Deferred outflows of resources</b>								
Deferred charge on bond refunding	1,650,664	-	-	-	-	-	1,650,664	-
Deferred pension and OPEB amounts	48,160,423	-	48,160,423	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>49,811,087</b>	<b>-</b>	<b>48,160,423</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,650,664</b>	<b>-</b>
<b>Liabilities</b>								
<b>Current liabilities</b>								
Accounts payable	6,369,878	1,505,518	-	-	83,919	1,463,254	3,134,296	182,891
Accrued payroll and other compensation	7,023,534	6,111,236	-	-	-	-	-	912,298
Accrued vacation	1,841,206	1,841,206	-	-	-	-	-	-
Accrued interest payable	665,549	-	-	-	-	-	665,549	-
Unearned revenue	4,234,554	3,263,178	-	-	13,122	958,254	-	-
Current portion of debt obligations	4,495,000	-	-	-	-	-	4,495,000	-
<b>Total current liabilities</b>	<b>24,629,721</b>	<b>12,721,138</b>	<b>-</b>	<b>-</b>	<b>97,041</b>	<b>2,421,508</b>	<b>8,294,845</b>	<b>1,095,189</b>
<b>Noncurrent liabilities</b>								
Long-term debt obligations, net of current portion	102,664,863	-	-	-	-	-	102,664,863	-
Net pension liability	176,522,247	-	176,522,247	-	-	-	-	-
Net other postemployment benefits liability	26,773,639	-	26,773,639	-	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>305,960,749</b>	<b>-</b>	<b>203,295,886</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>102,664,863</b>	<b>-</b>
<b>Total liabilities</b>	<b>330,590,470</b>	<b>12,721,138</b>	<b>203,295,886</b>	<b>-</b>	<b>97,041</b>	<b>2,421,508</b>	<b>110,959,708</b>	<b>1,095,189</b>
<b>Deferred inflows of resources</b>								
Deferred pension and OPEB amounts	37,274,684	-	37,274,684	-	-	-	-	-
<b>Net position (deficit)</b>								
Net investment in capital assets	125,297,760	-	-	-	-	-	125,297,760	-
Restricted:								
Restricted fund activities	221,826	-	-	-	-	221,826	-	-
Unrestricted (deficit)	(125,502,563)	27,841,739	(192,410,147)	6,610,538	2,099,795	-	30,355,512	-
<b>Total net position (deficit)</b>	<b>\$ 17,023</b>	<b>\$ 27,841,739</b>	<b>\$ (192,410,147)</b>	<b>\$ 6,610,538</b>	<b>\$ 2,099,795</b>	<b>\$ 221,826</b>	<b>\$ 155,653,272</b>	<b>\$ -</b>

**LANSING COMMUNITY COLLEGE**  
**COMBINING STATEMENT OF NET POSITION (Unaudited)**  
**JUNE 30, 2020**

	Combined Total	General Fund	Pension and OPEB Liabilities Fund	Designated Fund	Auxiliary Activities Funds	Expendable Restricted Funds	Plant Funds	Agency Funds
<b>Assets</b>								
<b>Current assets</b>								
Cash and cash equivalents	\$ 15,073,366	\$ 15,073,366	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Short-term investments	40,476,077	40,476,077	-	-	-	-	-	-
Property taxes receivable, net	798,349	798,349	-	-	-	-	-	-
State appropriations receivable	4,287,954	3,196,808	-	-	-	1,091,146	-	-
Accounts receivable, net	2,321,738	2,282,900	-	-	25,483	-	11,555	1,800
Federal and state grants receivable	1,656,135	-	-	-	-	1,656,135	-	-
Prepaid expenses and other assets	2,056,847	1,748,250	-	-	13,272	-	148,747	146,578
Due from (due to) other funds	-	(23,837,658)	-	707,401	2,402,150	(1,182,899)	20,312,942	1,598,064
Due from component unit	31,017	-	-	-	-	31,017	-	-
<b>Total current assets</b>	<b>66,701,483</b>	<b>39,738,092</b>	<b>-</b>	<b>707,401</b>	<b>2,440,905</b>	<b>1,595,399</b>	<b>20,473,244</b>	<b>1,746,442</b>
<b>Noncurrent assets</b>								
Restricted cash - unspent bond proceeds	75,984	-	-	-	-	-	75,984	-
Restricted short-term investments - unspent bond proceeds	32,438,581	-	-	-	-	-	32,438,581	-
Restricted long-term investments - unspent bond proceeds	18,917,682	-	-	-	-	-	18,917,682	-
Capital assets not being depreciated	18,134,237	-	-	-	-	-	18,134,237	-
Capital assets being depreciated, net	168,386,605	-	-	-	-	-	168,386,605	-
<b>Total noncurrent assets</b>	<b>237,953,089</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>237,953,089</b>	<b>-</b>
<b>Total assets</b>	<b>304,654,572</b>	<b>39,738,092</b>	<b>-</b>	<b>707,401</b>	<b>2,440,905</b>	<b>1,595,399</b>	<b>258,426,333</b>	<b>1,746,442</b>
<b>Deferred outflows of resources</b>								
Deferred charge on bond refunding	1,867,316	-	-	-	-	-	1,867,316	-
Deferred pension and OPEB amounts	60,577,120	-	60,577,120	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>62,444,436</b>	<b>-</b>	<b>60,577,120</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,867,316</b>	<b>-</b>
<b>Liabilities</b>								
<b>Current liabilities</b>								
Accounts payable	3,456,207	1,407,261	-	-	116,007	1,261,245	518,414	153,280
Accrued payroll and other compensation	7,260,510	6,358,134	-	-	-	-	-	902,376
Accrued vacation	2,332,902	2,332,902	-	-	-	-	-	-
Accrued interest payable	690,786	-	-	-	-	-	-	690,786
Unearned revenue	3,428,552	3,206,510	-	-	31,802	190,240	-	-
Current portion of debt obligations	4,345,000	-	-	-	-	-	4,345,000	-
<b>Total current liabilities</b>	<b>21,513,957</b>	<b>13,304,807</b>	<b>-</b>	<b>-</b>	<b>147,809</b>	<b>1,451,485</b>	<b>4,863,414</b>	<b>1,746,442</b>
<b>Noncurrent liabilities</b>								
Long-term debt obligations, net of current portion	107,942,173	-	-	-	-	-	107,942,173	-
Net pension liability	177,789,942	-	177,789,942	-	-	-	-	-
Net other postemployment benefits liability	37,657,910	-	37,657,910	-	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>323,390,025</b>	<b>-</b>	<b>215,447,852</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>107,942,173</b>	<b>-</b>
<b>Total liabilities</b>	<b>344,903,982</b>	<b>13,304,807</b>	<b>215,447,852</b>	<b>-</b>	<b>147,809</b>	<b>1,451,485</b>	<b>112,805,587</b>	<b>1,746,442</b>
<b>Deferred inflows of resources</b>								
Deferred pension and OPEB amounts	<b>33,204,445</b>	<b>-</b>	<b>33,204,445</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net (deficit) position</b>								
Net investment in capital assets	127,533,232	-	-	-	-	-	127,533,232	-
Restricted:								
Restricted fund activities	143,914	-	-	-	-	143,914	-	-
Unrestricted (deficit)	(138,686,565)	26,433,285	(188,075,177)	707,401	2,293,096	-	19,954,830	-
<b>Total net (deficit) position</b>	<b>\$ (11,009,419)</b>	<b>\$ 26,433,285</b>	<b>\$ (188,075,177)</b>	<b>\$ 707,401</b>	<b>\$ 2,293,096</b>	<b>\$ 143,914</b>	<b>\$ 147,488,062</b>	<b>\$ -</b>

**LANSING COMMUNITY COLLEGE**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, TRANSFERS AND CHANGES IN NET POSITION (Unaudited)**  
**YEAR ENDED JUNE 30, 2021**

	Combined Total	Eliminations	General Fund	Pension and OPEB Liabilities Fund	Designated Fund	Auxiliary Activities Funds	Expendable Restricted Funds	Plant Funds
<b>Operating revenues</b>								
Tuition and fees (net of scholarship allowances of \$15,316,483)	\$ 30,203,838	\$ (15,316,483)	\$ 43,512,395	\$ -	\$ -	\$ 1,115,390	\$ -	\$ 892,536
Federal grants and contracts	1,973,859	-	-	-	-	-	1,973,859	-
State grants and contracts	3,370,492	-	-	-	-	-	3,370,492	-
Local grants and contracts	5,681,392	-	2,514,940	-	-	-	3,166,452	-
Sales and services of educational activities	73	-	73	-	-	-	-	-
Sales and services of auxiliary activities	7,177	-	-	-	-	1,886	-	5,291
Job Training Programs	84,894	-	-	-	-	-	84,894	-
Miscellaneous	807,036	-	748,213	-	-	41,348	-	17,475
<b>Total operating revenues</b>	<b>42,128,761</b>	<b>(15,316,483)</b>	<b>46,775,621</b>	<b>-</b>	<b>-</b>	<b>1,158,624</b>	<b>8,595,697</b>	<b>915,302</b>
<b>Operating expenses</b>								
Instruction	33,160,622	-	32,854,355	(1,010,075)	-	-	1,316,342	-
Information technology	11,381,058	-	10,905,971	(200,010)	-	46,786	628,311	-
Public services	2,655,040	-	888,186	(49,481)	-	11,773	1,804,562	-
Instructional support	17,138,188	-	17,006,322	(518,340)	-	-	650,206	-
Student services	23,531,260	(15,316,483)	12,608,400	(331,967)	-	-	26,571,310	-
Institutional administration	20,723,534	-	13,813,801	(261,830)	-	10,852	7,160,711	-
Operation and maintenance of plant	15,083,537	-	11,398,553	(151,130)	-	487,619	1,147,003	2,201,492
Depreciation	9,979,246	-	-	-	-	-	-	9,979,246
<b>Total operating expenses</b>	<b>133,652,485</b>	<b>(15,316,483)</b>	<b>99,475,588</b>	<b>(2,522,833)</b>	<b>-</b>	<b>557,030</b>	<b>39,278,445</b>	<b>12,180,738</b>
<b>Operating (loss) income</b>	<b>(91,523,724)</b>	<b>-</b>	<b>(52,699,967)</b>	<b>2,522,833</b>	<b>-</b>	<b>601,594</b>	<b>(30,682,748)</b>	<b>(11,265,436)</b>
<b>Nonoperating revenues (expenses)</b>								
State appropriations	34,775,424	-	34,775,424	(6,857,803)	-	-	6,857,803	-
Property tax levy	44,956,559	-	44,956,559	-	-	-	-	-
Pell Grant revenue	10,693,117	-	-	-	-	-	10,693,117	-
Federal nonoperating grants - CARES Act	16,749,041	-	-	-	-	-	16,749,041	-
Investment return and other (losses) gains	(724,860)	-	326,094	-	-	-	-	(1,050,954)
Interest on capital asset - related debt	(4,119,115)	-	-	-	-	-	-	(4,119,115)
<b>Net nonoperating revenues (expenses)</b>	<b>102,330,166</b>	<b>-</b>	<b>80,058,077</b>	<b>(6,857,803)</b>	<b>-</b>	<b>-</b>	<b>34,299,961</b>	<b>(5,170,069)</b>
<b>Other revenues</b>								
Capital gifts	220,000	-	-	-	-	-	-	220,000
<b>Increase (decrease) in net position</b>	<b>11,026,442</b>	<b>-</b>	<b>27,358,110</b>	<b>(4,334,970)</b>	<b>-</b>	<b>601,594</b>	<b>3,617,212</b>	<b>(16,215,505)</b>
Transfers (out) in	-	-	(25,949,656)	-	5,903,137	(794,895)	(3,539,301)	24,380,715
<b>Change in net position</b>	<b>11,026,442</b>	<b>-</b>	<b>1,408,454</b>	<b>(4,334,970)</b>	<b>5,903,137</b>	<b>(193,301)</b>	<b>77,912</b>	<b>8,165,210</b>
Net (deficit) position, beginning of year	(11,009,419)	-	26,433,285	(188,075,177)	707,401	2,293,096	143,914	147,488,062
<b>Net position (deficit), end of year</b>	<b>\$ 17,023</b>	<b>\$ -</b>	<b>\$ 27,841,739</b>	<b>\$ (192,410,147)</b>	<b>\$ 6,610,538</b>	<b>\$ 2,099,795</b>	<b>\$ 221,826</b>	<b>\$ 155,653,272</b>

**LANSING COMMUNITY COLLEGE**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, TRANSFERS AND CHANGES IN NET POSITION (Unaudited)**  
**YEAR ENDED JUNE 30, 2020**

	Combined Total	Eliminations	General Fund	Pension and OPEB Liabilities Fund	Designated Fund	Auxiliary Activities Funds	Expendable Restricted Funds	Plant Funds
<b>Operating revenues</b>								
Tuition and fees (net of scholarship allowances of \$16,674,804)	\$ 30,728,261	\$ (16,674,804)	\$ 45,187,928	\$ -	\$ (3,950)	\$ 1,219,143	\$ -	\$ 999,944
Federal grants and contracts	2,267,357	-	-	-	-	-	2,267,357	-
State grants and contracts	2,070,538	-	-	-	-	-	2,070,538	-
Local grants and contracts	6,178,030	-	2,541,205	-	-	-	3,636,825	-
Sales and services of educational activities	54,123	-	52,506	-	-	-	-	1,617
Sales and services of auxiliary activities	623,643	-	-	-	-	623,643	-	-
Job Training Programs	214,296	-	-	-	-	-	214,296	-
Miscellaneous	1,005,797	-	870,362	-	-	45,349	-	90,086
<b>Total operating revenues</b>	<b>43,142,045</b>	<b>(16,674,804)</b>	<b>48,652,001</b>	<b>-</b>	<b>(3,950)</b>	<b>1,888,135</b>	<b>8,189,016</b>	<b>1,091,647</b>
<b>Operating expenses</b>								
Instruction	37,459,754	-	35,715,612	746,329	-	5,446	992,367	-
Information technology	13,574,193	-	11,524,861	105,602	91,587	(78,576)	9,613	1,921,106
Public services	2,560,771	-	1,050,120	19,200	-	27,827	1,463,624	-
Instructional support	20,207,931	-	19,347,291	322,710	65,915	6,271	465,744	-
Student services	17,222,229	(16,674,804)	13,838,919	161,247	-	7,414	19,889,453	-
Institutional administration	20,920,319	-	13,813,512	116,931	-	725,571	6,264,305	-
Operation and maintenance of plant	18,963,328	-	12,308,599	88,834	-	546,451	32,287	5,987,157
Depreciation	10,380,616	-	-	-	-	-	-	10,380,616
<b>Total operating expenses</b>	<b>141,289,141</b>	<b>(16,674,804)</b>	<b>107,598,914</b>	<b>1,560,853</b>	<b>157,502</b>	<b>1,240,404</b>	<b>29,117,393</b>	<b>18,288,879</b>
<b>Operating (loss) income</b>	<b>(98,147,096)</b>	<b>-</b>	<b>(58,946,913)</b>	<b>(1,560,853)</b>	<b>(161,452)</b>	<b>647,731</b>	<b>(20,928,377)</b>	<b>(17,197,232)</b>
<b>Nonoperating revenues (expenses)</b>								
State appropriations	29,950,889	-	31,082,585	(7,132,996)	-	-	6,001,300	-
Property tax levy	43,781,074	-	43,781,074	-	-	-	-	-
Pell Grant revenue	13,208,069	-	-	-	-	-	13,208,069	-
Federal nonoperating grants - CARES Act	1,775,621	-	-	-	-	-	1,775,621	-
Investment return and other gains	2,039,284	-	740,112	-	-	-	-	1,299,172
Interest on capital asset - related debt	(3,759,395)	-	-	-	-	-	-	(3,759,395)
<b>Net nonoperating revenues (expenses)</b>	<b>86,995,542</b>	<b>-</b>	<b>75,603,771</b>	<b>(7,132,996)</b>	<b>-</b>	<b>-</b>	<b>20,984,990</b>	<b>(2,460,223)</b>
<b>Increase (decrease) in net position</b>	<b>(11,151,554)</b>	<b>-</b>	<b>16,656,858</b>	<b>(8,693,849)</b>	<b>(161,452)</b>	<b>647,731</b>	<b>56,613</b>	<b>(19,657,455)</b>
Transfers (out) in	-	-	(14,397,856)	-	251,784	(842,120)	(158,702)	15,146,894
<b>Change in net position</b>	<b>(11,151,554)</b>	<b>-</b>	<b>2,259,002</b>	<b>(8,693,849)</b>	<b>90,332</b>	<b>(194,389)</b>	<b>(102,089)</b>	<b>(4,510,561)</b>
Net position (deficit), beginning of year	142,135	-	24,174,283	(179,381,328)	617,069	2,487,485	246,003	151,998,623
<b>Net position (deficit), end of year</b>	<b>\$ (11,009,419)</b>	<b>\$ -</b>	<b>\$ 26,433,285</b>	<b>\$ (188,075,177)</b>	<b>\$ 707,401</b>	<b>\$ 2,293,096</b>	<b>\$ 143,914</b>	<b>\$ 147,488,062</b>