

LANSING COMMUNITY COLLEGE

# Popular Annual Financial Statements

For the Fiscal Year Ended June 30, 2020

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LANSING COMMUNITY COLLEGE · LANSING, MI





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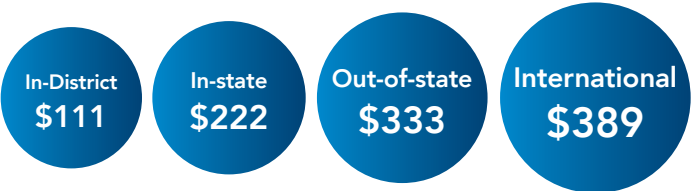


# College Overview

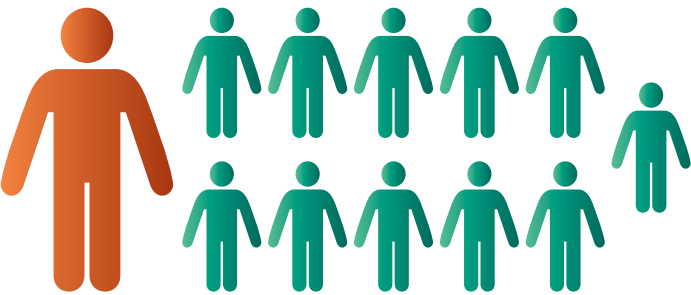
## Overview

Lansing Community College (LCC) is a major urban community college, situated on 48 acres in a nine-city block area in downtown Lansing, Michigan. Founded in 1957, LCC serves more than 17,000 college-credit students each year. LCC offers classes year-round in a three-semester curriculum. The college offers more than 200 degree and certificate programs, and more than 1,000 courses to match career and workforce development, transfer curricula, and developmental or special interest needs. Courses are offered in three academic divisions, serving more than 65 academic degrees and programs: Arts and Sciences, Health and Human Services, and Technical Careers. During the 2019-20 academic year, LCC's top five awards conferred were General Associate (420), Transfer Studies (205), Nursing, RN Option (159), Nursing, PN Option (147) and Basic Aviation technology (85). In addition, the Community Education and Workforce Development division provides community and continuing education, including the Business and Community Institute (BCI) that creates customized training for regional businesses, manufacturers and corporate partners.

### 2020 Tuition (per credit hour)



### Student-to-faculty ratio: 11-1



In addition to the Downtown Campus, LCC operates West Campus in Delta Township (home to the Michigan Technical Education Center, or M-TEC), LCC East in East Lansing, the Livingston Center in Howell, and the Aviation Maintenance Center at the Mason-Jewett Airport in Mason.

LCC is accredited by the Higher Learning Commission, and on June 27, 2016, the college's accreditation was reaffirmed for 10 years.

	2019	2018	2017	2016	2015
Enrollment for Fall					
College (unduplicated head count)	11,673	11,771	12,882	13,583	14,851
Full-time Equivalents	6,674	6,804	7,461	7,920	8,500
Total Credit Hours	106,100	107,257	117,655	123,341	133,493





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Presented to

**Lansing Community College  
Michigan**

For its Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2019**

*Christopher P. Morill*  
Executive Director/CEO

## Financial Report

**As the financial report shows, LCC continues to exercise fiscal prudence, maintain a healthy financial condition, and practice good stewardship in the use of public and tuition dollars for academic programs and services.**

Lansing Community College 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 each year. 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; the Lansing Community College Foundation's financial statements are not included in this report.

[View the complete FY 2020 CAFR document.](#)

To receive a hard copy of the CAFR, please contact the Financial Services Division via email at [pearcel@lcc.edu](mailto:pearcel@lcc.edu).

# 2020 Assets, Liabilities and Net Position

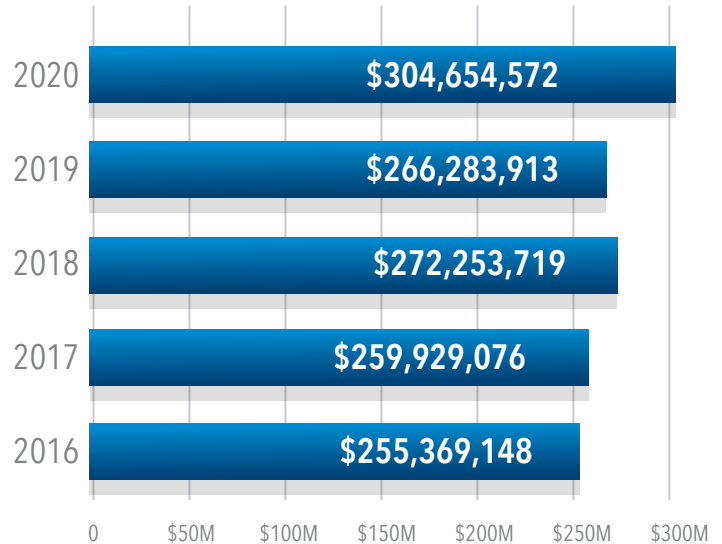
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## Assets

Current assets are those resources reasonably available within one year. Unlike other forms of assets, cash and cash equivalents can be used immediately for current operational needs, such as meeting the payroll or paying vendors. Short-term investments represent the College's holding in allowable financial instruments maturing within one year or less, such as certificates of deposits 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.

Non-current assets are the College's long-term financial and plant resources. Long-term investments represent the College's holding in allowable financial instruments maturing in more than one year, such as certificates of deposit. Property 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, and media equipment. Depreciation is the allocation of the costs of buildings and equipment over their expected useful lives.

## Total Assets



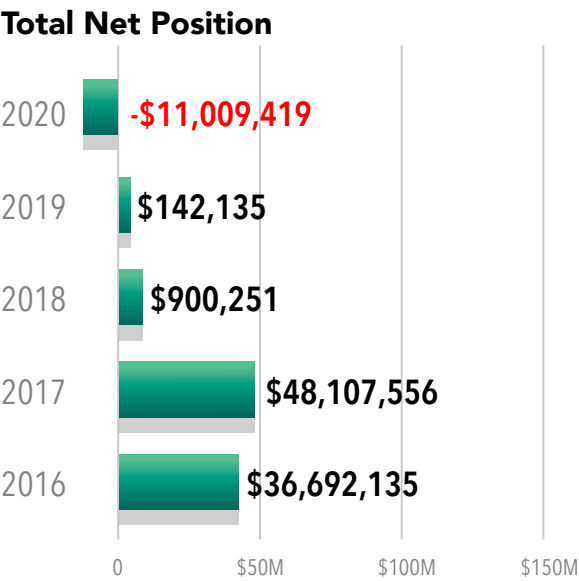
## Liabilities

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 revenue for the remainder of the summer semester and amounts received for services to be provided in the future.

# 2020 Assets, Liabilities and Net Position cntd.

## Net Position

Net position represents the difference between the aggregated total of assets plus deferred outflows of resources and the aggregated total of liabilities plus deferred inflows of resources, and is classified by the following categories: Net investment in capital assets– this is the total capital assets and restricted cash for debt service less accumulated depreciation and the outstanding balance of related debt; Restricted – this is net position that has limitations imposed on its use by external parties or by laws or regulations; Unrestricted (primarily the College’s General Fund) – this is net position that may be used to meet the College’s ongoing obligations. When reviewed over time, net position may serve as a useful indicator of the College’s financial position. In fiscal year 2020, the college’s overall net position decreased by \$11.2 million. The College has reported a negative unrestricted net position due to recording the required entries related to the College’s share of the Michigan Public School Employees Retirement System (MPERS) long-term net pension and



other postemployment benefits liability as required by GASB Statements 68, Accounting and Financial Reporting For Pensions, and 75, Accounting And Financial Reporting For Postemployment Benefits Other Than Pensions. While the implementation of GASB 68 and 75 continues to impact total net position, it does not have any impact on the College’s cash flows or operating budgets.



## Condensed Statement of Net Position and History for the Years Ended June 30

	2020	2019	2018	2017	2016
<b>Current assets</b>					
Cash and cash equivalents	\$15,073,366	\$18,019,750	\$11,779,096	\$13,726,408	\$11,061,971
Short-term investments	\$40,476,077	\$22,279,173	\$31,963,912	\$22,565,496	\$22,581,369
Receivables	\$9,095,193	\$12,295,399	\$13,079,373	\$12,632,440	\$13,926,660
Inventories	\$-	\$-	\$96,703	\$134,348	\$178,035
Prepaid expenses and other assets	\$2,056,847	\$2,217,174	\$1,991,127	\$1,863,192	\$1,806,022
<b>Noncurrent assets</b>					
Restricted cash and short-term investments-unspent bond proceeds	\$32,514,565	\$9,201,083	\$10,793,418	\$-	\$-
Restricted long-term investments, unspent bond proceeds	\$18,917,682	\$-	\$-	\$-	\$-
Long-term investments	\$-	\$10,117,126	\$3,119,926	\$8,211,410	\$5,083,991
Property and equipment, net	\$186,520,842	\$192,154,208	\$199,430,164	\$200,795,782	\$200,731,100
<b>Total Assets</b>	<b>\$304,654,572</b>	<b>\$266,283,913</b>	<b>\$272,253,719</b>	<b>\$259,929,076</b>	<b>\$255,369,148</b>
<b>Deferred outflows of resources</b>					
Deferred charge on bond refunding	\$1,867,316	\$2,083,969	\$2,300,622	\$831,639	\$997,967
Deferred pension amounts	\$60,577,120	\$59,515,517	\$33,928,655	\$19,460,975	\$14,002,164
<b>Current Liabilities</b>					
Accounts payable and other current liabilities	\$4,146,993	\$4,455,991	\$8,203,995	\$4,959,369	\$6,169,418
Accrued payroll and other compensation	\$9,593,412	\$8,306,502	\$8,651,326	\$8,728,754	\$8,736,474
Unearned revenue	\$3,428,552	\$3,425,760	\$3,728,060	\$3,438,610	\$3,417,583
Current portion of debt obligations	\$4,345,000	\$4,255,000	\$4,120,000	\$3,875,000	\$6,115,000
<b>Noncurrent liabilities</b>					
Long-term debt obligations, net of current portion	\$107,942,173	\$68,401,166	\$73,217,199	\$64,790,095	\$69,248,858
Net pension liability	\$177,789,942	\$163,974,876	\$141,871,522	\$139,408,096	\$134,564,773
Net OPEB liabilities	\$37,657,910	\$43,350,196	\$48,713,989	\$-	\$-
<b>Total liabilities</b>	<b>\$344,903,982</b>	<b>\$296,169,491</b>	<b>\$288,506,091</b>	<b>\$225,199,924</b>	<b>\$228,252,106</b>
<b>Deferred inflows of resources</b>					
Deferred pension and OPEB amounts	\$33,204,445	\$31,571,773	\$19,076,653	\$6,914,210	\$5,425,038
<b>Net position</b>					
Invested in capital assets, net of related debt	\$127,533,232	\$130,783,094	\$135,187,005	\$132,962,327	\$126,365,209
Restricted	\$143,914	\$246,003	\$199,611	\$7,917	\$-
Unrestricted	\$(138,686,565)	\$(130,886,962)	\$(134,486,365)	\$(84,862,688)	\$(89,673,074)
<b>Total net position</b>	<b>\$(11,009,419)</b>	<b>\$142,135</b>	<b>\$900,251</b>	<b>\$48,107,556</b>	<b>\$36,692,135</b>

# 2020 Operating Revenue and Expenses

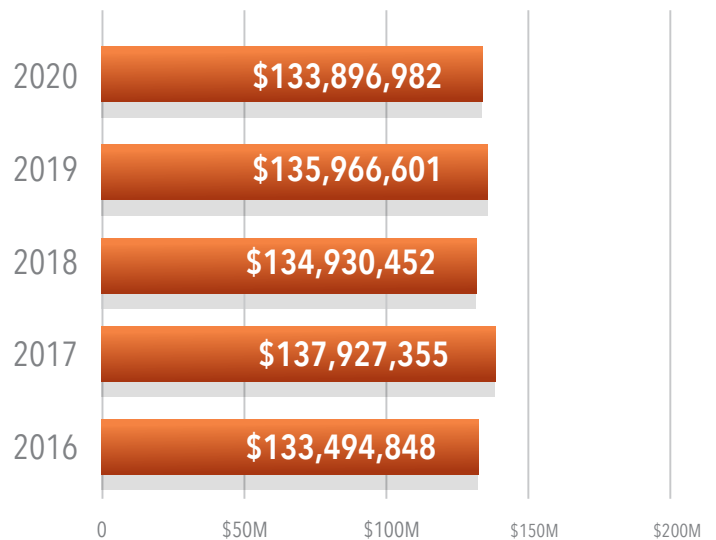
## Operating Revenue

Student tuition and fees are the primary operating source of revenues for the College. LCC's in-district rate of tuition of \$108 per billing hour in FY 2020 remains among the most competitive in the state. Total Operating Revenues decreased \$1.9 million from FY 2019 to FY 2020 or 5.6 percent. This is primarily due to decreases in miscellaneous revenue being offset by increases in Tuition and Fee revenue and increases in Local Grants.

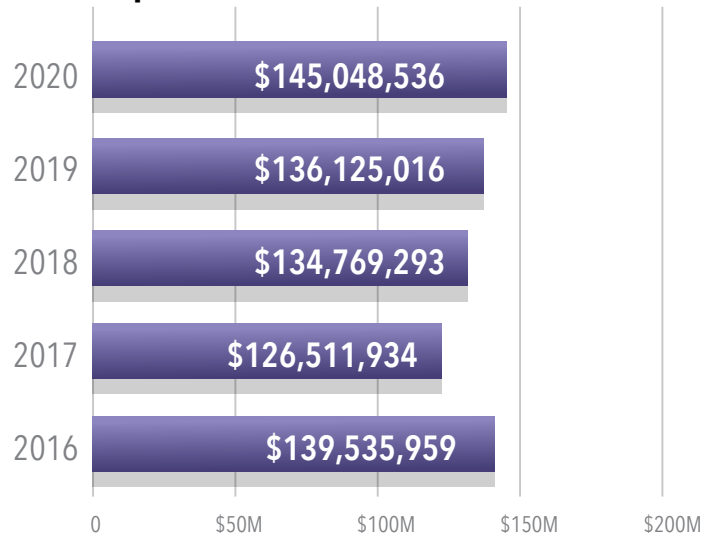
## Operating Expenses

Instruction includes direct activities and activities that aid in the teaching process. Instruction expenses include not only personnel costs and supplies, but also the personnel and materials required to plan, implement, and manage the instructional programs. 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, student success coaches and other activities that provide non-academic support services to students. Information Technology include the technology costs that benefit the institution as a whole consisting of the Information Technology department, the operation of the computing system for the institution, all programs that are purchased and hardware that is maintained by the IT department, as well as telephone and telecommunication services. Institutional Administration encompasses general regulation,

## Total Revenues



## Total Expenses



direction, and administration as well as institution-wide governance and accreditation activities. Operation and Maintenance of Plant includes maintenance, housekeeping, and other costs necessary for the proper and safe operation of the College's facilities.



# 2020 Operating Revenue and Expenses Cntd.

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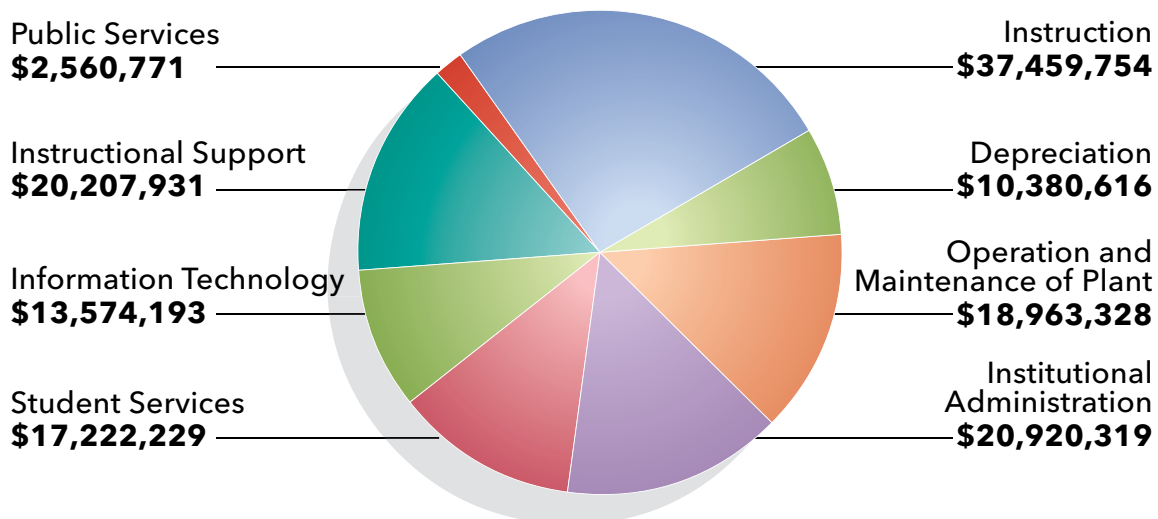
Depreciation represents the current year allocated costs of fixed assets. Total Operating Expenses increased \$7.9 million from FY 2019 to FY 2020. This increase included increases in Pension and Other Post-Employment Benefits Liabilities, Expendable Restricted funds relating to the payment of emergency student financial assistance, and Plant Funds, including repairs and maintenance, building renovations, and administrative fees for bonds and construction consulting projects.

## Non-Operating Revenues (Expenses)

State appropriations, property tax levies, and Pell grants are the major sources of non-operating revenue for the College. Total net non-operating expenses decreased by \$0.6 million from FY 2019 to FY 2020 due primarily in State Appropriations as a result of the 11% budget cut implemented by the State of Michigan offset by increases in Property Tax revenues, receipt of emergency student financial assistance funds and investment gains on bond proceeds.

## FY 2020 Operating Expenses

Total \$141,289,141



## Revenues, Expenses, and Changes in Net Position for the Years Ended June 30

	2020	2019	2018	2017	2016
<b>Operating income (loss)</b>					
Total operating revenues	\$43,142,045	\$45,015,987	\$42,627,974	\$43,938,373	\$41,521,872
Total operating expenses	\$141,289,141	\$133,371,330	\$132,144,748	\$123,764,426	\$135,956,500
Operating income (loss)	\$(98,147,096)	\$(88,355,343)	\$(89,516,774)	\$(79,826,053)	\$(94,434,628)
Net non-operating revenues (expenses)	\$86,995,542	\$87,597,227	\$89,078,232	\$86,638,657	\$88,250,621
Capital gifts, grants and appropriations	\$-	\$-	\$599,701	\$4,602,817	\$142,896
Total change in net position	\$(11,151,554)	\$(758,116)	\$161,159	\$11,415,421	\$(6,041,111)
Net position, beginning of year	\$142,135	\$900,251	\$48,107,556	\$36,692,135	\$42,733,246
Implementation of GASB 75	\$-	\$-	\$(47,368,464)	\$-	\$-
Net position, end of year	\$(11,009,419)	\$142,135	\$900,251	\$48,107,556	\$36,692,135
<b>Operating revenues</b>					
Tuition and fees (net of scholarships allowances)	\$30,728,261	\$30,611,199	\$31,112,089	\$30,405,367	\$27,216,821
Federal, state and local grants and contracts	\$10,515,925	\$9,595,925	\$9,180,805	\$8,636,075	\$7,771,621
Sales and services	\$892,062	\$732,681	\$361,849	\$1,712,034	\$2,499,865
Miscellaneous	\$1,005,797	\$4,076,182	\$1,973,231	\$3,184,897	\$4,033,565
Total operating revenues	\$43,142,045	\$45,015,987	\$42,627,974	\$43,938,373	\$41,521,872
<b>Operating expenses</b>					
Instruction	\$37,459,754	\$37,541,664	\$37,305,679	\$36,462,526	\$46,417,111
Information technology	\$13,574,193	\$12,727,743	\$12,258,907	\$10,434,438	N/A
Public services	\$2,560,771	\$2,567,157	\$2,754,459	\$2,703,721	\$2,157,956
Instructional support	\$20,207,931	\$18,307,771	\$16,502,356	\$17,547,370	\$24,916,745
Student services	\$17,222,229	\$14,499,277	\$17,352,582	\$11,782,303	\$13,207,329
Institutional administration	\$20,920,319	\$19,954,545	\$19,835,166	\$20,265,334	\$20,538,563
Operation and maintenance of plant	\$18,963,328	\$17,269,139	\$16,044,964	\$15,925,694	\$20,883,970
Depreciation	\$10,380,616	\$10,504,034	\$10,090,635	\$8,643,040	\$7,834,826
Total operating expenses	\$141,289,141	\$133,371,330	\$132,144,748	\$123,764,426	\$135,956,500
Operating income (loss)	\$(98,147,096)	\$(88,355,343)	\$(89,516,774)	\$(79,826,053)	\$(94,434,628)
<b>Non-Operating revenues</b>					
State appropriations	\$29,950,889	\$33,884,167	\$33,759,671	\$33,317,442	\$33,761,131
Property tax levy	\$43,781,074	\$42,298,367	\$40,983,811	\$39,910,486	\$39,207,101
Pell grant revenue	\$13,208,069	\$13,267,697	\$16,461,261	\$15,980,057	\$18,705,818
Financial nonoperating grants - CARES Act	\$1,775,621	\$-	\$-	\$-	\$-
Investment return and other gains	\$2,039,284	\$900,682	\$498,034	\$178,180	\$156,030
Interest on capital asset related debt	\$(3,759,395)	\$(2,753,686)	\$(2,624,545)	\$(2,747,508)	\$(3,579,459)
Net non-operating revenues (expenses)	\$86,995,542	\$87,597,227	\$89,078,232	\$86,638,657	\$88,250,621
Increase (decrease) in net position	\$(11,151,554)	\$(758,116)	\$(438,542)	\$6,812,604	\$(6,184,007)
State capital grants	\$-	\$-	\$599,701	\$4,400,299	\$-
Capital appropriations and gifts	\$-	\$-	\$-	\$202,518	\$142,896
Change in net position	\$(11,151,554)	\$(758,116)	\$161,159	\$11,415,421	\$(6,041,111)
Net position, beginning of year	\$142,135	\$900,251	\$48,107,556	\$36,692,135	\$42,733,246
Implementation of GASB 75	\$-	\$-	\$(47,368,464)	\$-	\$-
Adjusted net position, beginning of year	\$142,135	\$900,251	\$739,092	\$36,692,135	\$42,733,246
Net position, end of year	\$(11,009,419)	\$142,135	\$900,251	\$48,107,556	\$36,692,135

## OPERATING REVENUE AND EXPENSES



Lansing Community College is committed to providing equal employment opportunities and equal education for all persons regardless of race, color, sex, age, religion, national origin, creed, ancestry, height, weight, sexual orientation, gender identity, gender expression, disability, familial status, marital status, military status, veteran's status, or other status as protected by law, or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position or that is unrelated to the person's ability to participate in educational programs, courses, services or activities offered by the college.

The following individuals have been designated to handle inquiries regarding the nondiscrimination policies: Equal Opportunity Officer, Washington Court Place, 309 N. Washington Square Lansing, MI 48933, 517-483-1730; Employewe Coordinator 504/ADA, Administration Building, 610 N. Capitol Ave. Lansing, MI 48933, 517-483-1875; Student Coordinator 504/ADA, Gannon Building, 411 N. Grand Ave. Lansing, MI 48933, 517-483-1885; Sarah Velez, Human Resource Manager/Title IX Coordinator, Administration Building, 610 N. Capitol Ave. Lansing, MI 48933, 517-483-1874; Christine Thompson, Student Title IX Coordinator, Gannon Building, 411 N. Grand Ave. Lansing, MI 48933, 517-483-1261.