Annual Comprehensive Financial Report

Fiscal Years Ended
June 30, 2022 and June 30, 2021

LANSING COMMUNITY COLLEGE LANSING, MICHIGAN

LANSING COMMUNITY COLLEGE

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LANSING COMMUNITY COLLEGE
Lansing, Michigan

ANNUAL COMPREHENSIVE FINANCIAL REPORT
Fiscal Years Ended June 30, 2022 and June 30, 2021

Prepared by:
Financial Services Division

Donald L. Wilske
Chief Financial Officer

Megan L. Garrett
Controller

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LANSING COMMUNITY COLLEGE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021

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ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021

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LANSING COMMUNITY COLLEGE
Where Success Begins

Introductory Section

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October 10, 2022

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

The Annual Comprehensive Financial Report of Lansing Community College (the "College") for the fiscal years ended June 30, 2022 and June 30, 2021, 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 are accurate in all material respects and are reported in a manner designed to present fairly the net position and changes in net position of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities in relation to its mission have been included.

Rehmann Robson LLC, Certified Public Accountants, have issued an unmodified (clean) opinion on Lansing Community College's financial statements for the years ended June 30, 2022 and 2021. 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 Annual Comprehensive Financial Report, we continue to exercise fiscal prudence, to maintain a healthy financial condition and to protect tax dollars in the use of available resources while maintaining our commitment to academic excellence.

The Strategic Plan 2021-2024 includes six key focus areas: Engaged Learning and Student Success; Leadership, Culture and Communication; Diversity, Equity and Inclusion; Community Engagement; Competitiveness and Innovation; and Resource Management and Fiscal Responsibility. 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 the College an excellent place for higher education. Lansing Community College ~ "*Where Success Begins*".

PROFILE OF THE COLLEGE

The College is a major urban community college, situated on 48 acres, in a nine-city block area in downtown Lansing, Michigan. Founded in 1957, the College is now the seventh largest community college in the state of Michigan. The College currently enrolls more than 14,500 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 220 degree and certificate programs and over 900 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.

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:

Enrollment	FALL 2021	FALL 2020	FALL 2019	FALL 2018	FALL 2017
College (unduplicated head count)	10,303	10,306	11,673	11,771	12,882
Full-time Equivalents	5,600	5,783	6,674	6,804	7,461
Total Credit Hours	92,142	93,116	106,100	107,257	117,655

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.

	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
In-District Tuition Rate (per billing hour)	$114	$111	$108	$105	$103
In-District Tuition Increase (per billing hour)	$3	$3	$3	$2	$4

With tuition and fees accounting for 32.8% 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 2023 $114 in-district per billing hour rate well below the state average rate of community college in-district tuition of $128. 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 will remain at 3.7692 mils in 2022 and will impact the College's property tax revenue for FY 2023. The state average for all community colleges was 2.3511 mils in fiscal year 2021.

Capital Projects

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 were 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 designated financial resources for the new long-term debt obligation of $67,392,000. The project was substantially completed at the beginning of the Fall 2022 semester.

The pandemic has altered how the College teaches and works. Due to this impact, the College began reviewing and updating its Campus Master Plan to determine the future direction of how existing facilities are utilized. This revised Campus Master Plan will identify potential future capital projects.

COVID-19 PANDEMIC

As with all of higher education and the United States as a whole, the 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. The EOC continues to monitor the pandemic and its ongoing impact on College's operations. As of the 2021 Fall semester there has been a gradual return to on-campus operations as appropriate.

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.

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. 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 2022, payroll employment in Michigan was up 805,000 jobs from the April 2020 trough, but was still 2.7% below the level in February 2020 and roughly on par with the level in April 2016.

Forecast Summary

Both the US and Michigan economies are expected to exhibit growth in 2022, 2023, and 2024, although the rate of growth will slow over the forecast and Michigan generally is expected to grow more slowly than the nation as a whole.

While employment gains are expected to be strong in 2022, employment growth will slow in 2023 and 2024. During 2023 and 2024, consumer demand is likely to grow much more rapidly than productivity, which will limit employment gains. Furthermore, business investment is expected to continue to focus on equipment and software, which generally replace labor with capital, and build upon new modes of goods and service delivery developed in response to COVID-19-related restraints. The Michigan unemployment rate, which averaged 10.0% in 2020 and 5.9% in 2021, is expected to decline to 4.5% in 2022, where it will remain fairly stable, averaging 4.7% in 2023 and 4.5% in 2024.

Prospects for the Future

State of Michigan FY 2021-22 Revised Revenue Estimate

- General Fund/General Purpose (GF/GP) and School Aid Fund (SAF) revenue is expected to total $31.4 billion in FY 2021-22. The revised estimate of FY 2021-22 is up 7.9%, or $2.3 million, from final revenue for FY 2020-21. The revised estimate for FY 2021-22 is $2.8 million above the January 2022 consensus revenue estimate. The revenue increase in FY 2021-22 primarily reflects Michigan economic activity growing with a significant boost from rescue and stimulus measures at the Federal level.

State of Michigan FY 2022-23 Revised Revenue Estimate

- GF/GP and SAF revenue is expected to total over $30.3 billion in FY 2022-23. The revised estimate for FY 2022-23 is 3.6%, or $1.1 million less than the revised estimate for FY 2021-22. The revised estimate for FY 2022-23 is $1.1 million above the January 2022 consensus revenue estimate. The revenue decrease in FY 2022-23 reflects reduced economic activity as the boost from Federal rescue and stimulus measures wanes.

State of Michigan FY 2023-24 Revised Revenue Estimate

- GF/GP and SAF revenue is expected to total $30.9 billion in FY 2023-24. The revised estimate for FY 2023-24 is up 2.3%, or $685 million from the revised estimate for FY 2022-23. The revised estimate for FY 2023-24 is $1.1 million above the January 2022 consensus revenue estimate. The revenue increase in FY 2023-24 reflects increased economic activity, mostly reflected in increased individual income and sales taxes.

Source: MICHIGAN'S ECONOMIC OUTLOOK AND BUDGET REVIEW - FY 2021-22, FY 2022-23, and FY 2023-24 May 17, 2022 Senate Fiscal Agency, State of Michigan

OTHER INFORMATION

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the College for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The College has received a Certificate of Achievement for thirteen consecutive years. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The College has submitted to receive the Award for Outstanding Achievement in Popular Annual Financial Reporting from the GFOA for the fiscal year ended June 30, 2021, and is currently waiting to see if the award will be granted. The GFOA established the Popular Annual Financial Reporting Awards Program to encourage and assist state and local governments to extract information from their annual comprehensive financial report to produce high quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance and then to recognize individual governments that are successful in achieving that goal. The College has received this award for ten consecutive years, and if awarded, the fiscal year 2021 report will mark eleven consecutive years the award has been received.

The College's Purchasing Department is the recipient of the 2022 Annual Achievement of Excellence in Procurement Award. The College has received the award for twenty consecutive years. The award criteria are designed to measure public procurement best practices in innovation, professionalism, e-procurement, productivity and leadership.

Independent Audit

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

Acknowledgments

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

Respectfully submitted,

Donald L. Wilske
Chief Financial Officer

LANSING COMMUNITY COLLEGE

PRINCIPAL OFFICIALS

OFFICERS OF THE COLLEGE

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

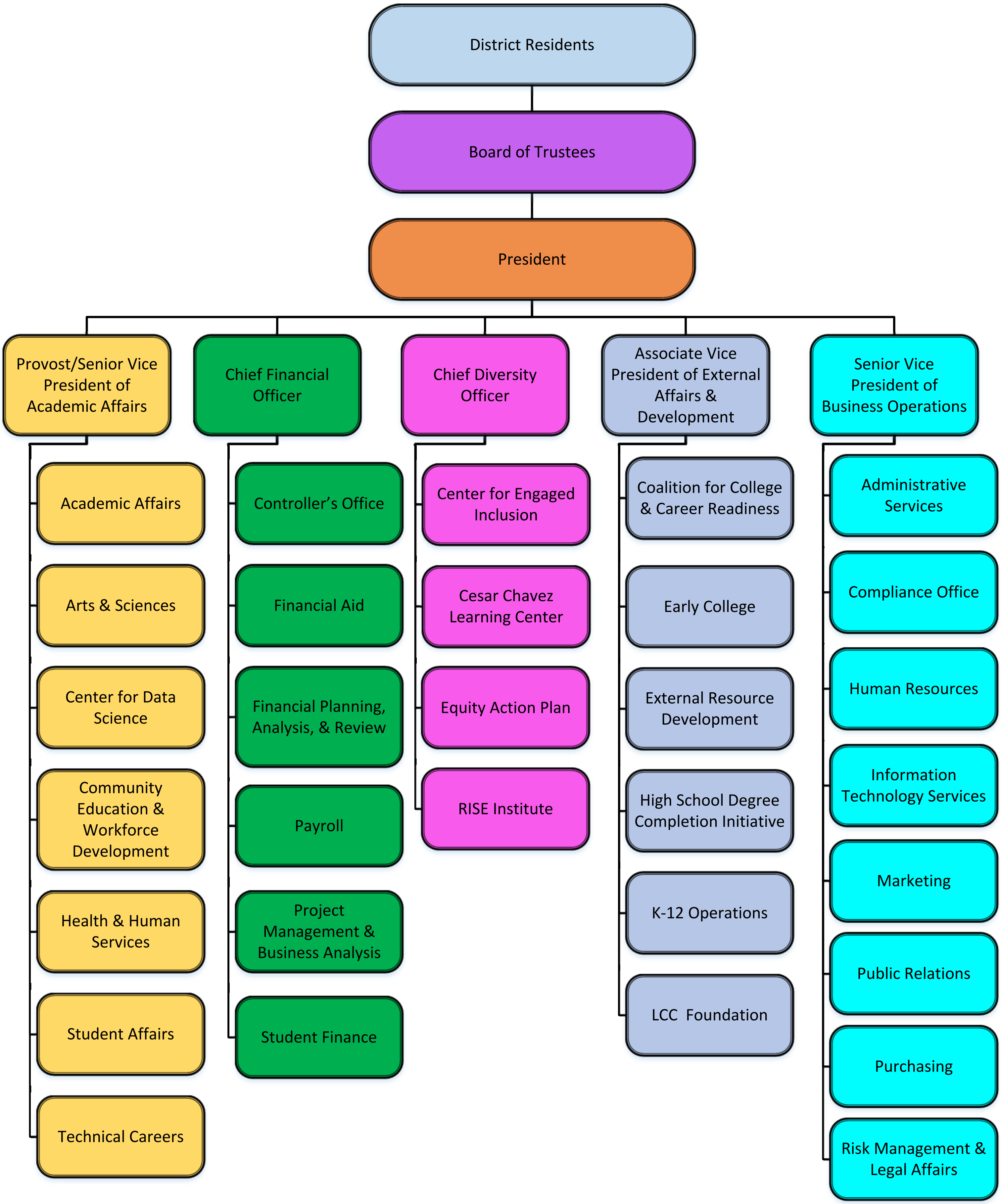
OFFICIALS ISSUING REPORT

Officer	Position
Donald L. Wilske	Chief Financial Officer
Megan L. Garrett	Controller

DIVISION ISSUING REPORT

Financial Services Division

LANSING COMMUNITY COLLEGE



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lansing Community College
Michigan

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

Lansing Community College
Where Success Begins

Financial Section

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INDEPENDENT AUDITORS' REPORT

October 10, 2022

Board of Trustees
Lansing Community College
Lansing, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities, and the discretely presented component unit of ***Lansing Community College*** (the "College"), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College, as of June 30, 2022 and 2021, and the respective changes in financial position, and where applicable, cash flows thereof, for the years then ended in comformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Implementation of GASB Statement No. 87

As described in Notes 1 and 11, in fiscal 2022 the College implemented the provisions of GASB Statement No. 87, *Leases,* effective July 1, 2020. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Independent Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards,* we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory, statistical and special reports sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued, under separate cover, our report dated October 10, 2022, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Rehmann Robson LLC

LANSING COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2022 AND 2021

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, 2022 and 2021. Management has prepared the fiscal year 2022 and 2021 financial statements and the related footnote disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the College's management.

Using this Report

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

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

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

Component Unit

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

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

Financial Highlights

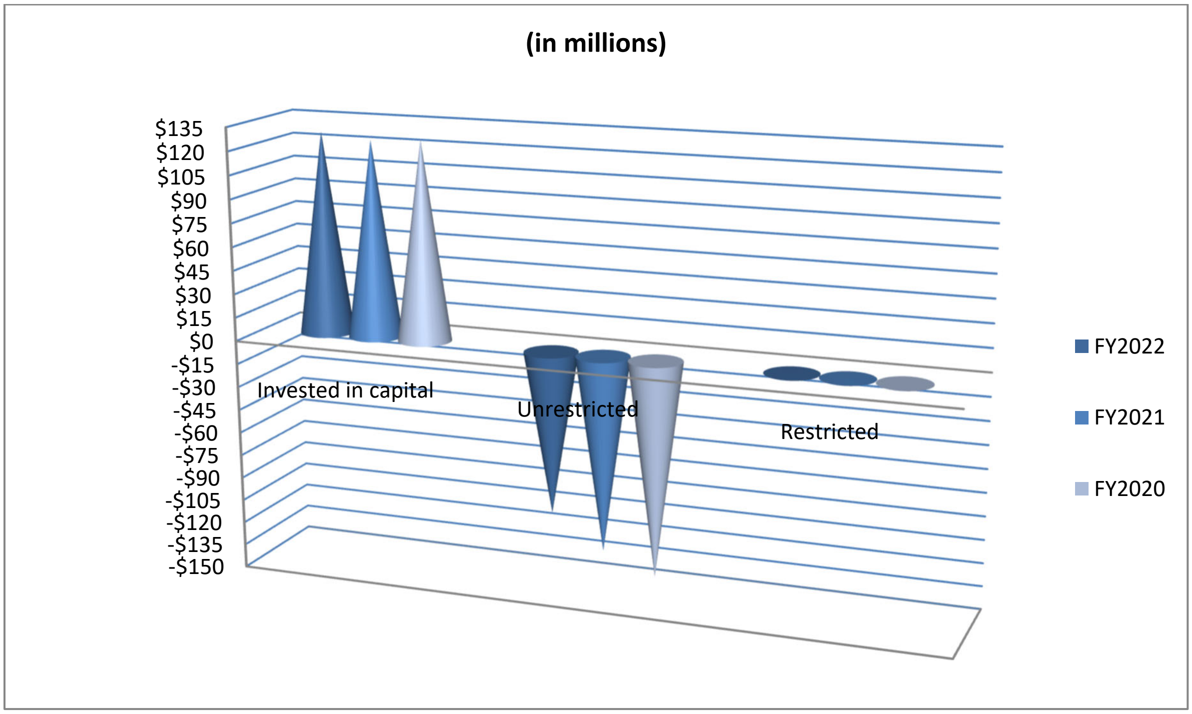
The College's financial position increased during the fiscal year ended June 30, 2022, with an $24.8 million increase in total net position. The College's total assets increased $2.1 million which is attributed to an increase in short-term investments due to reorganizing the investment portfolio as a result of changing market rates; an increase in capital assets from equipment purchases and construction in progress on the parking ramp bond project which is offset by a decrease in restricted short-term investments from unspent bond proceeds. Deferred outflows of resources and deferred inflows of resources decreased $15.9 million and increased $48.2 million, respectively, due to the necessary adjustments to the deferred pension and OPEB amounts for the College's portion of the Michigan Public School Employees Retirement System; and by an increase in the amortization of the deferred charge on refunding.

The College's total liabilities decreased $86.9 million due to the decrease in the net pension and OPEB liabilities of $78.9 million and a $9.2 million decrease in debt obligations offset by an increase of $1.2 million in other liabilities. The major categories of net position changed, as shown in the graph below. Total net position increased by $24.8 million, net position invested in capital assets increased by $3.6 million as a result of an increase of capital assets offset by expending bond proceeds on the capital assets and by payments of long-term debt. This was offset by an increase in unrestricted net position of $21.2 million, from ($125.5) million to ($104.3) million due to results of decreased operating expenses; increased non-operating revenues due to a supplemental State of Michigan appropriation and reduced interest on related debt due to a bond refunding issued in 2022; and, the recording of the College's share of the Michigan Public School Employees Retirement System (MPSERS) 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 provisions of GASB 68 and 75 continues to impact total net position, it did not have any impact on the College's cash flows or operating budgets.

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 $15.4 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.

As of June 30, 2021, the College's total liabilities decreased $12.4 million due to the decrease in the net pension and OPEB liabilities of $12.1 million and a $3.2 million decrease in debt obligations 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 expending bond proceeds on the capital assets offset by the payment of long-term debt. This was offset by an increase in unrestricted net position of $13.2 million, from ($138.7) million 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 (MPSERS) 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:

	2022	2021	Increase (Decrease) 2022-2021	2020	Increase (Decrease) 2021-2020
Current and other assets	$ 110.1	$ 123.1	$ (13.0)	$ 118.1	$ 5.0
Capital and lease assets, net of depreciation and amortization	212.0	196.9	15.1	186.5	10.4
Total assets	322.1	320.0	2.1	304.6	15.4
Deferred outflows of resources	33.9	49.8	(15.9)	62.4	(12.6)
Other liabilities	21.3	20.1	1.2	17.2	2.9
Debt obligations	99.9	109.1	(9.2)	112.3	(3.2)
Net pension and OPEB liabilities	124.4	203.3	(78.9)	215.4	(12.1)
Total liabilities	245.6	332.5	(86.9)	344.9	(12.4)
Deferred inflows of resources	85.5	37.3	48.2	33.2	4.1
Net (deficit) position					
Net investment in capital assets	128.9	125.3	3.6	127.5	(2.2)
Restricted	0.2	0.2	-	0.1	0.1
Unrestricted	(104.3)	(125.5)	21.2	(138.7)	13.2
Total net (deficit) position	$ 24.8	$ -	$ 24.8	$ (11.1)	$ 11.1

Fiscal Year 2022 Compared to 2021

The College decreased its current and other assets by $13.0 million primarily due to spending the restricted short-term investments from the parking ramp bond proceeds. Capital assets, net of depreciation increased $15.1 million due to the purchase of equipment and the construction in progress related to approved capital projects. Other liabilities increased $1.2 million as result of invoices due related to construction of the Gannon parking ramp. Debt obligations decreased by $9.2 million due to principal payments made on outstanding bond issues along with the 2022 refunding bond on the 2012 debt obligation. The College's overall net position increased by $24.8 million. This is due to a number of factors as discussed above in the *Financial Highlights* section.

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 $10.4 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 $3.2 million due to principal payments on outstanding bond issues. The College overall net position increased by $11.1 million. This is due to a number of factors as discussed above in the *Financial Highlights* section.

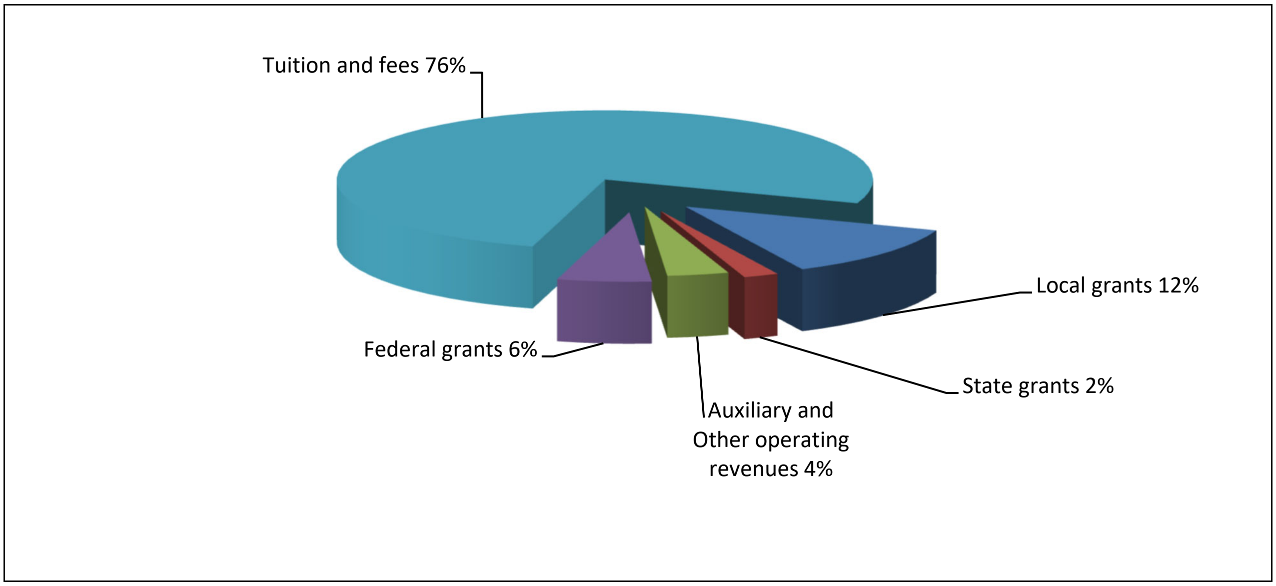
Operating Results *(in millions)* for the Years Ended June 30:

	2022	2021	Increase (Decrease) 2022-2021	2020	Increase (Decrease) 2021-2020
Operating revenues:					
Tuition and fees (net of scholarship allowances)	$ 32.0	$ 30.2	$ 1.8	$ 30.7	$ (0.5)
Federal grants and contracts	2.4	1.9	0.5	2.3	(0.4)
State grants and contracts	0.9	1.9	(1.0)	2.0	(0.1)
Local grants and contracts	5.1	5.7	(0.6)	6.2	(0.5)
Sales and services of educational activities	-	-	-	0.1	(0.1)
Sales and services of auxiliary activities	0.1	-	0.1	0.6	(0.6)
Job training programs	0.4	0.1	0.3	0.2	(0.1)
Miscellaneous	1.0	0.8	0.2	1.0	(0.2)
Total operating revenues	41.9	40.6	1.3	43.1	(2.5)
Operating expenses:					
Instruction	27.5	33.2	(5.7)	37.4	(4.2)
Information Technology	12.2	11.4	0.8	13.6	(2.2)
Public services	1.7	2.6	(0.9)	2.6	-
Instructional support	14.7	17.1	(2.4)	20.2	(3.1)
Student services	26.7	22.0	4.7	17.2	4.8
Institutional administration	19.9	20.7	(0.8)	20.9	(0.2)
Operation and maintenance of plant	10.7	14.7	(4.0)	18.9	(4.2)
Depreciation and amortization	10.2	10.4	(0.2)	10.4	-
Total operating expenses	123.6	132.1	(8.5)	141.2	(9.1)
Operating loss	(81.7)	(91.5)	9.8	(98.1)	6.6
Nonoperating revenues (expenses):					
State appropriations	36.4	34.8	1.6	30.0	4.8
Property tax levy	46.3	44.9	1.4	43.8	1.1
Pell Grant revenue	10.9	10.7	0.2	13.2	(2.5)
Federal nonoperating grants - CARES/HEERF	16.0	16.7	(0.7)	1.7	15.0
Other nonoperating expenses - net	(3.2)	(4.8)	1.6	(1.7)	(3.1)
Net nonoperating revenues	106.4	102.3	4.1	87.0	15.3
Change in net position before other revenues	24.7	10.8	13.9	(11.1)	21.9
Other revenues:					
Capital gifts	0.1	0.2	(0.1)	-	0.2
Total other revenues	0.1	0.2	(0.1)	-	0.2
Change in net position	24.8	11.0	13.8	(11.1)	22.1
Net position - beginning of year	-	(11.0)	11.0	0.1	(11.1)
Net position- end of year	$ 24.8	$ -	$ 24.8	$ (11.0)	$ 11.0

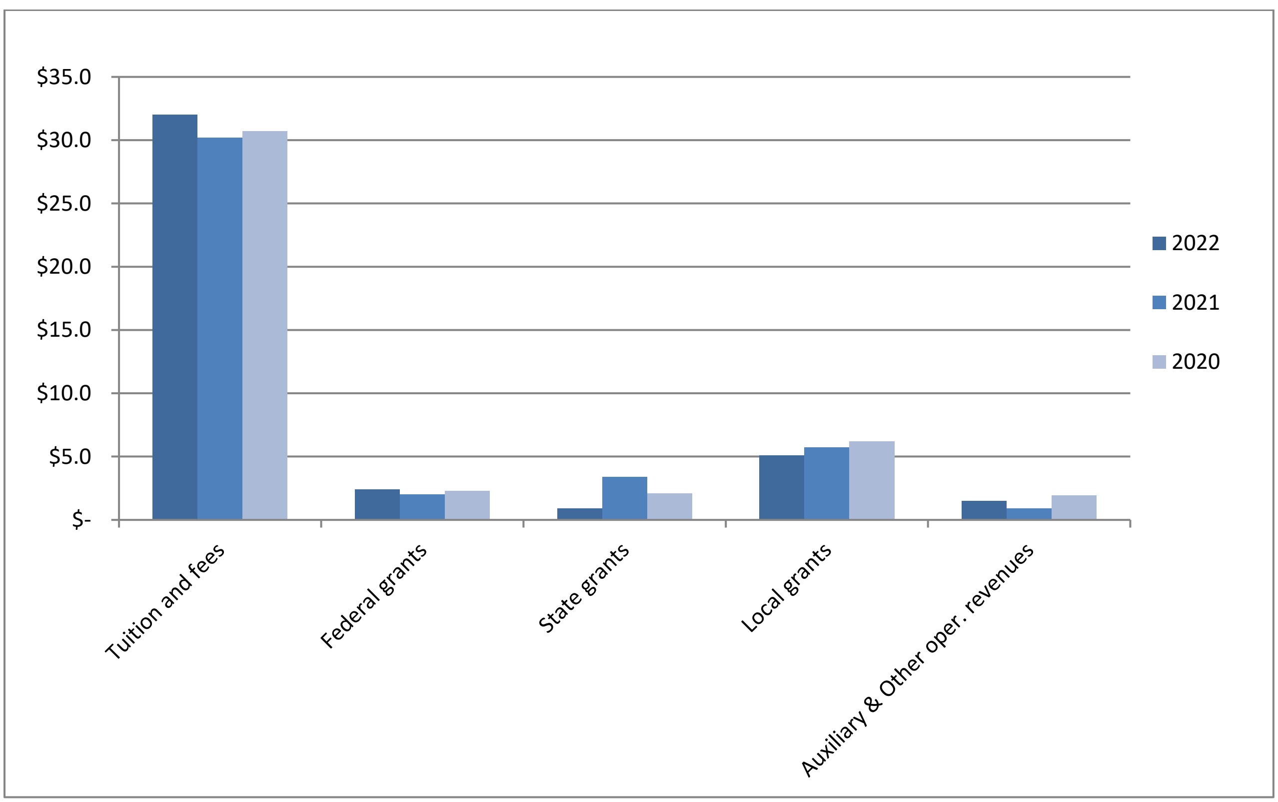
Operating Revenues

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.

2022 Operating Revenues by Source



2022, 2021, 2020 Operating Revenues by Source *(in millions)*



Fiscal Year 2022 Compared to 2021
Operating revenue increased $1.3 million as the result of the following factors:

- Tuition and fee revenue increased by $1.8 million. The increase is due to the increase in per billing hour tuition increase in fiscal year 2022 which offset a decrease in enrollment.
- Federal grants increased by $0.5 million due to higher Federal Supplemental Opportunity Grants in fiscal year 2022.
- State and Local grants decreased $1.0 and $0.6 million, respectively. State grants decreased primarily due to a decrease in activity in the Early College and High School Diploma Completion Initiative programs. Local grants decreased due primarily to decreases in promise and external scholarships as well as private personal loans for students.
- Sales of auxiliary activities and Job training programs increased $0.1 and $0.3 million, respectively, due to resuming conference services on campus after the pandemic and the ability to provide training programs for companies under the Michigan New Jobs Training Program. Other operating revenue increased by $0.2 million due to the return to campus of previous programs that were in suspense during the fully remote pandemic months.

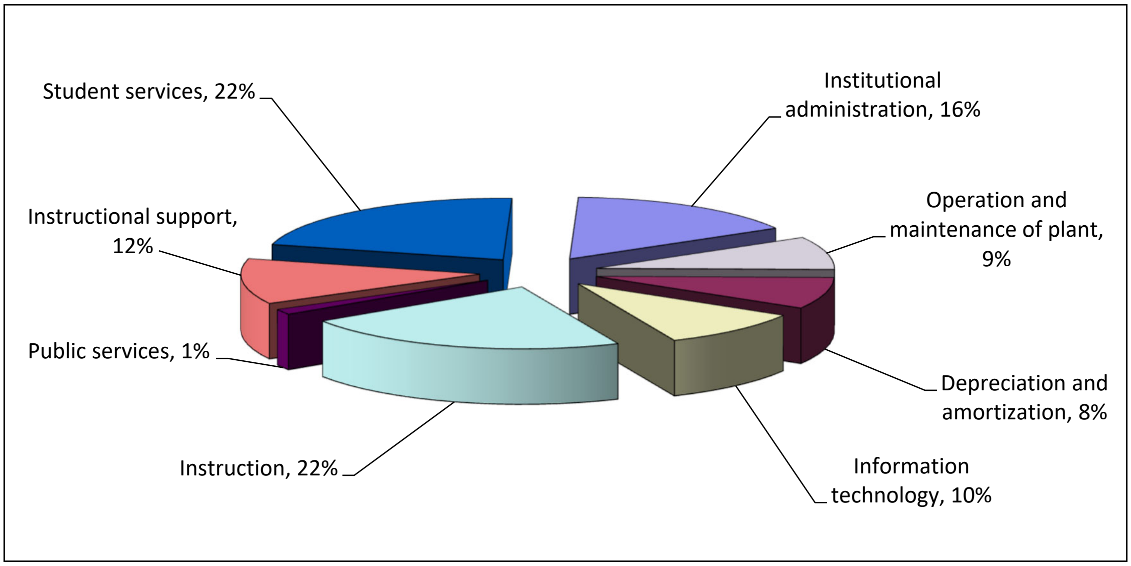
Fiscal Year 2021 Compared to 2020
Operating revenue decreased $2.5 million as the result of the following factors:

- Tuition and fee revenue decreased by $0.5 million. The decrease is due to a decline in enrollment.
- Federal and Local grants decreased $0.4 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. Other operating revenue decreased $0.2 million due to the closure of certain campus programs due to the pandemic.

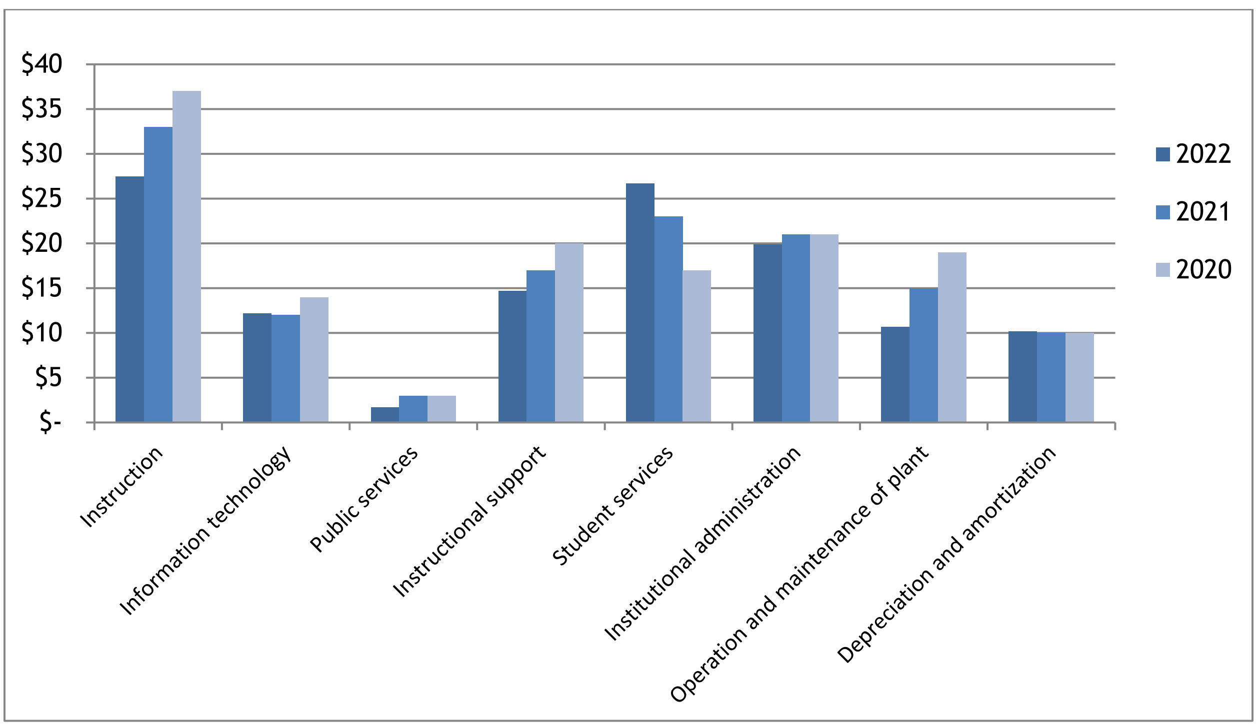
Operating Expenses

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

2022 Operating Expenses



2022, 2021, 2020 Operating Expenses by Function *(in millions)*



Fiscal Year 2022 Compared to 2021

Total operating expenses decreased $8.5 million primarily as a result of the following factors:

- Decreases of $5.7 million and $2.4 million in instruction and instructional support, respectively, 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.
- Increases of $4.7 million in student services due to an increase in HEERF student grants awarded and increase in wages and benefits due to the increase of employees and students return to campus.
- Decreases of $0.9 million in public services operating expenses due to reduced activity in the Early College and High School Diploma Completion Initiative programs.
- Decreases of $4.0 million in operation and maintenance of plant primarily due to HEERF funds available for certain purchases, delays in projects due to supply chain issues, and savings on the 2012 bond refunding.

Fiscal Year 2021 Compared to 2020

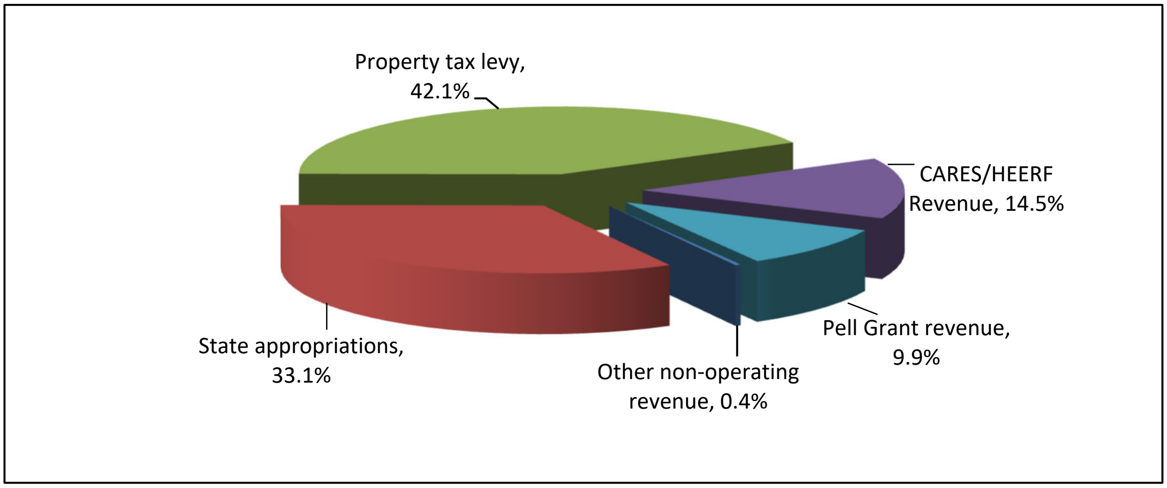
Total operating expenses decreased $9.1 million primarily as a result of the following factors:

- Decreases of $8.7 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 $5.4 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.

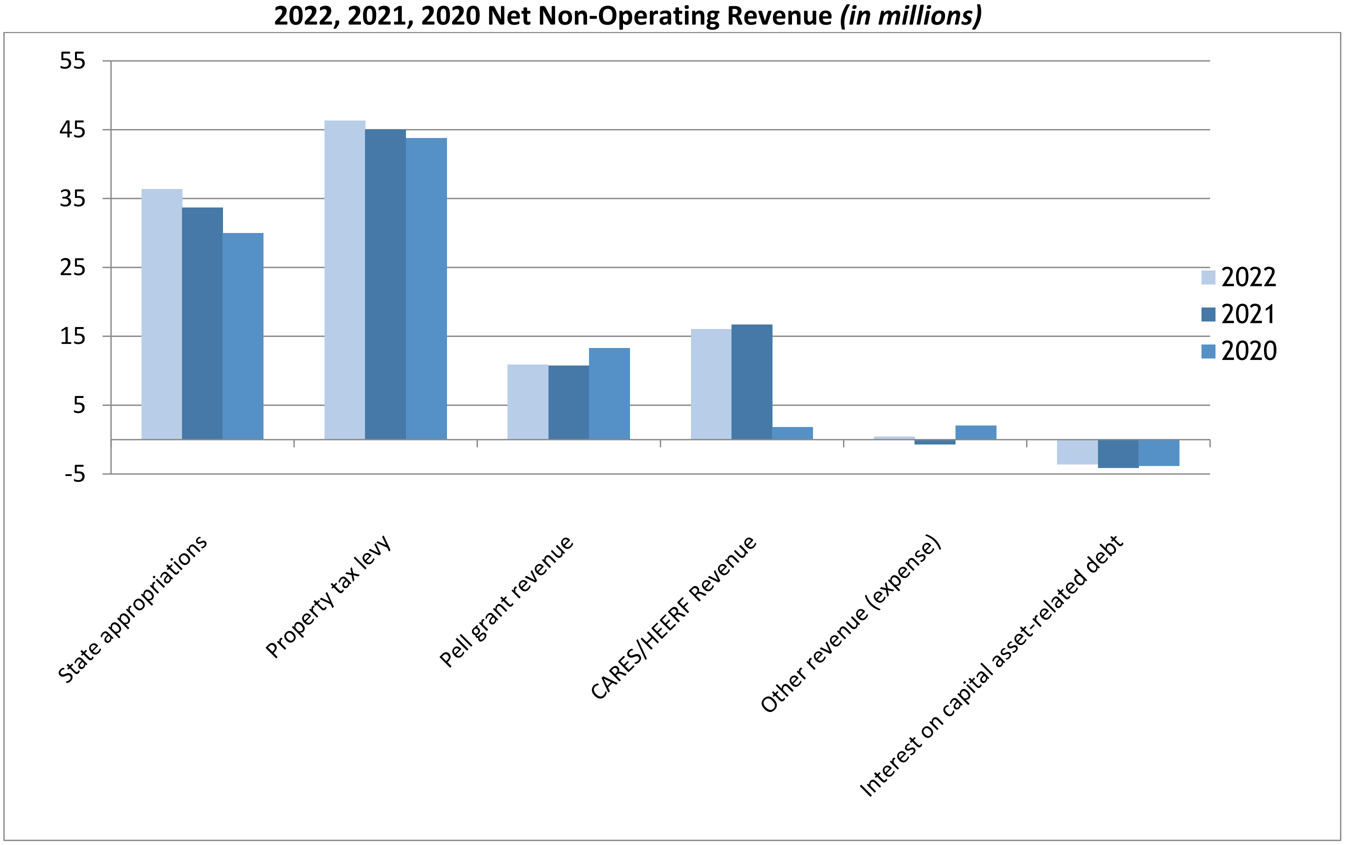
Non-Operating Revenues

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

2022 Non-Operating & Other Revenue



2022, 2021, 2020 Net Non-Operating Revenue *(in millions)*



Fiscal Year 2022 Compared to 2021

Total net non-operating revenues increased $4.1 million. This increase was primarily due to increased State Appropriations of $1.6 million as a result of a supplemental State of Michigan appropriation issued at the end of the State's fiscal year, and an increase in Property Tax Levy of $1.4 million due to increased taxable values. A slight increase of $0.2 million in Pell grants and increases overall of $1.6 million in investment returns and reductions of interest on capital asset-related debt due to a 2022 bond refunding issue.

Fiscal Year 2021 Compared to 2020

Total net non-operating 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 $1.1 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. These increases were offset by decreases of $2.5 million in Pell Grant revenue due to lower enrollment; $3.1 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.

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:

	2022	2021	Increase (Decrease) 2022-2021	2020	Increase (Decrease) 2021-2020
Cash provided (used) by:					
Operating activities	$ (89.9)	$ (75.3)	$ (14.6)	$ (78.4)	$ 3.1
Noncapital financing activities	109.4	104.2	5.2	91.5	12.7
Capital and related financing activities	(33.3)	(28.2)	(5.1)	32.3	(60.5)
Investing activities	4.1	9.1	(5.0)	(48.4)	57.5
Net increase (decrease) in cash	(9.7)	9.8	(19.5)	(2.9)	12.7
Cash, beginning of year	24.9	15.1	9.8	18.1	(3.0)
Cash, end of year	$ 15.2	$ 24.9	$ (9.7)	$ 15.1	$ 9.8

Fiscal Year 2022 Compared to 2021

The College's cash and cash equivalents decreased by $9.7 million during 2022 due to a number of offsetting factors in each of the following 4 categories:

- Operating activities used $14.6 million more primarily due to increased payments to employees as in person campus activities resumed after the pandemic along with the impact of the entries related to Pension and OPEB Liabilities.

- Noncapital financing activities increased $5.2 million due to increases in property taxes of $1.3 million and $4.6 million in State Appropriations which are offset by decreases in federal HEERF Act funds of $0.7 million.

- Capital and Related Financing Activities used $5.1 million more primarily due to an increase of $5.8 million in the purchase of capital assets related to the bond funded building projects for the parking facilities which is offset by reduced interest paid on capital debt due to a bond refunding in 2022.

- Investing Activities provided $5.0 million less due to investing activities throughout the year that resulted in sale and maturities of investments of $56.8 million more coupled with $61.8 million more in purchase of investments.

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 $3.1 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 $12.7 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 $60.5 million more due to the prior year receiving proceeds $44.7 million from the October 2020 bond issuance coupled with an increase of $15.8 million in purchase of capital assets, $13.5 million of which was 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 $16.6 million less in purchase of investments.

Capital Assets and Debt Administration

Capital Assets at Net Book Value as of June 30, 2022, 2021, and 2020 are shown below (in millions):

	2022	2021	Increase (Decrease) 2022-2021	2020	Increase (Decrease) 2021-2020
Land	$ 15.1	$ 15.1	$ -	$ 15.1	$ -
Buildings and improvements	242.3	241.7	0.6	251.0	(9.3)
Furniture, fixtures and equipment	100.0	98.0	2.0	95.0	3.0
Infrastructure and land improvements	5.3	5.2	0.1	5.2	-
Construction in progress	32.8	10.7	22.1	3.0	7.7
Total capital assets	395.5	370.7	24.8	369.3	1.4
Less accumulated depreciation	185.1	175.9	9.2	182.8	(6.9)
Capital assets, net	**$ 210.4**	**$ 194.8**	**$ 15.6**	**$ 186.5**	**$ 8.3**

Fiscal Year 2022 Compared to 2021

As of June 30, 2022, the College had $395.5 million invested in capital assets, net of accumulated depreciation of $185.1 million, resulting in $210.4 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 2022 fiscal year is $15.6 million. Annual depreciation for fiscal 2022 was $9.8 million, which was offset by additions of $25.3 million primarily due to the construction of the Gannon parking ramp of which was $20.8 million, $2.9 million in HVAC upgrades, and $1.0 million in instructional equipment.

Fiscal Year 2021 Compared to 2020

As of June 30, 2021, the College had $370.7 million invested in capital assets, net of accumulated depreciation of $175.9 million, resulting in $194.8 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 $8.3 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 ($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.

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. For detailed information of lease assets activity, refer to Note 11, Leases, within the notes to the financial statements section of this document.

Long-Term Debt Obligations as of June 30, 2022, 2021, and 2020 are shown below (in millions):

	2022	2021	Increase (Decrease) 2022-2021	2020	Increase (Decrease) 2021-2020
2012 building & site bonds (including premium)	$ -	$ 25.7	$ (25.7)	$ 27.9	$ (2.2)
2015 refunding bonds	3.3	4.0	(0.7)	4.7	(0.7)
2016 refunding bonds	3.4	4.3	(0.9)	5.1	(0.8)
2017 building & site bonds (including premium)	28.8	29.5	(0.7)	30.1	(0.6)
2019 building & site bonds (including premium)	42.8	43.6	(0.8)	44.4	(0.8)
2022 refunding bonds	20.1	-	20.1	-	-
Total long-term debt	98.4	107.1	(8.7)	112.2	(5.1)
Less current portion of long-term debt	(5.0)	(4.5)	(0.5)	(4.3)	(0.2)
Long-term debt, net of current portion	$ 93.4	$ 102.6	$ (9.2)	$ 107.9	$ (5.3)

At fiscal year-end in 2022, the College had $98.4 million in outstanding debt which included five outstanding bond issues. In February 2022, the College issued $20.1 million in bonds to pay off the 2012 bond issue. The 2022 refunding bonds will be paid off in May 2032. In October 2019, the College issued new building and site bonds. The 2019 bond will be paid off in May 2049. The December 2017 bond issue refunded a portion of the 2012 bonds and included new funding for approved capital projects. The 2017 bond will be paid off in May 2037. The 2015 refunding bonds issued in May 2016 were to pay off the 2006 bond issue. The 2016 refunding bonds issued in May 2017 were to pay off the 2007 bond issue. Both the 2015 and 2016 refunding bonds will be paid off in May 2026.

For more detailed information on debt activity, refer to Note 6, Long-term Liabilities within the notes to financial statements section of this document. For detailed information on lease obligations, refer to Note 11, Leases, within the notes to financial statements section of this document.

Economic Factors That Will Affect the Future

In fiscal year 2002, Lansing Community College received more than $32 million in state appropriations. Since that time, Michigan community colleges have experienced a continued decrease in state appropriations until fiscal year 2013. Beginning in fiscal year 2013, appropriations to community colleges began to increase. The amount received from the State of Michigan for community college operating appropriations in fiscal year 2022 was $33.2 million. In addition, the State appropriated a one-time supplemental support payment of $1.3 million during fiscal year 2022. 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 has significantly impacted the way the College teaches and works. A return to campus by students and employees began in Fall 2021 with more face-to-face classes and student support services provided, however current year enrollment decreased approximately 3% from the previous year. The pandemic has altered the historical higher education relationship between the economy and college enrollment, especially in community colleges. The College continues to actively monitor its enrollment levels and develop new strategies to increase enrollment.

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 in 2022 will be strong, but are expected to slow in 2023 and 2024. Consumer demand is likely to grow more rapidly than productivity which will limit employment gains. The Michigan unemployment rate averaged 10.0% during 2020, then declined to 5.9% in 2021. It is forecasted to decrease to 4.5% in 2022, 4.7% in 2023 and 4.5% in 2024.

Property tax revenue to the College increased again in 2022. The impact of higher taxable values was offset by the reduction in property tax levy per $1,000 of taxable valuation from 3.7777 to 3.7692 mils in FY 2022. 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 with a slight increase in the subsequent fiscal year with continued increases in property values. Community colleges are currently receiving personal property tax replacement disbursements from the State's Local Community Stabilization Authority. The College received $410 thousand in fiscal year 2022 as compared to $303 thousand in fiscal year 2021.

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, 2022 and 2021 as a percentage of payroll ranged from 35.47 to 43.28 and 33.37 to 41.86 percent, respectively. The rates for the upcoming fiscal year range from 36.01 to 44.08 percent.

The College budgets approximately $45.8 million in salaries and wages for General Fund employees who participate in MPSERS, therefore, each 1% increase in contribution rate equates to approximately $458,000 more in retirement contribution costs.

The College anticipates an increase in benefit costs in Fiscal Year 2023 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.

STATEMENTS OF NET POSITION
JUNE 30, 2022 AND JUNE 30, 2021

	Primary Government Lansing Community College 2022	Primary Government Lansing Community College 2021	Component Unit Lansing Community College Foundation 2022	Component Unit Lansing Community College Foundation 2021
Assets				
Current assets				
Cash and cash equivalents	$ 15,193,993	$ 24,920,161	$ 529,492	$ 253,716
Short-term investments	64,247,685	47,329,813	257,343	492,606
Property taxes receivable, net	804,116	697,915	-	-
State appropriations receivable	7,548,152	7,426,421	-	-
Accounts receivable, net	1,707,239	1,223,728	-	-
Federal and state grants receivable	3,216,088	3,020,101	-	-
Prepaid expenses and other assets	2,320,230	2,641,304	23,066	22,466
Promises to give	-	-	305,000	5,000
Due from component unit	26,583	4,688	-	-
Total current assets	**95,064,086**	**87,264,131**	**1,114,901**	**773,788**
Noncurrent assets				
Restricted short-term investments - unspent bond proceeds	15,063,110	33,840,908	-	-
Restricted long-term investments - unpsent bond proceeds	-	1,982,077	-	-
Promises to give, net of current portion	-	-	10,000	15,000
Long-term investments	-	-	16,351,314	18,131,520
Lease assets being amortized, net	1,531,130	1,936,247	-	-
Capital assets not being depreciated	47,973,177	25,846,278	-	-
Capital assets being depreciated, net	162,460,458	169,137,696	-	-
Total noncurrent assets	**227,027,875**	**232,743,206**	**16,361,314**	**18,146,520**
Total assets	**322,091,961**	**320,007,337**	**17,476,215**	**18,920,308**
Deferred outflows of resources				
Deferred charge on refunding	1,818,836	1,650,664	-	-
Deferred pension and OPEB amounts (Note 7)	32,081,158	48,160,423	-	-
Total deferred outflows of resources	**33,899,994**	**49,811,087**	**-**	**-**
Liabilities				
Current liabilities				
Accounts payable	6,642,007	6,369,878	5,739	844
Due to primary government	-	-	14,177	4,688
Accrued payroll and other compensation	7,531,467	7,023,534	-	-
Accrued vacation	2,284,992	1,841,206	-	-
Accrued interest payable	544,168	665,549	-	-
Unearned revenue	4,268,911	4,234,554	-	-
Current portion of lease obligations	405,978	406,535	-	-
Current portion of debt obligations	5,025,000	4,495,000	-	-
Total current liabilities	**26,702,523**	**25,036,256**	**19,916**	**5,532**
Noncurrent liabilities				
Long-term lease obligations, net of current portion	1,123,734	1,529,712	-	-
Long-term debt obligations, net of current portion	93,427,706	102,664,863	-	-
Net pension liability (Note 7)	117,177,936	176,522,247	-	-
Net other postemployment benefits liability (Note 7)	7,234,259	26,773,639	-	-
Total noncurrent liabilities	**218,963,635**	**307,490,461**	**-**	**-**
Total liabilities	**245,666,158**	**332,526,717**	**19,916**	**5,532**
Deferred inflows of resources				
Deferred pension and OPEB amounts (Note 7)	**85,508,497**	**37,274,684**	**-**	**-**
Net position (deficit)				
Net investment in capital assets (Note 9)	128,864,293	125,297,760	-	-
Restricted:				
Restricted fund activities	229,982	221,826	-	-
Nonexpendable - endowments	-	-	11,940,498	10,517,102
Expendable - endowments, scholarships, and grants	-	-	5,307,575	7,980,017
Unrestricted (deficit) (Note 10)	(104,276,975)	(125,502,563)	208,226	417,657
Total net position	**$ 24,817,300**	**$ 17,023**	**$ 17,456,299**	**$ 18,914,776**

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

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021

	Primary Government Lansing Community College 2022	Primary Government Lansing Community College 2021	Component Unit Lansing Community College Foundation 2022	Component Unit Lansing Community College Foundation 2021
Operating revenues				
Tuition and fees (net of scholarship allowances of $12,031,942 and $15,316,483 in 2022 and 2021, respectively)	$ 31,956,596	$ 30,203,838	$ -	$ -
Federal grants and contracts	2,374,523	1,973,859	-	-
State grants and contracts	884,092	1,896,795	-	-
Local grants and contracts	5,153,858	5,681,392	-	-
Sales and services of educational activities	2,097	73	-	-
Sales and services of auxiliary activities	132,919	7,177	-	-
Job training programs	372,719	84,894	-	-
Miscellaneous	1,045,069	807,036	-	-
Total operating revenues	**41,921,873**	**40,655,064**	**-**	**-**
Operating expenses				
Instruction	27,509,741	33,160,622	-	-
Information technology	12,190,264	11,381,058	-	-
Public services	1,756,209	2,655,040	-	-
Instructional support	14,722,151	17,138,188	-	-
Student services	26,674,948	22,057,563	-	-
Institutional administration	19,878,823	20,723,534	-	-
Operation and maintenance of plant	10,661,433	14,712,040	-	-
Depreciation and amortization	10,226,935	10,350,743	-	-
Foundation operations and fundraising	-	-	896,691	711,514
Total operating expenses	**123,620,504**	**132,178,788**	**896,691**	**711,514**
Operating loss	**(81,698,631)**	**(91,523,724)**	**(896,691)**	**(711,514)**
Nonoperating revenues (expenses)				
State appropriations	36,377,586	34,775,424	-	-
Property tax levy	46,328,235	44,956,559	-	-
Pell Grant revenue	10,888,958	10,693,117	-	-
Federal nonoperating grants - CARES/HEERF	16,038,737	16,749,041	-	-
Investment return and other (losses) gains	288,473	(724,860)	(2,998,020)	4,262,569
Interest on capital asset-related debt	(3,525,028)	(4,119,115)	-	-
Gifts	-	-	1,200,953	975,577
Payments to primary government	-	-	(543,416)	(456,161)
Net nonoperating revenues (expenses)	**106,396,961**	**102,330,166**	**(2,340,483)**	**4,781,985**
Change in net position before other revenues	**24,698,330**	**10,806,442**	**(3,237,174)**	**4,070,471**
Other revenues				
Capital gifts	101,947	220,000	-	-
Additions to permanent endowment funds	-	-	1,778,697	420,824
Total other revenues	**101,947**	**220,000**	**1,778,697**	**420,824**
Change in net position	**24,800,277**	**11,026,442**	**(1,458,477)**	**4,491,295**
Net position (deficit), beginning of year	17,023	(11,009,419)	18,914,776	14,423,481
Net position, end of year	**$ 24,817,300**	**$ 17,023**	**$ 17,456,299**	**$ 18,914,776**

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

LANSING COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021

	Primary Government Lansing Community College 2022	Primary Government Lansing Community College 2021
Cash flows from operating activities		
Tuition and fees	$ 31,485,547	$ 32,134,179
Grants and contracts	8,216,486	9,661,777
Payments to suppliers and students	(32,827,089)	(39,956,380)
Payments to or on behalf of employees	(98,863,713)	(78,545,376)
Educational enterprise charges	2,097	73
Auxiliary enterprise charges	171,356	34,643
Other	1,925,564	1,434,333
Net cash used in operating activities	**(89,889,752)**	**(75,236,751)**
Cash flows from noncapital financing activities		
Local property taxes	46,222,034	45,056,993
Pell Grant receipts	10,888,958	10,693,117
Federal nonoperating grants - CARES/HEERF	16,038,737	16,749,041
William D. Ford direct lending receipts	10,859,048	11,383,273
William D. Ford direct lending disbursements	(10,859,048)	(11,383,273)
State scholarship and grant receipts	5,466,249	1,885,851
State scholarship and grant disbursements	(5,466,249)	(1,885,851)
State appropriations	36,255,855	31,636,957
Net cash provided by noncapital financing activities	**109,405,584**	**104,136,108**
Cash flows from capital and related financing activities		
Purchase of capital assets	(25,219,758)	(19,380,919)
Principal paid on leases	(406,535)	(371,497)
Principal paid on capital debt	(24,260,000)	(4,345,000)
Proceeds from sales of capital assets	50,226	7,492
Proceeds from bond refunding and bond issuance	20,110,000	-
Interest paid on capital asset-related debt and leases	(3,646,409)	(4,144,352)
Net cash used in capital and related financing activities	**(33,372,476)**	**(28,234,276)**
Cash flows from investing activities		
Proceeds from sales and maturities of investments	142,108,433	85,282,331
Interest on investments and other gains	130,477	71,928
Purchases of investments	(138,108,434)	(76,248,529)
Net cash provided by investing activities	**4,130,476**	**9,105,730**
Net (decrease) increase in cash and cash equivalents	**(9,726,168)**	**9,770,811**
Cash and cash equivalents, beginning of year	24,920,161	15,149,350
Cash and cash equivalents, end of year	**$ 15,193,993**	**$ 24,920,161**

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

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021

	Primary Government Lansing Community College 2022	Primary Government Lansing Community College 2021
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	$ (81,698,631)	$ (91,523,724)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	10,226,935	10,350,743
Amortization of bond premium	(4,557,157)	(782,310)
Net change in loss on refunding	(168,172)	216,653
(Increase) decrease in operating assets and deferred outflows		
Accounts receivable, net	(505,406)	1,124,339
Federal and state grants receivable	(195,987)	(1,363,966)
Prepaid expenses and other assets	321,074	(584,457)
Change in deferred outflows for pension and OPEB amounts	16,079,265	12,416,697
Increase (decrease) in operating liabilities and deferred inflows		
Accounts payable	272,129	2,913,671
Accrued payroll and other compensation	507,933	(236,976)
Accrued vacation	443,786	(491,696)
Unearned revenue	34,357	806,002
Change in deferred inflows for pension and OPEB amounts	48,233,813	4,070,239
Change in net pension and OPEB liability	(78,883,691)	(12,151,966)
Net cash used in operating activities	**$ (89,889,752)**	**$ (75,236,751)**

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, 2022 and 2021, the Foundation distributed $543,416 and $456,161, 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 consist 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, 2022 and June 30, 2021 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 as 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.

In accordance with GASB Statement No. 87, *Leases,* the College records any lease as a right to use asset that spans more than 12 months and exceeds $150,000 over the life of the lease. Additional information can be found in Note 11.

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

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 assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The College reports deferred inflows of resources for certain pension and OPEB related amounts. More detailed information can be found in Note 7.

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 2022 summer semester began May 16, 2022 and ended August 8, 2022. The 2021 summer semester began May 17, 2021 and ended August 9, 2021.

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 uncollectible. For the years ended June 30, 2022 and 2021, the College levied 3.7692 and 3.7777 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. The College received a supplemental Fiscal Year 2021 operating appropriation from the State of Michigan in the amount of $1.3 million which was recorded by the College in Fiscal Year 2022.

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, 2022 and 2021 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 lease obligations and long-term debt obligations are reported as liabilities on the statements of net position. Bond premiums and discounts, as well as the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

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. Reclassification

Certain amounts as reported in the 2021 financial statements have been reclassified to conform with the 2022 presentation.

W. Change in Accounting Principle

For 2022, the College implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases.* The standard requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The implementation of the standard effective July 1, 2020, did not have a significant impact on the College's assets, liabilities, deferred inflows, net position, revenues, or expenses as of and for the years ended June 30, 2022 and 2021. The present value of previously classified operating leases was $2,307,744 as of July 1, 2020, with the College recording both lease right to use assets and capital lease obligations for this amount (no impact on net position). The College also restated its statement of net position as of June 30, 2021 by increasing both assets and liabilities by $1,936,247. The net impact to fiscal 2021 expenses related to the implementation of GASB No. 87 was a nominal amount, and therefore, the College only reclassified the presentation of operating expenses by function in the statement of revenues, expenses and changes in net position for the year ended June 30, 2021. Additional disclosure is found in Note 11.

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	2022	2021
Cash and cash equivalents	$_ 15,193,993	$_24,920,161
Short-term investments:		
Insured Cash Sweep (ICS) Account	6,230,244	228,835
Certificate of Deposit Account Registry Service (CDARS)	19,262,869	19,237,133
Commercial Paper	7,626,935	7,625,430
Michigan Liquid Asset Fund Plus (MILAF) – Money Market Mutual Funds	31,127,637	20,238,415
Total short-term investments	79,441,678	72,249,974
Restricted short-term investments:		
US Treasury Notes	1,945,304	13,310,651
Federal Agency Notes	-	3,389,100
MILAF - Term	-	6,700,000
MILAF – Money Market Mutual Funds	13,117,806	10,441,157
Total short-term restricted investments	15,063,110	33,840,908
Restricted long-term investments:		
US Treasury Notes	-	1,982,077
Total Deposits and Investments	**$ 94,504,788**	**$108,072,959**

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, 2022.

The College has investments with the following recurring fair value measurements as of June 30, 2022 and 2021:

2022	Level 1	Level 2	Level 3	Total
ICS & CDARS	$ 25,493,113	$ -	$ -	$ 25,493,113
Money Market & Term	44,245,443	-	-	44,245,443
Commercial Paper	-	7,626,935	-	7,626,935
US Treasury Notes	-	1,945,304	-	1,945,304
Federal Agency Notes	-	-	-	-
Total Investments	**$ 69,738,556**	**$ 9,572,239**	**$ -**	**$ 79,310,795**

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
Total Investments	**$56,845,540**	**$26,307,258**	**$ -**	**$83,152,798**

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:

2022	Less Than One Year	One to Five Years	Total
ICS & CDARS	$ 25,493,113	$ -	$ 25,493,113
Money Market & Term	44,245,443	-	44,245,443
Commercial Paper	7,626,935	-	7,626,935
US Treasury Notes	1,945,304	-	1,945,304
Federal Agency Notes	-	-	-
Total Investments	**$ 79,310,795**	**$ -**	**$ 79,310,795**

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
Total Investments	**$ 81,170,721**	**$ 1,982,077**	**$ 83,152,798**

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, 2022, $53,817,682 of the College's bank balance of $95,193,122 was uninsured or uncollateralized. At June 30, 2021, $63,686,830 of the College's bank balance of $108,473,153 was uninsured or uncollateralized. The College does have over $10,000,000 at one institution as of June 30, 2022 and 2021. That institution collateralizes the College's balances with U.S. Treasury Notes.

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	2022	2021
Property taxes receivable	$ 3,665,058	$ 3,204,835
Less allowance for doubtful collection	(2,860,942)	(2,506,920)
Property taxes receivable, net	**$ 804,116**	**$ 697,915**

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

Accounts Receivable	2022	2021
Accounts receivable	$12,212,619	$ 15,315,990
Less allowance for doubtful collection	(10,505,380)	(14,092,262)
Accounts receivable, net	**$ 1,707,239**	**$ 1,223,728**

NOTES TO FINANCIAL STATEMENTS

4. CAPITAL ASSETS

Capital assets activity for the years ended June 30, 2022 and 2021 follows:

Capital Asset Activity	Beginning Balance July 1, 2021	Additions	Deletions	Transfers	Ending Balance June 30, 2022
Assets not being depreciated:					
Land	$15,147,861	$ -	$ -	$ -	$15,147,861
Construction in progress	10,698,417	23,449,680	-	(1,322,781)	32,825,316
Total capital assets not being depreciated	25,846,278	23,449,680	-	(1,322,781)	47,973,177
Capital assets being depreciated:					
Buildings and Improvements	241,742,590	-	-	588,690	242,331,280
Furniture and equipment	98,011,561	1,774,644	(545,251)	734,091	99,975,045
Infrastructure and improvements	5,240,927	59,704	-	-	5,300,631
Total capital assets being depreciated	344,995,078	1,834,348	(545,251)	1,322,781	347,606,956
Less accumulated depreciation:					
Buildings and Improvements	84,074,412	5,572,478	-	-	89,646,890
Furniture and equipment	87,332,920	4,041,389	(532,702)	-	90,841,607
Infrastructure and improvements	4,450,050	207,951	-	-	4,658,001
Total accumulated depreciation	175,857,382	9,821,818	(532,702)	-	185,146,498
Capital assets being depreciated, net	169,137,696	(7,987,470)	(12,549)	1,322,781	162,460,458
Capital assets, net	**$194,983,974**	**$ 15,462,210**	**$ (12,549)**	**$ -**	**$210,433,635**

See Note 11 for disclosures related to lease assets being amortized by type as of and for the years ended June 30, 2022 and 2021.

Capital Asset Activity	Beginning Balance July 1, 2020	Additions	Deletions	Transfers	Ending Balance June 30, 2021
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
Capital assets, net	**$186,520,842**	**$ 9,621,673**	**$(1,158,541)**	**$ -**	**$194,983,974**

As of June 30, 2022, construction in progress reflected amounts expended for the new parking ramp, HVAC upgrades on multiple buildings, and Perkins equipment for the Fire Academy and Aviation which was not yet completed or received as of June 30, 2022. As of June 30, 2022, the College had $23,681,500 of outstanding commitments related to these projects, which will be funded by certain grant and bond monies.

NOTES TO FINANCIAL STATEMENTS

5. UNEARNED REVENUE

Unearned revenue at June 30 consists of the following:

Auxiliary services deposits	$ 35,627	$ 13,122
Student tuition and fees	2,634,553	3,263,178
Restricted funds	1,598,731	958,254
Total unearned revenue	**$ 4,268,911**	**$ 4,234,554**

6. LONG-TERM LIABILITIES

Long-term liabilities activity related to bonds payable for the year ended June 30, 2022:

Long-Term Liability	Beginning Balance	Additions	Reductions	Ending Balance	
Bonds Payable	$ 93,875,000	$20,110,000	$24,260,000	$89,725,000	**$5,025,000**
Bond Premium	13,284,863	-	4,557,157	8,727,706	
Total Liability	**$ 107,159,863**	**$20,110,000**	**$28,817,157**	98,452,706	
Less current portion of long-term liabilities				5,025,000	
Long-term liabilities, net of current portion				**$93,427,706**	

See Note 11 for disclosures related to lease obligations as of and for the years ended June 30, 2022 and 2021.

Long-term liabilities activity related to bonds payable for the year ended June 30, 2021:

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

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

Bond Issues	2022	2021
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; remaining refunded during fiscal 2022)	$ -	$21,595,000
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%	3,260,000	4,005,000
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%	3,435,000	4,300,000
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%	26,160,000	26,565,000
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%	36,760,000	37,410,000
2022 limited tax refunding bonds original balance of $20,110,000, due in installments beginning in May, 2023 of $710,000 to $4,330,000 through May 1, 2032 plus interest at 1.513%.	20,110,000	-
Total bond issues	89,725,000	93,875,000
Plus: premium on bonds	8,727,706	13,284,863
Total long-term debt obligations	**$ 98,452,706**	**$107,159,863**

Scheduled principal and interest requirements of debt obligations for years succeeding June 30, 2022 are summarized as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	$ 5,025,000	$ 3,265,005	$ 8,290,005
2024	5,150,000	3,139,581	8,289,581
2025	5,275,000	3,010,390	8,285,390
2026	5,470,000	2,819,517	8,289,517
2027	5,410,000	2,680,861	8,090,861
2028-2032	29,700,000	10,737,870	40,437,870
2033-2037	11,705,000	5,910,677	17,615,677
2038-2042	7,805,000	3,668,450	11,473,450
2043-2047	9,800,000	1,674,000	11,474,000
2048-2049	4,385,000	198,300	4,583,300
Total	89,725,000	37,104,651	126,829,651
Premium on bonds	8,727,706	-	8,727,706
Total as of June 30, 2022	**$ 98,452,706**	**$ 37,104,651**	**$ 135,557,357**

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
Total as of June 30, 2021	**$ 107,159,863**	**$ 44,064,845**	**$ 151,224,708**

Interest is payable semi-annually on the bonds payable. The principal and interest are generally payable from the College's nonoperating revenues. Certain bonds are callable at par and accrue interest plus a premium. Total interest charged to expense for bonds payable for the years ended June 30, 2022 and 2021 was $3,518,877 and $4,119,115, 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 were considered defeased and the liabilities have been removed from the statement of net position. The defeased bonds were called on May 1, 2022.

In February 2022, the College issued a bond refunding for the remaining amount on the 2012 obligation limited tax bonds of $19,765,000, which were called on May 1, 2022. As of June 30, 2022, the College had no defeased bonds.

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.

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.

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, 2020 valuation will be amortized over an 18-year period beginning October 1, 2020 and ending September 30, 2038.

The table below summarizes pension contribution rates in effect for fiscal year 2022, which excludes supplemental MPSERS UAAL employer stabilization contributions that are passed through the College to MPSERS based on rates ranging from 14.51% - 15.05% on prior year covered payroll:

Benefit Structure	Member Rates	Employer Rates
Basic	0.00% - 4.00%	19.78% - 20.14%
Member Investment Plan (MIP)	3.00% - 7.00%	19.78% - 20.14%
Pension Plus	3.00% - 6.40%	16.82% - 17.22%
Pension Plus 2	6.20%	19.59% - 19.93%
Defined Contribution	0.00%	13.39% - 13.73%

Required contributions to the pension plan from the College were $15,489,424, $14,864,047, and $15,350,591 for the years ended June 30, 2022, 2021, and 2020, respectively.

The table below summarizes OPEB contribution rates in effect for fiscal year 2022:

Benefit Structure	Member Rates	Employer Rates
Premium Subsidy	3.00%	8.09% - 8.43%
Personal Healthcare Fund (PHF)	0.00%	7.23% - 7.57%

Required contributions to the OPEB plan from the College were $3,893,991, $3,706,977, and $3,826,617 for the years ended June 30, 2022, 2021, and 2020, respectively.

The table below summarizes defined contribution rates in effect for fiscal year 2022:

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, 2022, 2021, and 2020, required and actual contributions from the College for those members with a defined contribution benefit were $469,304, $379,897, and $381,979, respectively.

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

At June 30, 2022 and 2021, the College reported a liability of $117,177,936 and $176,522,247, respectively, for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2021 and 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 30, 2020 and 2019, 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, 2021, the College’s proportion was 0.49494%, which was a decrease of 0.01894% points from its proportion measured as of September 30, 2020 of 0.51388%.

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2022, the College recognized pension expense of $9,325,000. At June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2022	Deferred Outflow of Resources	Deferred Inflow of Resources	Net Deferred Outflows (Inflows) of Resources
Changes in assumptions	$ 7,386,478	$ -	$ 7,386,478
Differences between expected and actual experience	1,815,136	690,039	1,125,097
Change in proportion and differences between employer contributions and proportionate share	-	8,907,028	(8,907,028)
Net difference between projected and actual earnings on pension plan investments	-	37,672,330	(37,672,330)
Total	9,201,614	47,269,397	(38,067,783)
Pension portion of Sec 147c state aid award subsequent to the measurement date	-	7,159,551	(7,159,551)
College contributions subsequent to the measurement date	13,724,993	-	13,724,993
Total	**$ 22,926,607**	**$ 54,428,948**	**$ (31,502,341)**

The $13,724,993 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, 2023. The $7,159,551 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, 2023. 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
2023	$ (6,626,384)
2024	(9,566,475)
2025	(11,129,338)
2026	(10,745,586)
Total	**$ (38,067,783)**

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
Total	**$ 36,147,678**	**$ 14,101,334**	**$ 22,046,344**

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

At June 30, 2022 and 2021, the College reported a liability of $7,234,259 and $26,773,639, respectively, for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2021 and 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 30, 2020 and 2019. 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, 2021, the College’s proportion was 0.47395%, which was a decrease of 0.02581% points from its proportion measured as of September 30, 2020 of 0.49976%.

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2022, the College recognized a reduction to OPEB expense of $5,126,000. At June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

2022	Deferred Outflow of Resources	Deferred Inflow of Resources	Net Deferred Outflows (Inflows) of Resources
Changes in assumptions	$ 6,047,481	$ 904,929	$ 5,142,552
Differences between expected and actual experience	-	20,649,676	(20,649,676)
Net difference between projected and actual earnings on OPEB plan investments	-	5,452,591	(5,452,591)
Changes in proportion and differences between employer contributions and proportionate share of contributions	48,625	4,072,353	(4,023,728)
Total	6,096,106	31,079,549	(24,983,443)
College contributions subsequent to the measurement date	3,058,445	-	3,058,445
Total	**$ 9,154,551**	**$ 31,079,549**	**$ (21,924,998)**

The $3,058,445 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, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30	Amount
2023	$ (6,535,943)
2024	(6,037,324)
2025	(5,467,322)
2026	(4,917,681)
2027	(1,790,289)
Thereafter	(234,984)
Total	**$ (24,983,443)**

For the year ended June 30, 2021, the College recognized a reduction to 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
Total	**$ 12,012,745**	**$ 23,173,350**	**$ (11,160,605)**

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, 2020 and 2019 actuarial valuations (for the fiscal years ended June 30, 2022 and 2021, 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%
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	7.75% Year 1 graded to 3.5% Year 15; 3.0% Year 120 (7.0% Year 1 graded to 3.5% Year 15; 3.0% Year 120 in 2019)
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, 2021, are based on the results of an actuarial valuation date of September 30, 2020, and rolled forward using generally accepted actuarial procedures, including the experience study. The recognition period for pension liabilities is 4.4367 years which is the average of the expected remaining service lives of all employees. The recognition period for OPEB liabilities is 6.1312 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 4.4892 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.

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, 2021 and 2020, are summarized in the following tables:

2021 Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Domestic equity pools	25.00%	5.09%	1.27%
Private equity pools	16.00	8.58	1.37
International equity pools	15.00	7.08	1.06
Fixed income pools	10.50	-0.73	-0.08
Real estate and infrastructure pools	10.00	5.12	0.51
Absolute return pools	9.00	2.42	0.22
Real return/opportunistic pools	12.50	5.73	0.72
Short-term investment pools	2.00	-1.29	-0.03
Total Allocation	100.00%		5.04%
Inflation			2.00
Risk Adjustment			-0.24
Investment rate of return			**6.80%**

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%
Private equity pools	16.00	8.78	1.40
International equity pools	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
Total Allocation	100.00%		5.33%
Inflation			2.10
Risk Adjustment			-0.63
Investment rate of return			**6.80%**

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, 2021 and 2020, are summarized in the following tables:

2021 Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Domestic equity pools	25.00%	5.09%	1.27%
Private equity pools	16.00	8.58	1.37
International equity pools	15.00	7.08	1.06
Fixed income pools	10.50	-0.73	-0.08
Real estate and infrastructure pools	10.00	5.12	0.51
Absolute return pools	9.00	2.42	0.22
Real return/opportunistic pools	12.50	5.73	0.72
Short-term investment pools	2.00	-1.29	-0.03
Total Allocation	100.00%		5.04%
Inflation			2.00
Risk Adjustment			-0.09
Investment rate of return			**6.95%**

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%
Private equity pools	16.00	8.78	1.40
International equity pools	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
Total Allocation	100.00%		5.33%
Inflation			2.10
Risk Adjustment			-0.48
Investment rate of return			**6.95%**

Rate of Return

For the fiscal year ended September 30, 2021, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 27.30% and 27.14%, respectively. 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. 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% was used to measure the total pension liability (6.80% for the Pension Plus plan, 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% 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 the Pension Plus plan, 6.0% for the Pension Plus 2 plan) and 6.95%, 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, 2022:

As of June 30, 2022	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	$ 167,532,670	$ 117,177,936	$ 75,430,559

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, 2021:

College's proportionate share of net pension liability	$ 228,478,104	$ 176,522,247	$ 133,462,422

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, 2022:

College's proportionate share of net OPEB liability	$ 13,442,558	$ 7,234,259	$ 1,965,630

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

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, 2022:

As of June 30, 2022	1% Decrease (6.75%)	Current Cost Trend Rate (7.75%)	1% Increase (8.75%)
College's proportionate share of net OPEB liability	$ 1,760,761	$ 7,234,259	$ 13,392,603

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 (6.0%)	Current Cost Trend Rate (7.0%)	1% Increase (8.0%)
College's proportionate share of net OPEB liability	$ 20,112,479	$ 26,773,639	$ 34,349,887

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

Payable to the Pension Plan. At June 30, 2022, the College reported a payable of $1,733,215 for the outstanding amount of pension contributions to the Plan required for the year ended June 30, 2022. As of 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.

Payable to the OPEB Plan. At June 30, 2022, the College reported a payable of $182,424 for the outstanding amount of OPEB contributions to the Plan required for the year ended June 30, 2022. 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.

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 153 and 154 participants at June 30, 2022 and 2021, respectively.

Funding Policy

The contribution requirements of plan members and the College are established by the plan document as 4.3% and 12.0% of MPSERS compensation, respectively. Institutional plan contributions will only be made for participants who have authorized the required participant plan contribution. Participant contributions are fully vested and non-forfeitable when made. Institutional contributions vest after two years of continuous full-time service as interpreted under MPSERS guidelines. The participant and College contributions to ORP for the year ended June 30, 2022 were $552,663 and $1,542,319, respectively. The participant and College contributions to ORP for the year ended June 30, 2021 were $544,307 and $1,519,002, respectively.

9. NET INVESTMENT IN CAPITAL ASSETS

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

	2022	2021
Capital assets:		
Lease assets being amortized, net	$ 1,531,130	$ 1,936,247
Capital assets not being depreciated	47,973,177	25,846,278
Capital assets being depreciated, net	162,460,458	169,137,696
Total capital assets	211,964,765	196,920,221
Related debt:		
Lease liabilities	1,529,712	1,936,247
Bonds payable	89,725,000	93,875,000
Bond premium	8,727,706	13,284,863
Less: Unexpended bond proceeds	(15,063,110)	(35,822,985)
Less: Deferred charge on bond refunding	(1,818,836)	(1,650,664)
Total related debt	83,100,472	71,622,461
Net investment in capital assets	**$ 128,864,293**	**$ 125,297,760**

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	2022	2021
Auxiliary activities	$ 1,869,237	$ 2,099,795
Encumbrances	487,146	307,117
Plant improvements	30,192,559	30,355,512
Pension and OPEB liabilities fund deficit	(177,839,534)	(192,410,147)
Board of Trustees designated purposes	6,735,872	6,610,538
Undesignated	34,277,745	27,534,622
Total unrestricted net deficit	**$ (104,276,975)**	**$ (125,502,563)**

11. LEASES

The College is involved in two agreements as a lessee that qualify as long-term lease agreements. Below is a summary of the nature of these agreements. These agreements qualify as intangible, right-to-use assets and not financed purchases, as the College will not own the asset at the end of the contract term and the noncancelable term of the agreement surpasses one year. The present values are discounted using an interest rate of 1.513 percent based on the College's 2022 borrowing rate.

	Remaining Term of Agreements
Asset Type	
Land (ground lease)	14 years
Buildings	3 years

Lease asset activity for the year ended June 30, 2022 was as follows:

Lease Asset Activity	Beginning Balance July 1, 2021	Additions	Deletions	Ending Balance June 30, 2022
Assets being amortized:				
Land (ground lease)	$ 453,161	$ -	$ -	$ 453,161
Buildings	1,854,583	-	-	1,854,583
Total assets being amortized	2,307,744	-	-	2,307,744
Less accumulated amortization:				
Land (ground lease)	605	28,707	-	29,312
Buildings	370,892	376,410	-	747,302
Total accumulated amortization	371,497	405,117	-	776,614
Lease assets, net	**$ 1,936,247**	**$ 405,117**	**$ -**	**$ 1,531,130**

Lease asset activity for the year ended June 30, 2021 was as follows:

Lease Asset Activity	Beginning Balance July 1, 2020*	Additions	Deletions	Ending Balance June 30, 2021
Assets being amortized:				
Land (ground lease)	$ 453,161	$ -	$ -	$ 453,161
Buildings	1,854,583	-	-	1,854,583
Total assets being amortized	2,307,744	-	-	2,307,744
Less accumulated amortization:				
Land (ground lease)	-	605	-	605
Buildings	-	370,892	-	370,892
Total accumulated amortization	-	371,497	-	371,497
Lease assets, net	**$ 2,307,744**	**$ 371,497**	**$ -**	**$ 1,936,247**

*The College implemented the provisions of GASB Statement No. 87, *Leases,* as of July 1, 2020. In accordance with this Statement, lease assets have been added to the beginning balances shown above and a corresponding leases payable has been recorded for the same amount as of July 1, 2020.

The present value of future minimum payments as of June 30, 2022, were as follows:

Year Ended June 30,	Principal	Interest
2023	$ 405,978	$ 12,378
2024	405,549	18,688
2025	405,046	25,075
2026	31,109	2,426
2027	30,645	2,889
2028-2032	152,240	22,142
2033-2036	99,145	21,665
Total	$ 1,529,712	$ 105,263

For fiscal year ended June 30, 2022 and 2021, total interest charged to expense for lease obligations was $6,151 and $35,448, respectively.

Lease liability activity for the year ended June 30, 2022, was as follows:

Lease Liability	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Leases Payable	$ 1,936,247	$ -	$ 406,535	$ 1,529,712	**$ 405,978**

Lease liability activity for the year ended June 30, 2021, was as follows:

Lease Liability	Beginning Balance*	Additions	Reductions	Ending Balance	Due Within One Year
Leases Payable	$ 2,307,744	$ -	$ 371,497	$ 1,936,247	**$ 406,535**

* The College implemented the provisions of GASB Statement No. 87, *Leases,* as of July 1, 2020. In accordance with this Statement, leases payable has been added to the beginning balances shown above and a corresponding lease asset has been recorded for the same amount as of July 1, 2020.

The College has no long-term agreements as a lessor as of June 30, 2021 or June 30, 2022.

NOTES TO FINANCIAL STATEMENTS

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.

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. As of the Fall 2021 semester there has been a gradual return to on-campus operations.

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 to students 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. During the year ended June 30, 2022, the College awarded $12.3 million to students from the student and institutional emergency grants, and incurred an additional $3.7 million in costs eligible under the institutional grant. The continued impact from the pandemic on the College's operational and financial performance will continue as it has altered how the College teaches and works.

15. RELATED PARTY TRANSACTIONS

Other than the transactions between the College and Foundation presented in the accompanying statements of net position and as described in the Reporting Entity section of Note 1, the College did not have any other related party transactions or related receivables or payables as of and for the years ended June 30, 2022 and 2021. As of June 30, 2022, there was a check in transit for reimbursement of expenses in the amount of $12,406 from the Foundation to the College.

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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, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
College's proportionate share of the net pension liability	$117,177,936	$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	0.49494%	0.51388%	0.53686%	0.54546%	0.54747%	0.55877%	0.55093%	0.55930%
College's covered payroll	43,246,728	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	270.95%	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	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.15%

See notes to the required supplementary information

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

	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
Statutorily required contributions	$ 15,489,424	$ 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	(15,489,424)	(14,864,047)	(15,350,591)	(14,371,191)	(15,209,331)	(13,710,723)	(11,176,120)	(14,585,927)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 45,175,984	$ 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	34.29%	34.24%	33.73%	30.85%	32.34%	28.99%	24.21%	29.90%

See notes to the required supplementary information

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, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
College's proportionate share of the net OPEB liability	$ 7,234,259	$ 26,773,639	$ 37,657,910	$ 43,350,196	$ 48,713,989
College's proportion of the net OPEB liability	0.47395%	0.49976%	0.52465%	0.54536%	0.55010%
College's covered payroll	43,246,728	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	16.73%	60.04%	81.70%	92.93%	106.15%
Plan fiduciary net position as a percentage of the total OPEB liability	87.33%	59.44%	48.46%	42.95%	36.39%

See notes to the required supplementary information

Required Supplementary Information
MPSERS Cost-Sharing Multiple Employer Plan
Schedule of the College's Other Postemployment Benefit Contributions

	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
Statutorily required contributions	$ 3,893,991	$ 3,706,977	$ 3,826,617	$ 3,835,528	$ 3,508,061
Contributions in relation to the statutorily required contributions	(3,893,991)	(3,706,977)	(3,826,617)	(3,835,528)	(3,508,061)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 45,175,984	$ 43,408,900	$ 45,511,835	$ 46,579,321	$ 47,024,894
Contributions as a percentage of covered payroll	8.62%	8.54%	8.41%	8.23%	7.46%

See notes to the 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:

- 2022 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2023 employer contributions decreased from 3.0% to 2.5%.
- 2021 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2022 employer contributions decreased from 3.5% to 3.0%.
- 2020 - The discount rate used in the September 30, 2018 actuarial valuation decreased to 6.80% for the MIP and Basic plans, 6.80% for the Pension Plus Plan, and 6.00% for the Pension Plus 2 Plan.
- 2019 - The discount rate used in the September 30, 2017 actuarial valuation decreased to 7.05% for the MIP and Basic plans, 7.00% for the Pension Plus plan, and 6.00% for the Pension Plus 2 plan.
- 2018 - The discount rate used in the September 30, 2016 actuarial valuation decreased to 7.50% for the MIP and Basic plans and 7.00% for the Pension Plus plan.

OPEB Information

GASB 75 was implemented in fiscal year 2018. The OPEB plan schedules are being built prospectively. Ultimately, 10 years of date 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:

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

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Lansing Community College
Where Success Begins

Statistical Section

LANSING COMMUNITY COLLEGE

STATISTICAL SECTION

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

<u>Contents</u>

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

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

LANSING COMMUNITY COLLEGE

FINANCIAL TRENDS

Statements of Revenues, Expenses, and Changes in Net Position

Last Ten Fiscal Years

(Unaudited)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
OPERATING REVENUES										
Tuition and fees (net of scholarships allowances)	$ 31,956,596	$ 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
Federal grants and contracts	2,374,523	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
State grants and contracts (3)(4)	884,092	1,896,795	2,070,538	2,076,078	2,149,369	2,039,964	1,989,818	1,709,876	1,202,810	1,414,642
Local grants and contracts (3)	5,153,858	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
Sales and services of educational activities (1)	2,097	73	54,123	12,494	12,170	22,323	153,547	280,068	401,923	361,835
Sales and services of auxiliary activities	132,919	7,177	623,643	407,136	136,280	1,280,918	1,200,923	158,246	1,701,672	2,641,831
Job Training Programs	372,719	84,894	214,296	313,051	213,399	408,793	1,145,395	369,171	484,437	-
Miscellaneous (3)	1,045,069	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
Total operating revenues	41,921,873	40,655,064	43,142,045	45,015,987	42,627,974	43,938,373	41,521,872	40,256,398	40,148,293	42,508,694
OPERATING EXPENSES										
Instruction (3)	27,509,741	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
Information technology (2)	12,190,264	11,381,058	13,574,193	12,727,743	12,258,907	10,434,438	-	-	-	-
Public services (3)	1,756,209	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
Instructional support (3)	14,722,151	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
Student services (1)(3)	26,674,948	22,057,563	17,222,229	14,499,277	17,352,582	11,782,303	13,322,729	15,240,309	17,926,228	20,559,075
Institutional administration (1)(3)(4)	19,878,823	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
Operation and maintenance of plant (1)(3)(4)	10,661,433	14,712,040	18,963,328	17,269,139	16,044,964	15,925,694	18,600,704	18,489,746	17,033,486	16,993,682
Depreciation and amortization (4)	10,226,935	10,350,743	10,380,616	10,504,034	10,090,635	8,643,040	7,834,826	7,262,393	6,978,813	8,726,093
Total operating expenses	123,620,504	132,178,788	141,289,141	133,371,330	132,144,748	123,764,426	135,956,500	129,997,168	130,144,375	132,323,425
Operating loss	**(81,698,631)**	**(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)**
NONOPERATING REVENUES (EXPENSES)										
State appropriations	36,377,586	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
Property tax levy	46,328,235	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
Pell Grant revenue	10,888,958	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
Federal nonoperating grants - CARES Act	16,038,737	16,749,041	1,775,621							
Investment return and other (losses) gains	288,473	(724,860)	2,039,284	900,682	498,034	178,180	156,030	139,381	177,187	224,494
Interest on capital asset - related debt	(3,525,028)	(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)
Net nonoperating revenues	106,396,961	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
Change in net position before other revenues	24,698,330	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
OTHER REVENUES										
State capital appropriations	-	-	-	-	-	-	-	-	9,366,050	-
State capital grants	-	-	-	-	599,701	4,400,299	-	-	-	-
Capital gifts	101,947	220,000				202,518	142,896		50,000	1,300,000
Total other revenues	101,947	220,000			599,701	4,602,817	142,896		9,416,050	1,300,000
Total change in net position	**24,800,277**	**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**
NET POSITION (DEFICIT), beginning of year	**17,023**	**(11,009,419)**	**142,135**	**900,251**	**48,107,556**	36,692,135	42,733,246	160,769,992	148,876,343	143,464,243
Implementation of GASB 68	-	-	-	-	-	-	-	(120,280,113)	-	-
Implementation of GASB 75	-				(47,368,464)					
NET POSITION (DEFICIT), beginning of year	17,023	(11,009,419)	142,135	900,251	739,092	36,692,135	42,733,246	40,489,879	148,876,343	143,464,243
NET POSITION (DEFICIT), end of year	**$ 24,817,300**	$	**$ (11,009,419)**	$	$	$	$	$	$	$

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

Exc *(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. -

48,107,556 **900,251** **36,692,135** **42,733,246** **160,769,992** **148,876,343** **142,135** **17,023**

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

(4) 2021 amounts restated to account for changes to the restricted fund and presentation of GASB 87.

LANSING COMMUNITY COLLEGE

FINANCIAL TRENDS

Net Position by Components

Last Ten Fiscal Years

(Unaudited)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net Position										
Net investment in capital assets	$ 128,864,293	$ 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
Restricted for:										
Restricted fund activities	229,982	221,826	143,914	246,003	199,611	7,917	-	152,940	-	-
Unrestricted	(104,276,975)	(125,502,563)	(138,686,565)	(130,886,962)	(134,486,365)	(84,862,688)	(89,673,074)	(76,828,721)	45,328,010	44,361,626
Total Net Position (Deficit)	**$ 24,817,300**	**$ 17,023**	**$ (11,009,419)**	**$ 142,135**	**$ 900,251**	**$ 48,107,556**	**$ 36,692,135**	**$ 42,733,246**	**$ 160,769,992**	**$**

Source: Lansing Community College's Audited Financial Statements

excluding Lansing Community College Foundation

148,876,343

LANSING COMMUNITY COLLEGE
REVENUE CAPACITY
Major Taxpayers
2022 Levy Year vs. 2013 Levy Year
(Unaudited)

2022 Levy Year					2013 Levy Year				
2022 Taxpayer	**Type of Business**	**2022 Taxable Valuation**	**Rank (1)**	**Percentage of Total College District Taxable Valuation ($12,807,735,430)**	**2013 Taxpayer**	**Type of Business**	**2013 Taxable Valuation**	**Rank (1)**	**Percentage of Total College District Taxable Valuation ($10,068,843,104)**
Consumers Energy Company	Utility	$181,862,819	1	1.42%	Consumers Energy	Utility	$86,104,354	1	0.86%
Enbridge Energy LP	Oil & Gas Delivery/Storage	167,818,317	2	1.31%	Dart Container Corporation	Packaging Products	31,406,164	2	0.31%
McLaren Greater Lansing	Health Care	70,414,726	3	0.55%	Retail Properties of America, Inc.	Retail Property Management	30,042,322	3	0.30%
Jackson National Life	Insurance	37,342,568	4	0.29%	Meridian Mall LTD Partnership	Shopping Mall	28,513,300	4	0.28%
Retail Properties of America, Inc.	Retail Property Management	31,222,976	5	0.24%	Jackson National Life	Insurance	25,607,100	5	0.25%
Accident Fund Ins Co of America	Insurance	30,054,800	6	0.23%	Comcast LLC	Cable	19,787,544	6	0.20%
Lansing Properties LLC	Property Management	25,083,048	7	0.20%	Meijer, Inc.	Retail	17,762,905	7	0.18%
HB BM East Lansing LLC	Property Development	24,776,680	8	0.19%	Sprint Spectrum L P	Cellular Service	15,433,100	8	0.15%
Core Campus Lansing LLC	Property Management	23,497,154	9	0.18%	Gestamp Mason LLC	Metal Heat Treating	12,642,520	9	0.13%
C150 2929 Hannah Lofts LLC	Property Management	22,381,105	10	0.17%	General Motors LLC	Automotive	6,221,731	10	0.06%

Source: Ingham County Assessor, Ingham.org
(1) Ranking in terms of Ad Valorem Taxable Valuation

LANSING COMMUNITY COLLEGE

REVENUE CAPACITY

Assessed Value and Taxable Value of Property

Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ended June 30	Taxable Valuation (1)	Tax Rates (per $1,000) of Valuation (1)	Taxes Levied	Collections through June 30 Each Year (2)	Percent of Taxes Levied Uncollected through June 30 Each Year
2022	$ 12,807,735,430	3.7692	$48,274,916	$ 45,946,764	4.82%
2021		3.7777	46,528,042	44,587,201	4.17%
2020		3.8072		43,275,558	3.89%
2019	12,316,500,113	3.8072		41,908,334	3.37%
2018	11,826,622,757 10,963,548,011	3.8072	45,026,318 41,740,420	40,709,394	2.47%
2017	11,392,083,246 10,614,700,749	3.8072	43,371,939 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%

(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)

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	Percentage of the Levy Collected within Fiscal Year of Levy	Collections in Subsequent Years	Total Tax Collection to Date	Percentage of Levy Total Collections
2022	$ 48,274,916	$ 45,946,764	95.18%	---	$ 45,946,764	95.18%
2021	46,528,042	44,587,201	95.83%	$ 615,740	45,202,941	97.15%
2020	45,026,318	43,275,558	96.11%	527,183	43,802,741	97.28%
2019	43,371,939	41,908,334	96.63%	551,402	42,459,736	97.90%
2018	41,740,420	40,709,394	97.53%	456,040	41,165,434	98.62%
2017	40,412,289	38,482,235	95.22%	1,316,116	39,798,351	98.48%
2016	39,791,082	38,639,111	97.10%	497,627	39,136,738	98.36%
2015	38,574,067	37,264,108	96.60%	985,909	38,250,017	99.16%
2014	38,033,364	36,654,758	96.38%	332,780	36,987,538	97.25%
2013	38,334,099	37,252,732	97.18%	358,153	37,610,885	98.11%

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)	Leases Payable (3)	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)
2022	$ 12,807,735,430	$ 15,639,047,683	$ 2,345,857,152	$ 98,452,706	$ -	$ 1,529,712	$ 99,982,418	$ 2,245,874,735	$ 157,640,477	$ 57,658,060	---
2021	12,316,500,113	14,897,211,981	2,234,581,797	107,159,863	-	1,936,247	109,096,110	2,125,485,687	150,222,120	41,126,010	278
2020	11,826,622,757	14,035,518,728	2,105,327,809	112,287,173	-	-	112,287,173	1,993,040,636	141,605,187	29,318,014	285
2019	11,392,083,246	13,113,220,698	1,966,983,105	72,656,166	-	-	72,656,166	1,894,326,939	132,382,207	59,726,041	180
2018	10,963,548,011	12,674,865,915	1,901,229,887	77,337,199	-	-	77,337,199	1,823,892,688	127,998,659	50,661,460	192
2017	10,614,700,749	12,042,682,731	1,806,402,410	68,665,095	-	-	68,665,095	1,737,737,315	121,676,827	53,011,732	172
2016	10,451,534,470	11,493,211,119	1,723,981,668	75,363,858	-	-	75,363,858	1,648,617,810	116,182,111	40,818,253	190
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

(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 2013 outstanding debt figures based on comments from GFOA on FY2012 CAFR submission.

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

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

(a) 15% of SEV

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

(c) Debt Limit less Total Outstanding Debt

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

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

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

(f) Total Outstanding Debt divided by population

---- Information is unavailable

LANSING COMMUNITY COLLEGE

DEMOGRAPHIC AND ECONOMIC INFORMATION

Personal Income per Capita

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income	Unemployment Rate (3)
2022	----	----	----	4.70%
2021	392,978	----	----	5.50%
2020	394,075	$ 18,286,671	$ 46,182	11.20%
2019	402,674	16,854,052	42,326	3.90%
2018	402,561	16,620,879	41,727	3.90%
2017	399,213	15,704,271	39,790	4.30%
2016	397,211	15,274,294	38,865	4.60%
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%

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
2022 Employers vs. 2013 Employers
(Unaudited)

2022 (1)

Employer	Product/Service	Rank	No. of Employees	% of Total District Population
State of Michigan	Government	1	13,880	3.52%
Michigan State University	Higher Education	2	10,253	2.60%
Sparrow Health System	Health Care	3	9,000	2.28%
General Motors Corporation	Automotive	4	4,274	1.08%
McLaren Health	Health Care	5	3,000	0.76%
Auto Owners Insurance	Insurance	6	2,720	0.69%
Jackson National Life	Insurance	7	2,439	0.62%
Peckham Industries	Textiles, Auto parts	8	2,200	0.56%
Lansing Community College	Higher Education	9	1,957	0.50%
Lansing School District	K-12 Education	10	1,082	0.27%

2013 (2)

Employer	Product/Service	Rank	No. of Employees	% of Total District Population
State of Michigan	Government	1	13,700	3.52%
Michigan State University	Higher Education	2	10,725	2.75%
Sparrow Health System	Health Care	3	5,735	1.47%
General Motors Corporation	Automotive	4	5,222	1.34%
Auto Owners Insurance	Insurance	5	5,000	1.28%
Lansing Community College	Higher Education	6	2,990	0.77%
Meijer Inc	Retail	7	2,900	0.74%
Ingham Regional Medical Center	Health Care	8	2,400	0.62%
Lansing School District	Education	9	1,613	0.41%
Jackson National Life	Insurance	10	1,393	0.36%

Source:

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

(2) *LCC FY2013 Annual Comprehensive Financial Report source Ingham County December 31, 2012 Annual Comprehensive Financial Report*

LANSING COMMUNITY COLLEGE

DEMOGRAPHIC AND ECONOMIC INFORMATION

Capital Asset Statistics

Last Ten Fiscal Years

(Unaudited)

Facilities Data	2022 (1)	2021	2020	2019	2018	2017	2016	2015	2014	2013
Size of campus (acres)	96.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00
Square footage of gross building space (2)	1,894,412	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
Number of classrooms	127	127	123	123	136	136	136	136	136	136
Institutional administration (sq. ft.)	34,700	34,700	34,700	34,700	34,700	34,700	34,700	34,700	34,700	34,700

Source: 2012-2021 LCC Campus Master Plans

FY22 Master Plan submitted to the state October 2021

Including leased space

(1)

(2)

LANSING COMMUNITY COLLEGE

REVENUE CAPACITY

Enrollment, Tuition and Fee Rates, Credit Hours, and Tuition and Fee Revenues Generated

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	FYES (1)	Unduplicated Headcount	Duplicated Headcount	Headcount per Section	Total Credit Hours	In District Tuition Rate	Out of District Tuition Rate	Out of State Tuition Rate	Tuition & Fees per FYES	Total Tuition $ Fee Revenue (2)
2022 (3)	-----	-----	-----	-----	-----	$ 114	$ 228	$ 342	-----	-----
2021	7,029	17,121	64,593	17.4	210,795	111	222	333	$ 6,190	$ 43,512,395
2020	7,701	20,155	74,631	17.6	230,952	108	216	324	5,867	45,183,978
2019	7,940	21,399	76,031	16.7	238,104	105	210	315	5,817	46,186,862
2018	8,639	22,928	82,815	17.0	259,090	103	206	309	5,633	48,666,455
2017	8,971	23,353	84,841	16.7	269,131	99	198	297	5,308	47,621,129
2016	9,570	25,527	94,348	17.0	296,678	88	176	264	4,894	46,831,687
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

Source: Fiscal Year's 2022 Michigan Postsecondary Data Inventory (www.mischooldata.org/DistrictSchoolProfiles2/PostsecondaryDataInventory/PostsecondaryDataInventory.aspx)
Fiscal Year's 2017 and prior Activity Classification Structure Data (www.michigancc.net/ccdata/tuition/summary.aspx)
(1) One Fiscal Year Equated Student (FYES) equals 30 semester credit hours.
(2) Total tuition and fee revenue includes general and designated funds only.
(3) The MCCDI Report for June 30, 2022 is due November 1, 2022, 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)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
ADMINISTRATOR FTE:	**183**	**172**	**228**	**223**	**198**	**169**	**162**	**163**	**224**	**142**
Full-Time	181	170	224	219	194	164	156	156	200	133
Part-Time	7	7	11	12	11	16	17	22	72	27
Calculated Part-Time FTE (1)	2	2	4	4	4	5	6	7	24	9
FACULTY FTE:	**475**	**480**	**588**	**641**	**626**	**645**	**647**	**697**	**725**	**778**
Full-Time	183	182	202	202	191	190	179	189	184	211
Part-Time	876	893	1,157	1,317	1,305	1,364	1,404	1,524	1,624	1,700
Calculated Part-Time FTE (1)	292	298	386	439	435	455	468	508	541	567
SUPPORT FTE:	**387**	**406**	**284**	**279**	**286**	**287**	**270**	**260**	**204**	**286**
Full-Time	276	284	226	223	235	229	212	204	150	198
Part-Time	334	365	174	169	154	173	175	168	163	264
Calculated Part-Time FTE (1)	111	122	58	56	51	58	58	56	65	88
Actual total employees reported	1,857	1,901	1,994	2,142	2,090	2,136	2,143	2,263	2,393	2,533
TOTAL FTE (1)	1,046	1,058	1,099	1,143	1,110	1,101	1,079	1,120	1,153	1,206

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

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

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LANSING COMMUNITY COLLEGE
Where Success Begins

Special Reports Section

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LANSING COMMUNITY COLLEGE
COMBINING STATEMENT OF NET POSITION (Unaudited)
JUNE 30, 2022

	Combined Total	General Funds	Pension and OPEB Liabilities Fund	Designated Fund	Auxiliary Activities Funds	Expendable Restricted Funds	Plant Funds	Agency Funds
Assets								
Current assets								
Cash and cash equivalents	$ 15,193,993	$ 15,193,993	$ -	$ -	$ -	$ -	$ -	$ -
Short-term investments	64,247,685	64,247,685	-	-	-	-	-	-
Property taxes receivable, net	804,116	804,116	-	-	-	-	-	-
State appropriations receivable	7,548,152	6,246,416	-	-	-	1,301,736	-	-
Accounts receivable, net	1,707,239	1,670,785	-	-	36,454	-	-	-
Federal and state grants receivable	3,216,088	-	-	-	-	3,216,088	-	-
Prepaid expenses and other assets	2,320,230	2,174,118	-	-	5,402	-	140,710	-
Due from (due to) other funds	-	(43,181,743)	-	6,735,872	1,944,713	(1,344,911)	34,733,253	1,112,816
Due from component unit	26,583	-	-	-	-	26,583	-	-
Total current assets	**95,064,086**	**47,155,370**	**-**	**6,735,872**	**1,986,569**	**3,199,496**	**34,873,963**	**1,112,816**
Noncurrent assets								
Restricted short-term investments - unspent bond proceeds	15,063,110	-	-	-	-	-	15,063,110	-
Lease assets being amortized, net	1,531,130	-	-	-	-	-	1,531,130	-
Capital assets not being depreciated	47,973,177	-	-	-	-	-	47,973,177	-
Capital assets being depreciated, net	162,460,458	-	-	-	-	-	162,460,458	-
Total noncurrent assets	**227,027,875**	**-**	**-**	**-**	**-**	**-**	**227,027,875**	**-**
Total assets	**322,091,961**	**47,155,370**	**-**	**6,735,872**	**1,986,569**	**3,199,496**	**261,901,838**	**1,112,816**
Deferred outflows of resources								
Deferred charge on bond refunding	1,818,836	-	-	-	-	-	1,818,836	-
Deferred pension and OPEB amounts	32,081,158	-	32,081,158	-	-	-	-	-
Total deferred outflows of resources	**33,899,994**	**-**	**32,081,158**	**-**	**-**	**-**	**1,818,836**	**-**
Liabilities								
Current liabilities								
Accounts payable	6,642,007	851,883	-	-	81,705	1,370,783	4,137,236	200,400
Accrued payroll and other compensation	7,531,467	6,619,051	-	-	-	-	-	912,416
Accrued vacation	2,284,992	2,284,992	-	-	-	-	-	-
Accrued interest payable	544,168	-	-	-	-	-	544,168	-
Unearned revenue	4,268,911	2,634,553	-	-	35,627	1,598,731	-	-
Current portion of lease obligations	405,978	-	-	-	-	-	405,978	-
Current portion of debt obligations	5,025,000	-	-	-	-	-	5,025,000	-
Total current liabilities	**26,702,523**	**12,390,479**	**-**	**-**	**117,332**	**2,969,514**	**10,112,382**	**1,112,816**
Noncurrent liabilities								
Long-term lease obligations, net of current portion	1,123,734	-	-	-	-	-	1,123,734	-
Long-term debt obligations, net of current portion	93,427,706	-	-	-	-	-	93,427,706	-
Net pension liability	117,177,936	-	117,177,936	-	-	-	-	-
Net other postemployment benefits liability	7,234,259	-	7,234,259	-	-	-	-	-
Total noncurrent liabilities	**218,963,635**	**-**	**124,412,195**	**-**	**-**	**-**	**94,551,440**	**-**
Total liabilities	**245,666,158**	**12,390,479**	**124,412,195**	**-**	**117,332**	**2,969,514**	**104,663,822**	**1,112,816**
Deferred inflows of resources								
Deferred pension and OPEB amounts	**85,508,497**	**-**	**85,508,497**	**-**	**-**	**-**	**-**	**-**
Net position (deficit)								
Net investment in capital assets	128,864,293	-	-	-	-	-	128,864,293	-
Restricted:								
Restricted fund activities	229,982	-	-	-	-	229,982	-	-
Unrestricted (deficit)	(104,276,975)	34,764,891	(177,839,534)	6,735,872	1,869,237	-	30,192,559	-
Total net position (deficit)	**$ 24,817,300**	**$ 34,764,891**	**$ (177,839,534)**	**$ 6,735,872**	**$ 1,869,237**	**$ 229,982**	**$ 159,056,852**	**$ -**

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

	Combined Total	General Funds	Pension and OPEB Liabilities Fund	Designated Fund	Auxiliary Activities Funds	Expendable Restricted Funds	Plant Funds	Agency Funds
Assets								
Current assets								
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	-	-
Total current assets	**87,264,131**	**40,562,877**	**-**	**6,610,538**	**2,196,836**	**2,643,334**	**34,155,357**	**1,095,189**
Noncurrent assets								
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	-
Lease assets being amortized, net	1,936,247	-	-	-	-	-	1,936,247	-
Capital assets not being depreciated	25,846,278	-	-	-	-	-	25,846,278	-
Capital assets being depreciated, net	169,137,696	-	-	-	-	-	169,137,696	-
Total noncurrent assets	**232,743,206**	**-**	**-**	**-**	**-**	**-**	**232,743,206**	**-**
Total assets	**320,007,337**	**40,562,877**	**-**	**6,610,538**	**2,196,836**	**2,643,334**	**266,898,563**	**1,095,189**
Deferred outflows of resources								
Deferred charge on bond refunding	1,650,664	-	-	-	-	-	1,650,664	-
Deferred pension and OPEB amounts	48,160,423	-	48,160,423	-	-	-	-	-
Total deferred outflows of resources	**49,811,087**	**-**	**48,160,423**	**-**	**-**	**-**	**1,650,664**	**-**
Liabilities								
Current liabilities								
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 lease obligations	406,535	-	-	-	-	-	406,535	-
Current portion of debt obligations	4,495,000	-	-	-	-	-	4,495,000	-
Total current liabilities	**25,036,256**	**12,721,138**	**-**	**-**	**97,041**	**2,421,508**	**8,701,380**	**1,095,189**
Noncurrent liabilities								
Long-term lease obligations, net of current portion	1,529,712	-	-	-	-	-	1,529,712	-
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	-	-	-	-	-
Total noncurrent liabilities	**305,960,749**	**-**	**203,295,886**	**-**	**-**	**-**	**102,664,863**	**-**
Total liabilities	**330,997,005**	**12,721,138**	**203,295,886**	**-**	**97,041**	**2,421,508**	**111,366,243**	**1,095,189**
Deferred inflows of resources								
Deferred pension and OPEB amounts	**37,274,684**	**-**	**37,274,684**	**-**	**-**	**-**	**-**	**-**
Net position (deficit)								
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	-
Total net position (deficit)	**$ 17,023**	**$ 27,841,739**	**$ (192,410,147)**	**$ 6,610,538**	**$ 2,099,795**	**$ 221,826**	**$ 155,653,272**	**$ -**

LANSING COMMUNITY COLLEGE
COMBINING STATEMENT OF REVENUES, EXPENSES, TRANSFERS AND CHANGES IN NET POSITION (Unaudited)
YEAR ENDED JUNE 30, 2022

	Combined Total	Eliminations	General Funds	Pension and OPEB Liabilities Fund	Designated Fund	Auxiliary Activities Funds	Expendable Restricted Funds	Plant Funds
Operating revenues								
Tuition and fees (net of scholarship allowances of $12,031,942)	$ 31,956,596	$ (12,031,942)	$ 42,115,877	$ -	$ (3,365)	$ 1,034,885	$ -	$ 841,141
Federal grants and contracts	2,374,523	-	-	-	-	-	2,374,523	-
State grants and contracts	884,092	-	-	-	-	-	884,092	-
Local grants and contracts	5,153,858	-	2,485,462	-	-	-	2,668,396	-
Sales and services of educational activities	2,097	-	2,097	-	-	-	-	-
Sales and services of auxiliary activities	132,919	-	-	-	-	128,710	-	4,209
Job Training Programs	372,719	-	-	-	-	-	372,719	-
Miscellaneous	1,045,069	-	858,933	-	-	58,101	-	128,035
Total operating revenues	**41,921,873**	**(12,031,942)**	**45,462,369**	**-**	**(3,365)**	**1,221,696**	**6,299,730**	**973,385**
Operating expenses								
Instruction	27,509,741	-	35,558,476	(8,700,993)	-	-	652,258	-
Information technology	12,190,264	-	12,119,639	(1,628,698)	57,960	117,362	385,359	1,138,642
Public services	1,756,209	-	930,791	(367,017)	-	3,727	1,188,708	-
Instructional support	14,722,151	-	18,472,902	(4,492,121)	23,017	270	718,083	-
Student services	26,674,948	(12,031,942)	14,520,132	(3,015,124)	2,812	-	27,199,070	-
Institutional administration	19,878,823	-	14,642,333	(2,371,388)	-	327,909	7,279,969	-
Operation and maintenance of plant	10,661,433	-	11,910,226	(1,154,823)	-	634,087	382,776	(1,110,833)
Depreciation and amortization	10,226,935	-	-	-	-	-	-	10,226,935
Total operating expenses	**123,620,504**	**(12,031,942)**	**108,154,499**	**(21,730,164)**	**83,789**	**1,083,355**	**37,806,223**	**10,254,744**
Operating (loss) income	**(81,698,631)**	**-**	**(62,692,130)**	**21,730,164**	**(87,154)**	**138,341**	**(31,506,493)**	**(9,281,359)**
Nonoperating revenues (expenses)								
State appropriations	36,377,586	-	36,377,586	(7,159,551)	-	-	7,159,551	-
Property tax levy	46,328,235	-	46,328,235	-	-	-	-	-
Pell Grant revenue	10,888,958	-	-	-	-	-	10,888,958	-
Federal nonoperating grants - HEERF	16,038,737	-	-	-	-	-	16,038,737	-
Investment return and other gains	288,473	-	149,817	-	-	-	-	138,656
Interest on capital asset - related debt	(3,525,028)	-	-	-	-	-	-	(3,525,028)
Net nonoperating revenues (expenses)	**106,396,961**	**-**	**82,855,638**	**(7,159,551)**	**-**	**-**	**34,087,246**	**(3,386,372)**
Other revenues								
Capital gifts	101,947	-	101,947	-	-	-	-	-
Increase (decrease) in net position	**24,800,277**	**-**	**20,265,455**	**14,570,613**	**(87,154)**	**138,341**	**2,580,753**	**(12,667,731)**
Transfers (out) in	-	-	(13,342,303)		212,488	(368,899)	(2,572,597)	16,071,311
Change in net position	**24,800,277**	**-**	**6,923,152**	**14,570,613**	**125,334**	**(230,558)**	**8,156**	**3,403,580**
Net position (deficit), beginning of year	**17,023**	**-**	**27,841,739**	**(192,410,147)**	**6,610,538**	**2,099,795**	**221,826**	**155,653,272**
Net position (deficit), end of year	**$ 24,817,300**	**$ -**	**$ 34,764,891**	**$ (177,839,534)**	**$ 6,735,872**	**$ 1,869,237**	**$ 229,982**	**$ 159,056,852**

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

	Combined Total	Eliminations	General Funds	Pension and OPEB Liabilities Fund	Designated Fund	Auxiliary Activities Funds	Expendable Restricted Funds	Plant Funds
Operating revenues								
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	1,896,795	-	-	-	-	-	1,896,795	-
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
Total operating revenues	**40,655,064**	**(15,316,483)**	**46,775,621**	**-**	**-**	**1,158,624**	**7,122,000**	**915,302**
Operating expenses								
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	22,057,563	(15,316,483)	12,608,400	(331,967)	-	-	25,097,613	-
Institutional administration	20,723,534	-	13,813,801	(261,830)	-	10,852	7,160,711	-
Operation and maintenance of plant	14,712,040	-	11,398,553	(151,130)	-	487,619	1,147,003	1,829,995
Depreciation and amortization	10,350,743	-	-	-	-	-	-	10,350,743
Total operating expenses	**132,178,788**	**(15,316,483)**	**99,475,588**	**(2,522,833)**	**-**	**557,030**	**37,804,748**	**12,180,738**
Operating (loss) income	**(91,523,724)**	**-**	**(52,699,967)**	**2,522,833**	**-**	**601,594**	**(30,682,748)**	**(11,265,436)**
Nonoperating revenues (expenses)								
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/HEERF Act	16,749,041	-	-	-	-	-	16,749,041	-
Investment return and other gains	(724,860)	-	326,094	-	-	-	-	(1,050,954)
Interest on capital asset - related debt	(4,119,115)	-	-	-	-	-	-	(4,119,115)
Net nonoperating revenues (expenses)	**102,330,166**	**-**	**80,058,077**	**(6,857,803)**	**-**	**-**	**34,299,961**	**(5,170,069)**
Other revenues								
Capital gifts	220,000	-	-	-	-	-	-	220,000
Increase (decrease) in net position	**11,026,442**	**-**	**27,358,110**	**(4,334,970)**	**-**	**601,594**	**3,617,213**	**(16,215,505)**
Transfers (out) in	-	-	(25,949,656)		5,903,137	(794,895)	(3,539,301)	24,380,715
Change in net position	**11,026,442**	**-**	**1,408,454**	**(4,334,970)**	**5,903,137**	**(193,301)**	**77,912**	**8,165,210**
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**
Net position (deficit), end of year	**$ 17,023**	**$ -**	**$ 27,841,739**	**$ (192,410,147)**	**$ 6,610,538**	**$ 2,099,795**	**$ 221,826**	**$ 155,653,272**