

LANSING COMMUNITY COLLEGE

Popular Annual Financial Statements

For the Fiscal Year Ended June 30, 2021

LANSING COMMUNITY COLLEGE · LANSING, MI



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College Overview

Overview

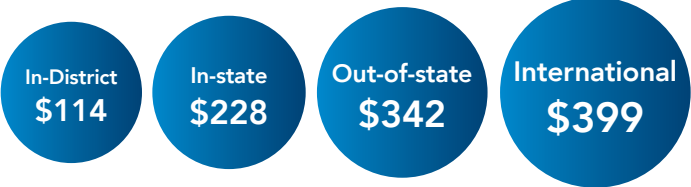
Lansing Community College (LCC), founded in 1957, is the seventh-largest community college in Michigan, serving more than 10,000 students last fall and nearly 5,000 corporate training and workforce development participants in the past year.

Each year, the college offers more than 200 degree and certificate programs and over 950 courses to match career and workforce development pursuits, transfer curricula, developmental, and special interest needs.

During the pandemic, LCC was able to pivot quickly to offer quality educational experiences through remote learning. In 2020 – 2021 LCC offered 2,638 sections in 581 courses online; 10 associate degrees and certificates can be earned solely through online study. In 2020 – 2021, the college awarded a total of 2,144 degrees, credentials and certifications.

Through the University Center at LCC, students can earn bachelors and masters

2021 Tuition (per credit hour)



degrees in more than 20 majors, without leaving campus, from five partner universities (Central Michigan University, Ferris State University, Northwood University, Siena Heights University, and University of Michigan–Flint).

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.

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



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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 that is published each year. The Comprehensive Annual Financial Report 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 the college's component unit, the Lansing Community College Foundation. The LCC Foundation's financial statements are not included in this report. [View the complete FY 2021 Comprehensive Annual Financial Report.](#)

To receive a hard copy of the Comprehensive Annual Financial Report, please contact the Financial Services Division via email at pearcel@lcc.edu.



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**Lansing Community College
Michigan**

For its Annual Financial Report
for the Fiscal Year Ended

2020

Christopher P. Morrell

Executive Director/CEO

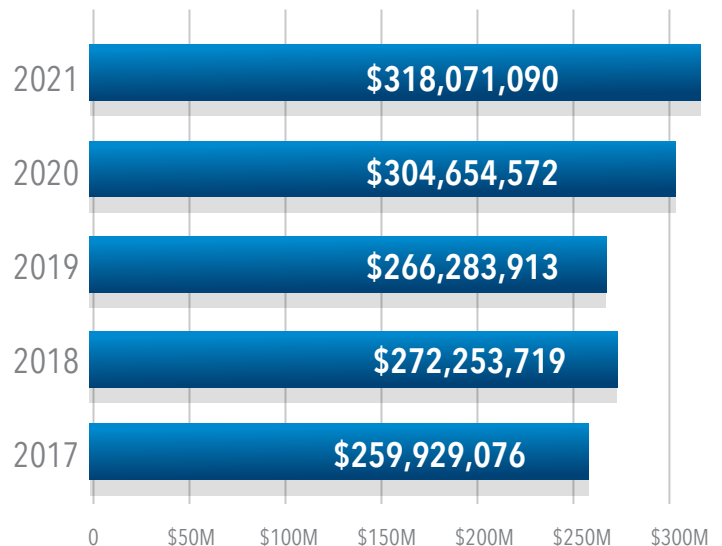
2021 Assets, Liabilities and Net Position

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.

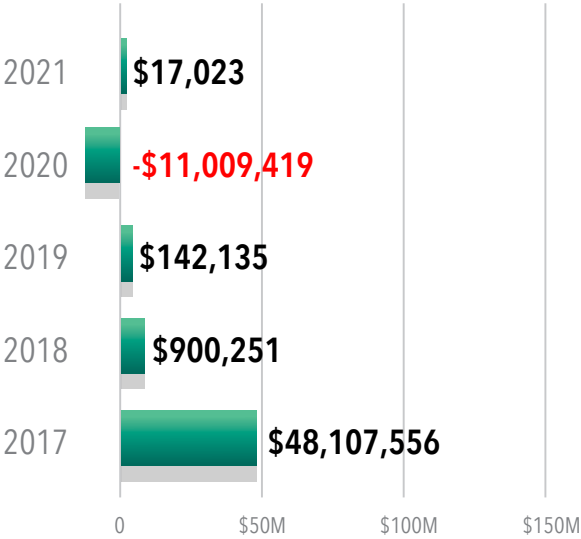
2021 Assets, Liabilities and Net Position cntd.

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 2021, the college’s overall net position increased by \$11.0 million. This is mainly due to decreased expenses due to the pandemic, including a reduction in college travel, for example, and the impact of federal stimulus grants.

The large decrease in net position from 2017 to 2018 and again from 2019 to 2020

Total Net Position



were the result of the implementation of *Governmental Accounting Standards Board Statements 68 and 75*, respectively.

The revenues (inflows) and expenses (outflows) listed on the statements are related to a particular fiscal year, as noted. Deferred Outflows of Resources and Deferred Inflows of Resources represent flows of resources into and out of a reporting entity that are related to and will be recognized in a future period.

Condensed Statement of Net Position for the Years Ended June 30

	2021	2020	2019	2018	2017
Current assets					
Cash and cash equivalents	\$24,920,161	\$15,073,366	\$18,019,750	\$11,779,096	\$13,726,408
Short-term investments	\$47,329,813	\$40,476,077	\$22,279,173	\$31,963,912	\$22,565,496
Receivables	\$12,372,853	\$9,095,193	\$12,295,399	\$13,079,373	\$12,632,440
Inventories	\$-	\$-	\$-	\$96,703	\$134,348
Prepaid expenses and other assets	\$2,641,304	\$2,056,847	\$2,217,174	\$1,991,127	\$1,863,192
Noncurrent assets					
Restricted cash and short-term investments-unspent bond proceeds	\$33,840,908	\$32,514,565	\$9,201,083	\$10,793,418	\$-
Restricted long-term investments, unspent bond proceeds	\$1,982,077	\$18,917,682	\$-	\$-	\$-
Long-term investments	\$-	\$-	\$10,117,126	\$3,119,926	\$8,211,410
Property and equipment, net	\$194,983,974	\$186,520,842	\$192,154,208	\$199,430,164	\$200,795,782
Total Assets	\$318,071,090	\$304,654,572	\$266,283,913	\$272,253,719	\$259,929,076
Deferred outflows of resources					
Deferred charge on bond refunding	\$1,650,664	\$1,867,316	\$2,083,969	\$2,300,622	\$831,639
Deferred pension amounts	\$48,160,423	\$60,577,120	\$59,515,517	\$33,928,655	\$19,460,975
Current Liabilities					
Accounts payable and other current liabilities	\$7,035,427	\$4,146,993	\$4,455,991	\$8,203,995	\$4,959,369
Accrued payroll and other compensation	\$8,864,740	\$9,593,412	\$8,306,502	\$8,651,326	\$8,728,754
Unearned revenue	\$4,234,554	\$3,428,552	\$3,425,760	\$3,728,060	\$3,438,610
Current portion of debt obligations	\$4,495,000	\$4,345,000	\$4,255,000	\$4,120,000	\$3,875,000
Noncurrent liabilities					
Long-term debt obligations, net of current portion	\$102,664,863	\$107,942,173	\$68,401,166	\$73,217,199	\$64,790,095
Net pension liability	\$176,522,247	\$177,789,942	\$163,974,876	\$141,871,522	\$139,408,096
Net OPEB liabilities	\$26,773,639	\$37,657,910	\$43,350,196	\$48,713,989	\$-
Total liabilities	\$330,590,470	\$344,903,982	\$296,169,491	\$288,506,091	\$225,199,924
Deferred inflows of resources					
Deferred pension and OPEB amounts	\$37,274,684	\$33,204,445	\$31,571,773	\$19,076,653	\$6,914,210
Net position					
Invested in capital assets, net of related debt	\$125,297,760	\$127,533,232	\$130,783,094	\$135,187,005	\$132,962,327
Restricted	\$221,826	\$143,914	\$246,003	\$199,611	\$7,917
Unrestricted	\$(125,502,563)	\$(138,686,565)	\$(130,886,962)	\$(134,486,365)	\$(84,862,688)
Total net position	\$17,023	\$(11,009,419)	\$142,135	\$900,251	\$48,107,556

2021 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 \$114 per billing hour in FY 2021 remains among the most competitive in the state. Total Operating Revenues decreased \$1.0 million from FY 2020 to FY 2021. This is primarily due to decreases in tuition and fee revenue reflected from enrollment declines, decreased federal and local grants, and a reduction in auxiliary activities and job training programs, offset by increases in state grant revenues and federal stimulus grants.

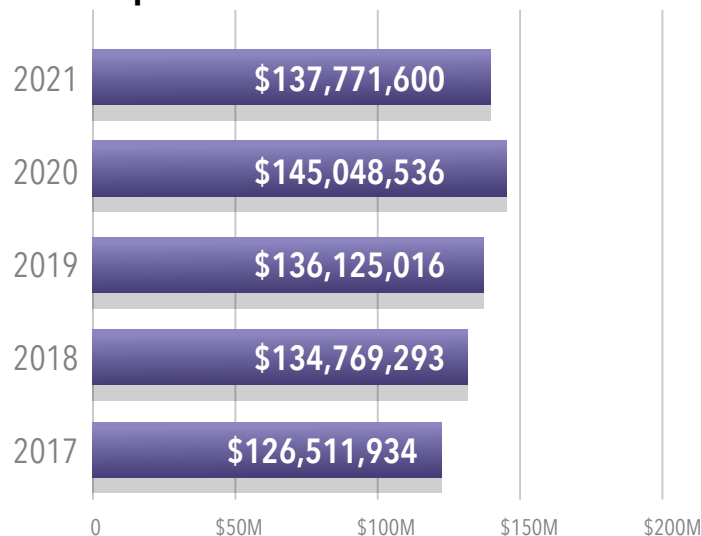
Operating Expenses

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 includes 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 Information Technology department, as well as telephone

Total Revenues



Total Expenses



and telecommunication services. Institutional Administration encompasses general regulation, 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

2021 Operating Revenue and Expenses cntd.

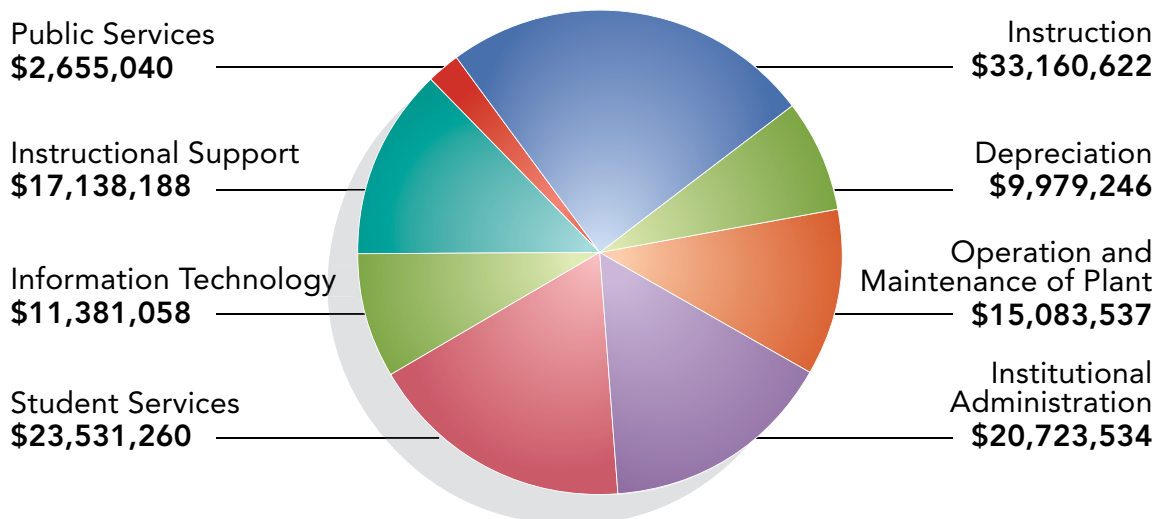
operation of the college's facilities. Depreciation represents the current year allocated costs of capital assets. Total Operating Expenses decreased \$7.6 million from FY 2020 to FY 2021. This Included expense decreases related to decreased class offerings and the cancellation of athletic programs, decreases in Pension and Other Postemployment Benefits (OPEB) Liabilities, and decreases in Plant Fund expenses resulting from decreased utilization of the campus during the pandemic, offset by increases in payments of emergency student financial assistance under the Higher Education Emergency Relief Fund (HEERF) and institution expenses related to HEERF.

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 revenues increased by \$15.3 million from FY 2020 to FY 2021, primarily due to the receipt of federal HEERF and Coronavirus Relief Funds.

FY 2021 Operating Expenses

Total \$133,652,485



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

	2021	2020	2019	2018	2017
Operating income (loss)					
Total operating revenues	\$42,128,761	\$43,142,045	\$45,015,987	\$42,627,974	\$43,938,373
Total operating expenses	\$133,652,485	\$141,289,141	\$133,371,330	\$132,144,748	\$123,764,426
Operating income (loss)	\$(91,523,724)	\$(98,147,096)	\$(88,355,343)	\$(89,516,774)	\$(79,826,053)
Net non-operating revenues (expenses)	\$102,330,166	\$86,995,542	\$87,597,227	\$89,078,232	\$86,638,657
Capital gifts, grants and appropriations	\$220,000	\$-	\$-	\$599,701	\$4,602,817
Total change in net position	\$11,026,442	\$(11,151,554)	\$(758,116)	\$161,159	\$11,415,421
Net position, beginning of year	\$(11,009,419)	\$142,135	\$900,251	\$48,107,556	\$36,692,135
Implementation of GASB 75	\$-	\$-	\$-	\$(47,368,464)	\$-
Net position, end of year	\$17,023	\$(11,009,419)	\$142,135	\$900,251	\$48,107,556
Operating revenues					
Tuition and fees (net of scholarships allowances)	\$30,203,838	\$30,728,261	\$30,611,199	\$31,112,089	\$30,405,367
Federal, state and local grants and contracts	\$11,025,743	\$10,515,925	\$9,595,925	\$9,180,805	\$8,636,075
Sales and services	\$92,144	\$892,062	\$732,681	\$361,849	\$1,712,034
Miscellaneous	\$807,036	\$1,005,797	\$4,076,182	\$1,973,231	\$3,184,897
Total operating revenues	\$42,128,761	\$43,142,045	\$45,015,987	\$42,627,974	\$43,938,373
Operating expenses					
Instruction	\$33,160,622	\$37,459,754	\$37,541,664	\$37,305,679	\$36,462,526
Information technology	\$11,381,058	\$13,574,193	\$12,727,743	\$12,258,907	\$10,434,438
Public services	\$2,655,040	\$2,560,771	\$2,567,157	\$2,754,459	\$2,703,721
Instructional support	\$17,138,188	\$20,207,931	\$18,307,771	\$16,502,356	\$17,547,370
Student services	\$23,531,260	\$17,222,229	\$14,499,277	\$17,352,582	\$11,782,303
Institutional administration	\$20,723,534	\$20,920,319	\$19,954,545	\$19,835,166	\$20,265,334
Operation and maintenance of plant	\$15,083,537	\$18,963,328	\$17,269,139	\$16,044,964	\$15,925,694
Depreciation	\$9,979,246	\$10,380,616	\$10,504,034	\$10,090,635	\$8,643,040
Total operating expenses	\$133,652,485	\$141,289,141	\$133,371,330	\$132,144,748	\$123,764,426
Operating income (loss)	\$(91,523,724)	\$(98,147,096)	\$(88,355,343)	\$(89,516,774)	\$(79,826,053)
Non-Operating revenues					
State appropriations	\$34,775,424	\$29,950,889	\$33,884,167	\$33,759,671	\$33,317,442
Property tax levy	\$44,956,559	\$43,781,074	\$42,298,367	\$40,983,811	\$39,910,486
Pell grant revenue	\$10,693,117	\$13,208,069	\$13,267,697	\$16,461,261	\$15,980,057
Financial nonoperating grants - CARES Act	\$16,749,041	\$1,775,621	\$-	\$-	\$-
Investment return and other gains	\$(724,860)	\$2,039,284	\$900,682	\$498,034	\$178,180
Interest on capital asset related debt	\$(4,119,115)	\$(3,759,395)	\$(2,753,686)	\$(2,624,545)	\$(2,747,508)
Net non-operating revenues (expenses)	\$102,330,166	\$86,995,542	\$87,597,227	\$89,078,232	\$86,638,657
Increase (decrease) in net position	\$10,806,442	\$(11,151,554)	\$(758,116)	\$(438,542)	\$6,812,604
State capital grants	\$-	\$-	\$-	\$599,701	\$4,400,299
Capital appropriations and gifts	\$220,000	\$-	\$-	\$-	\$202,518
Change in net position	\$11,026,442	\$(11,151,554)	\$(758,116)	\$161,159	\$11,415,421
Net position, beginning of year	\$(11,009,419)	\$142,135	\$900,251	\$48,107,556	\$36,692,135
Implementation of GASB 75	\$-	\$-	\$-	\$(47,368,464)	\$-
Adjusted net position, beginning of year	\$(11,009,419)	\$142,135	\$900,251	\$739,092	\$36,692,135
Net position, end of year	\$17,023	\$(11,009,419)	\$142,135	\$900,251	\$48,107,556

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; EMPLOYEE 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; HUMAN RESOURCE MANAGER/EMPLOYEE TITLE IX COORDINATOR, ADMINISTRATION BUILDING, 610 N. CAPITOL AVE., LANSING, MI 48933, 517-483-1879; STUDENT TITLE IX COORDINATOR, GANNON BUILDING, 411 N. GRAND AVE., LANSING, MI 48933, 517-483-9632.