

2010 ANNUAL REPORT



LANSING COMMUNITY COLLEGE

WHERE SUCCESS BEGINS



December, 2010

Since 1957, Lansing Community College has been providing exceptional educational opportunities for residents throughout the Greater Lansing region. As community needs change, we change, addressing the learning needs of our citizens and the workforce needs of local businesses.

In the past few years, as Lansing and Michigan have been impacted by a harsher recession than most states, the demand for LCC's services has been unprecedented. Enrollment has increased while traditional funding sources such as state aid and property tax revenue have dwindled. Through the careful management of resources and programs LCC has met its challenges effectively. In fact, 2010 was a tremendous year for us as we continued to set benchmarks for academic excellence and found innovative ways to reduce costs.

The 2010 Lansing Community College Annual Report provides an overview of some of the many projects, programs, and initiatives that we have implemented during the academic year. With an ultimate goal of helping our students succeed, our mission is to provide learning and enrichment opportunities to improve our community's standard of living and quality of life.

This Annual Report demonstrates how we have continued our mission by remaining agile and innovative, and by managing public resources with fiscal integrity to keep LCC accessible and affordable for all students. This diligence, strengthened by the many business and community partnerships we have forged, assures that we will continue to remain a key to economic recovery as we transition students to the new economy.

Brent Knight, President



Vision Statement

Serving the learning needs of a changing community.

Mission Statement

LCC exists so that the people it serves have learning and enrichment opportunities to improve their quality of life and standard of living.

December, 2010

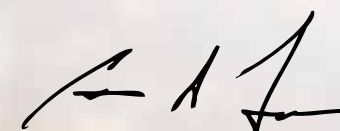
We are honored to share with you Lansing Community College's (LCC) first Annual Financial Report, submitted to the GFOA for consideration for the Popular Annual Financial Report award. This report presents a summary of LCC's financial information in a simplified and straightforward format. It provides insight into local economic factors that impact the College as well as our institution's response to those factors based on an unwavering commitment to fiscal integrity. The College's Comprehensive Annual Financial Report (CAFR) can be viewed in its entirety at www.lcc.edu/finservices/.

As the financial report shows, we continue to exercise fiscal prudence, to maintain a healthy financial condition and to practice good stewardship in the use of tax dollars for academic programs that offer exceptional educational experiences to more than 30,000 students each year.

Tuition has remained constant for the last three years. With tuition and fees accounting for over 40% of the revenue mix and few viable options available to diversify revenue sources, the college finds itself in the challenging position of meeting increased demand for our services while facing increasing costs and declining revenue. As the least expensive post – secondary education option in a community facing a difficult economic situation, LCC's leadership has remained firm in its commitment to keep tuition rates below the state average for community colleges.

We were pleased to become the first community college in Michigan to obtain both the Distinguished Budget Presentation Award and the Certificate of Achievement for Excellence in Financial Reporting from the GFOA in the same year. Obtaining these awards was an important goal for the college in fiscal year 2010 and this achievement acknowledges that the College's financial reporting and management are best practices in Michigan.

LCC is privileged to present this report and grateful for the support offered by our Board of Trustees in its development. We believe the accurate and understandable financial information presented in this Popular Annual Financial Report instills even greater public confidence in our institution and offers additional transparency into how tax dollars are spent.



Catherine A. Fisher, CPA
Chief Financial Officer



College Overview

"At a time when I was considering a career change, LCC was the perfect choice for me to re-train at an exceptional value. It provided me with a solid understanding of computers and the business world with the convenience of it being a local college."

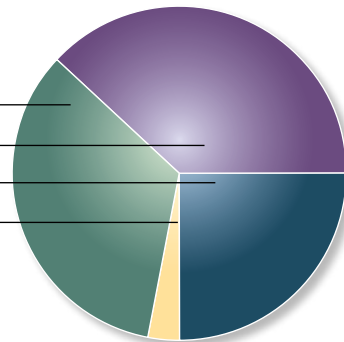
Denise Rowe
Owner, Publisher, Author
Metaphor Maker Press

LCC General Fund Funding

■ Total 2010 operating budget of **\$125 million**

Primary sources of funding

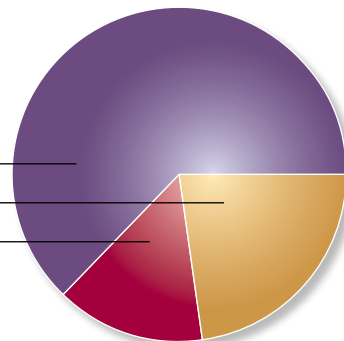
Property taxes **33%**
Tuition and fees **41%**
State support **24%**
Other revenue **2%**



LCC Employees

■ More than **3,000**

Faculty **2,019**
Staff **675**
Students **450**

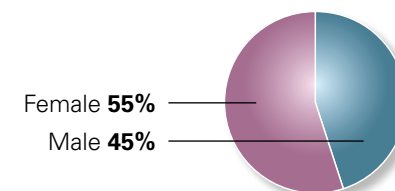
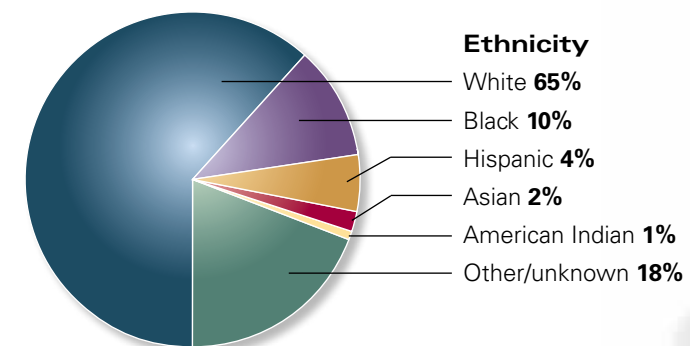


LCC Students

■ Total yearly enrollment of more than **30,000**

■ **400** international students from **56** different countries

■ Average age **27**



Points of Pride

- LCC is the **third largest community college** (in enrollment) in Michigan, serving more than 30,000 students a year.
- Since 1957 **more than 500,000** people have taken classes at LCC.
- Last year, **2,729** degrees and certificates were awarded.
- LCC is the **fifth largest employer** in the capital area.
- LCC students pay **below state average community college** tuition.
- Each year, more than **2,500 LCC students** transfer to 4-year colleges and universities.
- 75 percent of the region's **allied health professionals** were trained at LCC.
- LCC's **emergency medical technician** program is one of only two programs in the state that is nationally accredited and part of the National Registry.
- LCC graduates account for a large majority of the region's **police and fire personnel**.
- LCC is one of only a small number of institutions nationwide to receive CNSS and NSA certification for its **computer networking and security** curriculum.
- LCC's **alternative energy** offerings include 11 courses, an associate degree in applied sciences and five certificate programs. It is LCC's fastest growing program.
- LCC offers more than **250 courses online** and offers 15 associate degrees and certificates that can be earned by students through online study.
- LCC's **Early Learning Children's Community** provides childcare in an enriched learning environment for pre-school children of staff, students and community members, and it enhances learning for LCC students, including those in child development.



Points of Interest

- Two-year transfer programs to four-year colleges and universities
- More than **280** associate degree (two year) and certificate (less than 2 years) programs in a variety of career paths
- Nearly **2,000** different courses taught by experienced and educated professionals with real-world experience
- Variable Start/Alternative Delivery Classes: LCC offers **courses of varying lengths** to accommodate student needs
- 3+1 agreements (3 years at LCC plus 1 year at a university) with **11 universities** including Central Michigan University, Eastern University, and Lawrence Technological University
- The **University Center at LCC** offers students the opportunity to earn bachelor's and master's degrees without leaving the campus
- Apprenticeship and training programs through partnerships with several organizations
- Study abroad programs offer **260** study abroad programs on every continent through a partnership with Michigan State University
- Engaging students with more than **40** campus organizations and student clubs
- Home of **LCC Stars**, intercollegiate varsity athletics teams that compete regionally and nationally, including men's/women's basketball, men's/women's cross country/track, women's softball and volleyball and men's baseball as well as nine club sports.



Start here.
Finish near.

"Lansing Community College has a national reputation for its excellent and innovative programs."

George R. Boggs
President and CEO
American Association of Community Colleges



Strong Academics Benefit the Community and Businesses

The difficult national recession in the past several years and the special challenges faced by Michigan citizens, businesses and other institutions during this time have resulted in unprecedented demands for the services Lansing Community College provides. We have responded creatively and swiftly to meet rapidly shifting community needs for high school graduates, career changers, and individuals who need to upgrade their skills to compete in the job market. The value of a high quality education at LCC has resulted in an emerging trend within our student demographics: more 18 year olds are choosing Lansing Community College as their first choice when selecting a college.

Many of the students enrolling at LCC right out of high school do so as the first step towards earning a bachelor's degree. Each year, more than 2,500 LCC students go on to 4-year colleges and universities all over the nation.



Helping Students Succeed

We provide a supportive teaching and learning environment for our students, with small classes taught by exceptional instructors on our campuses, at learning centers in many communities, and online. We also provide an effective array of support services to help students set and meet educational goals and to secure financial assistance. In 2010, we set the stage for significant enhancements to our support services.

- LCC was named an **Achieving the Dream** school. This multi-year nationwide initiative is dedicated to helping more community college students succeed.
- Planning began for the **New DEAL** (Developmental Education and Adult Learning) Program to assist pre-developmental and transitional learners prepare for college level work.
- An improved and expanded **Student Orientation Program** was developed, mandating participation for degree-seeking first-time college students based on research showing that mandatory registration results in greater student success.
- A **flexible online registration program** will be launched this year, similar to a shopping cart model, making registration easier than ever.

- Plans are underway to incorporate **DegreeWorks**, a web-based academic advising, degree audit, and transfer articulation tool that allows advisors to provide meaningful direction to students and measure their progress.

Academic Excellence

We believe that individualized support, quality instruction, and practical learning experiences, can help students start strong and finish well, with the competencies they need to reach their goals. LCC offers educational options that serve the needs of all students, whether they seek an associate's degree, credits towards a bachelor's degree, certification, or classes to upgrade skills. In 2010, we:

- **Enhanced our 3-D technology program** for students who want to develop careers in this next wave of technology. LCC is one of the leaders in interactive 3-D technology training.

"LCC helped convert me from a smart but underachieving kid into a driven and ambitious man. The professors at LCC really invested in me and pushed me to succeed."

Clint Richards
Video game designer



Get a Skill Get a Job

- **Expanded hybrid, electric, and alternative fuel vehicle education** thanks to a \$420,000 federal grant. The additional support will help LCC continue to train workers for high tech jobs in the changing auto industry. LCC was one of the first community colleges in the nation to incorporate alternative energy into its curricula and to offer an associate's degree in this field. It is the fastest growing program at the college.
- Created the opportunity for a group of LCC students from five different academic programs to participate in the **BuildUP! Home Design Competition**. The team, called MacZero, won the competition by designing a home displaying a powerful combination of energy efficiency and outstanding home design. The home will be constructed once fundraising is complete.
- To help military veterans who were trained as medics become licensed civilian EMTs or medics, and who may want to go on to earn a nursing degree, we developed a **Medic to RN program**. It closes the gap in training and leads to licensure, and gives veterans the option of entering the Fast Track registered nursing program.
- Responded to an increased demand for more math and science courses by adding new sections. This year LCC received state support to begin a \$20 million **renovation to the Arts & Sciences Building**, adding significantly more state-of-the-art labs and classrooms.

Workforce and Economic Development

Lansing Community College has been a vital contributor to the economic health of our region for many years and long recognized for the important role it plays in educating and retraining residents in the College's service area. Now, as Michigan's economy recovers, Lansing Community College is helping fill the need for a skilled and qualified labor force that is critical to the competitiveness of our region.

Helping Transitional Students Find Their Way

- To help the long-term unemployed, LCC launched a groundbreaking pilot program with a money-back guarantee, **Get a Skill, Get a Job®**. Individuals received intense, short-term training to become pharmacy technician associates or computer numerical control (CNC) technicians. Nearly all of the graduates are now employed in their field of training.
- The Prima Civitas Foundation selected LCC's **M-PaTH Dislocated Worker Training Program** for funding in the amount of \$226,587, allowing LCC to retrain individuals in Long-Term Nurse Aide and Pharmacy Technician certificate programs.

- The Work First Department at LCC provides employment assistance to downtown Lansing residents through the **JET (Jobs, Education, and Training) program**, funded by a grant from the Michigan Department of Energy, Labor and Economic Growth via Capital Area Michigan Works!

Helping Employers and Entrepreneurs

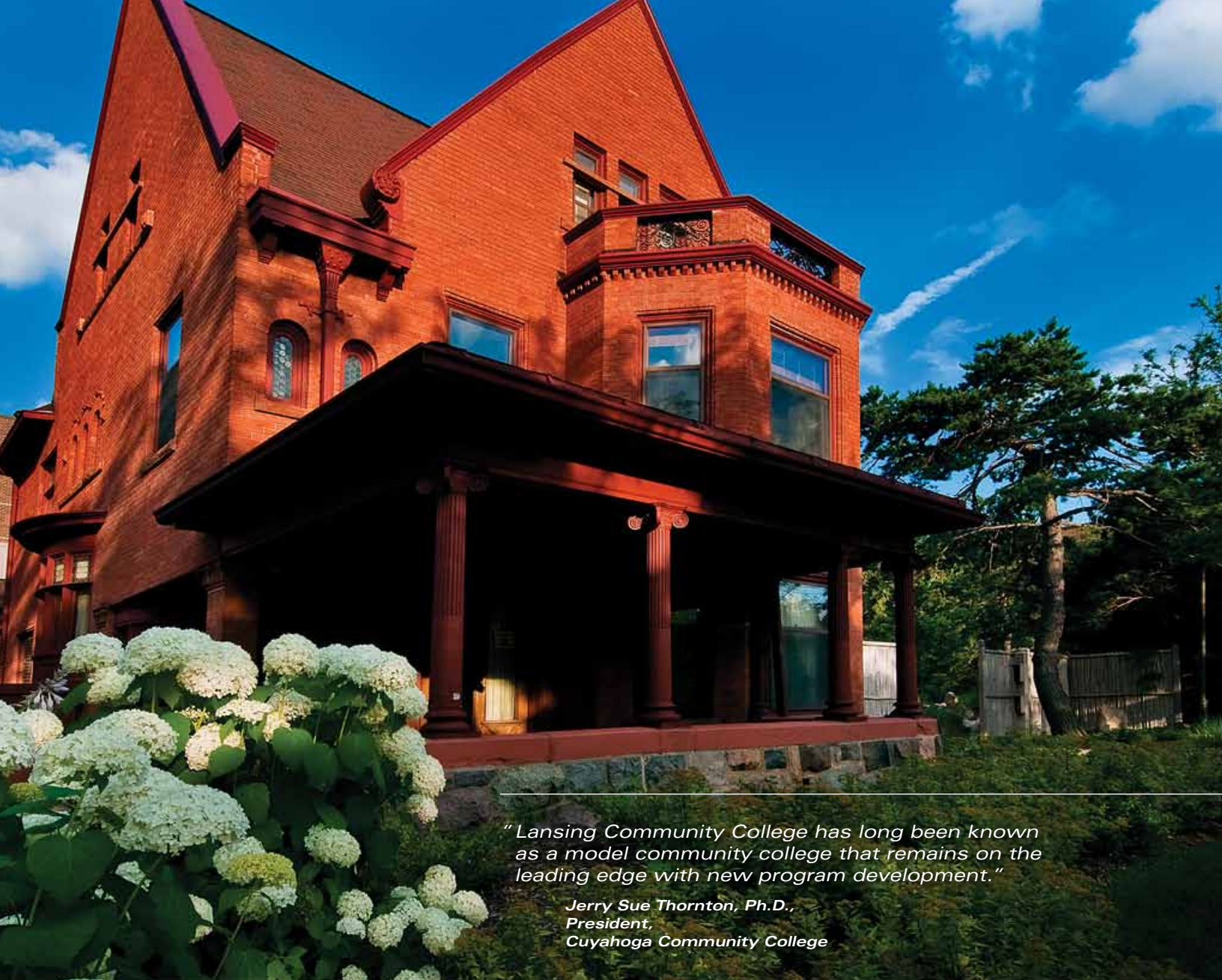
LCC's Business and Community Institute (BCI) helps develop a trained workforce that draws new business to our area and allows existing business to prosper. BCI is the employer's gateway to a full spectrum of services, including credit, non-credit, and continuing education (CEU) programs designed to meet the professional development and educational needs of employees. In 2010, BCI:

- Worked with the Michigan Small Business & Technology Development Center to launch the **FastTrac® NewVenture Program** which graduated 41 entrepreneurs in the spring. With support from the Michigan Economic Development Corporation, this practical hands-on business development program helps prospective entrepreneurs hone the skills they need to create, manage, and grow a successful, job creating business.

- LCC has joined 16 other Midwestern community colleges and 84 community colleges nationwide in an initiative to train people in a new field intersecting **information technology and healthcare**. The college will train 200 people over the next two years to become managers and support specialists for implementing electronic medical record systems.
- Through a program called the **Michigan New Jobs Training Program**, BCI is helping to train employees hired into new jobs. The first project was awarded to BCI for the General Motors Delta Plant expansion, bringing more than 1,300 new jobs to our region.

"The education I received at LCC, along with the advice I received from my professors, convinced me to focus my efforts towards live sound production. In 1985 there were very few schools one could attend to study audio engineering or media production. LCC provided me with a very unique opportunity."

Michael Potyraj
Sales Manager, Disney Youth Programs
The Walt Disney World Company



“Lansing Community College has long been known as a model community college that remains on the leading edge with new program development.”

*Jerry Sue Thornton, Ph.D.,
President,
Cuyahoga Community College*

Foundation

The Lansing Community College Foundation provides support to inspire and enable the pursuit of education for the betterment of all. Our donors change lives and enrich our community.



- Provides more than \$760,000 in scholarships annually with endowment funds of \$5.4 million and total assets of \$9 million.
- Serves as home of the LCC Alumni Association. For membership and activity information, visit lcc.edu/foundation/alumni or call (517) 483-1988.

For more information, visit lcc.edu/foundation or call (517) 483-1985.

Financial Report

Lansing Community College (LCC) remains fiscally sound. This Popular Annual Financial Report (PAFR) is formatted as an easy-to-read version of the college’s Comprehensive Annual Financial Report (CAFR) that is published on a yearly basis. The CAFR is a detailed account of the financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP), including financial disclosures, management’s discussion and analysis, and LCC’s component unit – Lansing Community College Foundation. www.lcc.edu/finservices/

Condensed Statement of Net Assets and History for the Years Ended June 30				
Current assets	2007	2008	2009	2010
Cash and cash equivalents	\$222,407	\$12,733,701	\$19,258,916	\$23,981,910
Short-term investments	\$6,885,064	\$2,289,200	\$2,294,300	\$3,318,853
Receivables	\$15,907,084	\$18,070,700	\$16,811,363	\$14,583,443
Inventories	\$119,926	\$130,085	\$175,107	\$173,606
Prepaid expenses and other assets	\$54,589	\$12,205	\$28,965	\$339,626
Noncurrent assets				
Restricted cash - unspent bond proceeds	\$11,150,375	\$7,779,759	\$2,474,623	\$2,474,861
Long-term investments	\$1,937,789	\$1,355,123	\$1,000,000	\$250,000
Bond issuance costs, net of issuance costs	\$848,844	\$793,147	\$738,250	\$682,953
Property and equipment	\$239,717,215	\$250,902,609	\$256,953,146	\$260,973,352
Depreciation	-\$73,094,543	-\$80,760,079	-\$89,709,202	-\$98,516,671
Total assets	\$203,748,750	\$213,306,450	\$210,025,468	\$208,261,933
Current liabilities				
Accounts payable	\$5,518,449	\$3,149,068	\$3,197,791	\$2,422,035
Accrued payroll and other compensation	\$3,596,117	\$6,032,208	\$8,996,021	\$7,742,680
Other current liabilities	\$1,795,826	\$2,024,421	\$2,208,716	\$2,144,904
Unearned revenue	\$3,200,291	\$2,561,402	\$3,187,645	\$3,919,374
Current portion of debt obligations	\$4,224,947	\$4,463,668	\$4,672,712	\$4,912,092
Noncurrent liabilities				
Long-term debt obligations, net of current portion	\$70,813,793	\$66,255,870	\$61,486,418	\$56,477,267
Other non-current liabilities	\$0	\$0	\$0	\$194,928
Total liabilities	\$89,149,423	\$84,486,637	\$83,749,303	\$77,813,280
Net assets				
Invested in capital assets, net of related debt	\$100,880,868	\$107,118,926	\$103,559,437	\$103,542,183
Restricted	\$184,743	\$171,618	\$171,618	\$171,618
Unrestricted (deficit)	\$13,533,716	\$21,529,269	\$22,545,110	\$26,734,852
Total net assets	\$114,599,327	\$128,819,813	\$126,276,165	\$130,448,653

TOTAL ASSETS	
2007	\$203,748,750
2008	\$213,306,450
2009	\$210,025,468
2010	\$208,261,933

TOTAL NET ASSETS	
2007	\$114,784,070
2008	\$128,991,431
2009	\$126,276,165
2010	\$130,620,271

Assets

Current assets are those resources reasonably available within one year. Unlike other forms of assets, cash and equivalents such as checking account balances, can be used immediately for current operational needs, such as meeting the payroll or paying vendors. Short-term investments represent the College’s holdings in allowable financial instruments due within one year, such as certificates of deposit and money market accounts. Receivables represent those monies due to the College but not yet available for use; examples include property taxes not yet received for the prior and current year levies, remaining state appropriation payments and accrued interest. Other assets include prepaid expenditures and student supply inventory.

Noncurrent assets are the College’s long-term financial and plant resources. Long-term investments represent the College’s holding in allowable financial instruments due in more than one year, such as certificates of deposit. Plant and equipment account for the College’s equity in land, buildings, real estate improvements (such as roads and security lighting), and capital equipment such as computer hardware and software, furniture, media and digital projectors. Depreciation is the recovery of the costs of plant and equipment over their expected useful lives.

Liabilities

Current liabilities are short-term obligations. Accrued payroll, accounts payable, and other accrued liabilities represent amounts due to employees or vendors for services, supplies or equipment provided to the College. Unearned revenues include the tuition and fee revenue for the remainder of the summer semester.

Noncurrent liabilities represent long-term obligations, usually due over a number of years. Long-term debt represents the balance due after one year on bonds and notes for capital purchases. Bond issuance cost is the amount to be amortized over the remaining life of bonds payable.

Net Assets

Net assets represent the difference between assets and liabilities. Invested in capital assets – net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use by grantors or by laws or regulations. Unrestricted net assets may be used to meet the College’s ongoing obligations. When reviewed over time, net assets may serve as a useful indicator of the College’s financial position.

Sources and Uses of Assets (as of June 30)

General Fund revenue sources	2007	2008	2009	2010
Tuition and fees (net of scholarships allowances)	\$39,948,701	\$44,867,839	\$47,915,880	\$50,859,326
State appropriations	25,019,900	31,810,203	29,762,500	29,762,500
Property tax levy	39,394,072	41,722,075	42,147,127	41,681,996
Other	\$2,881,584	\$3,919,554	\$2,986,480	\$2,986,712
Total general fund revenues	\$107,244,257	\$122,319,671	\$122,811,987	\$125,290,534

General Fund use of resources by type of service	2007	2008	2009	2010
Instruction	\$39,131,661	\$39,503,913	\$41,384,900	\$44,705,999
Information technology	\$5,796,646	\$7,274,644	\$7,219,470	\$0
Instructional support	\$15,234,756	\$15,312,969	\$17,318,984	\$18,676,277
Public services	\$770,664	\$1,102,235	\$1,821,437	\$2,088,955
Student services	\$14,106,259	\$14,348,166	\$14,159,465	\$15,591,874
Institutional administration	\$7,465,708	\$7,995,526	\$11,757,794	\$10,039,012
Facilities management	\$8,089,609	\$9,968,509	\$13,756,043	\$14,811,717
Total expenditures general fund	\$90,595,303	\$95,505,962	\$107,418,093	\$105,913,834

Net general fund increase/(decrease) in net assets	\$16,648,954	\$26,813,709	\$15,393,894	\$19,376,700
Net plant fund increase/(decrease) in net assets	\$(14,358,676)	\$(11,969,727)	\$(16,743,529)	\$(14,835,946)
Net restricted fund increase/(decrease) in net assets	\$(924,912)	\$(967,286)	\$(1,045,620)	\$(1,056,406)
Net auxiliary and other funds increase/(decrease) in net assets	\$(168,443)	\$343,790	\$(148,393)	\$688,140
Increase/(decrease) in College net assets	\$1,196,923	\$14,220,486	(\$2,543,648)	\$4,172,488

Revenue by Source

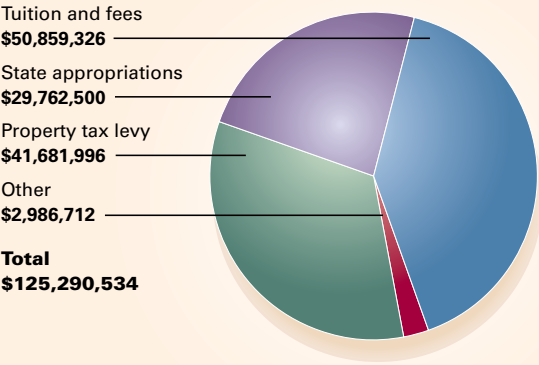
Student tuition and fees continue as the primary source of revenues for the College, followed in order by local property taxes, state appropriations and other revenues. LCC’s tuition at \$76 per credit hour in FY 2011 remains among the most competitive in the state.

Expenditure by Type of Service

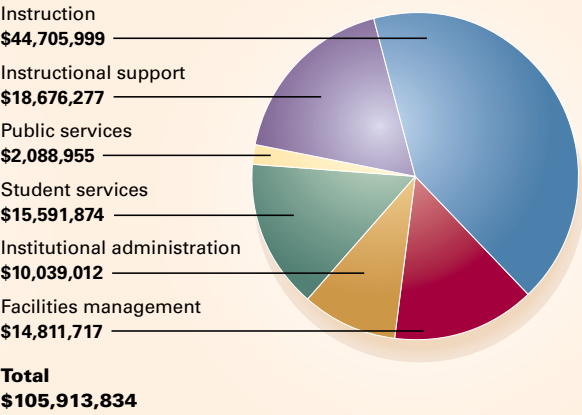
Instruction includes those activities that deal directly with or aid in the teaching process. Instruction expenditures include not only personnel costs and supplies, but also the personnel and materials required to plan, implement and manage the instructional programs. Information Technology is allocated to type of service beginning in FY 2010. Instructional support comprises those programs that directly support the instruction process, such as tutoring, library operations, and instructional media services. Public Services include those activities established to respond to a community need or solve a community problem. Student Services include registration and records, financial aid, counseling, and other activities that provide non-academic support services to students. Institutional Administration encompasses general regulation, direction and administration, as well as those costs applicable to the College on an institution-wide basis, such as governance and accreditation activities. Facilities Management costs relate to those maintenance, housekeeping, public safety and other costs necessary for the proper and safe operation of the physical plant of the College.

Plant fund includes depreciation and interest on capital debt. Restricted fund includes required grant matching funds. Auxiliary and other funds are those activities that charge a fee for service, such as the parking, food services, the Early Learning Children’s Center, and other business-type activities.

2010 GENERAL FUND REVENUE SOURCES



2010 GENERAL FUND USE OF RESOURCES BY TYPE OF SERVICE



Lansing Community College
Board of Trustees and President



Deborah Canja
Chair



Edward Woods III
Vice Chair



Robin M. Smith
Secretary



Larry Meyer
Treasurer



Jerry L. Hollister
Trustee



Robert E. Proctor
Trustee



Thomas Rasmusson
Trustee



Brent Knight
President

“LCC provided me the technical tools to prepare me for my career in the travel industry. Of much greater importance is that the LCC experience was key in strengthening my morale and self-esteem. Having me be successful was a message conveyed in every meeting and every course.”

Nicole Noll-Williams
*Director, Regional Market Development
Capital Regional Airport Authority*



