

LANSING COMMUNITY COLLEGE

Popular Annual Financial Statements

For the Fiscal Year Ended June 30, 2022

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.

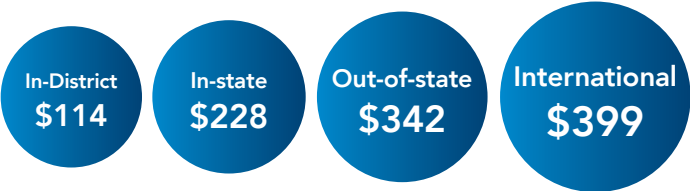
Each year, the college offers more than 220 degree and certificate programs and over 900 courses to match career and workforce development pursuits, transfer curricula, developmental, and special interest needs.

In 2021-2022, the college awarded a total of 2,226 degrees, credentials and certifications. The Top 5 Awards Conferred are listed below:

- Top 5 Awards Conferred:**
- 1. General Associate (321)
 - 2. Transfer Studies (157)
 - 3. Nursing, RN Option (156)
 - 4. Nursing, PN Option (146)
 - 5. Welding Technology (61)

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.

2022 Tuition (per credit hour)



The college’s 2022 tuition rates were not increased from 2021.

Through the University Center at LCC, students can earn bachelors and masters degrees in more than 20 majors, without leaving campus, from four partner universities (Central Michigan University, Northwood University, Siena Heights University, and University of Michigan–Flint).

	2021	2020	2019	2018	2017
Enrollment for Fall					
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

The Demographic and Economic Information chart below lists area statistics for FY 2020 - FY 2016, the past five years all information is available.

	Population (1)	Per Capita Personal Income (2)	Unemployment Rate (3)
Demographic and Economic Information			
FY 2020	394,075	\$46,812	11.2%
FY 2019	402,674	\$42,326	3.9%
FY 2018	402,561	\$41,727	3.9%
FY 2017	399,213	\$39,790	4.3%
FY 2016	397,211	\$38,865	4.6%

Source: (1) U.S Census Bureau, State and County QuickFacts - information for Ingham and Eaton Counties (2) U.S. Department of Commerce Bureau of Economic Analysis (3) U.S. Bureau of Labor Statistics

FY 2020 has the lowest population, indicating a possible reason for declining enrollment. It appears the Per Capita Personal Income and Unemployment Rates for FY 2020 were affected by the pandemic’s relief payments to individuals and business shut-downs occurring at that time.

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



Government Finance Officers Association

**Award for
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Financial Reporting**

Presented to

**Lansing Community College
Michigan**

For its Annual Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrell

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 Annual Comprehensive Financial Report that is published each year. The Annual Comprehensive 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 LCC's component unit; the Lansing Community College Foundation. The LCC Foundation's financial statements are not included in this report. [View the complete FY 2022 Annual Comprehensive Financial Report.](#)

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

2022 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.

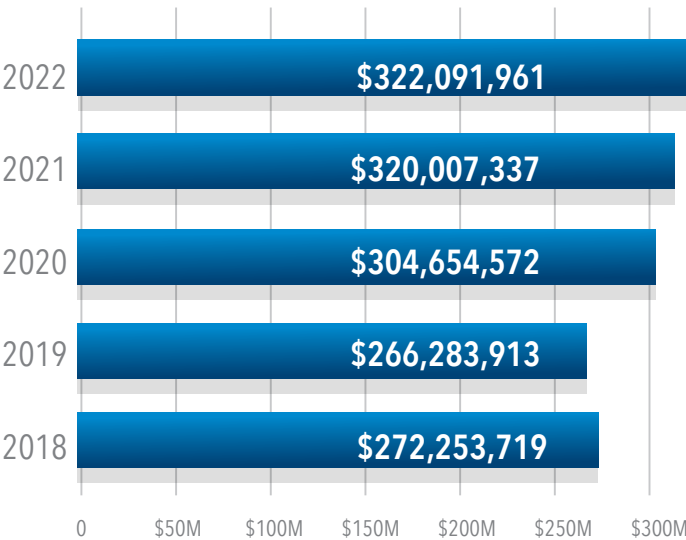
Non-current assets are the College’s long-term financial and plant resources. Long-term investments represent the College’s holding in allowable financial instruments maturing

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.

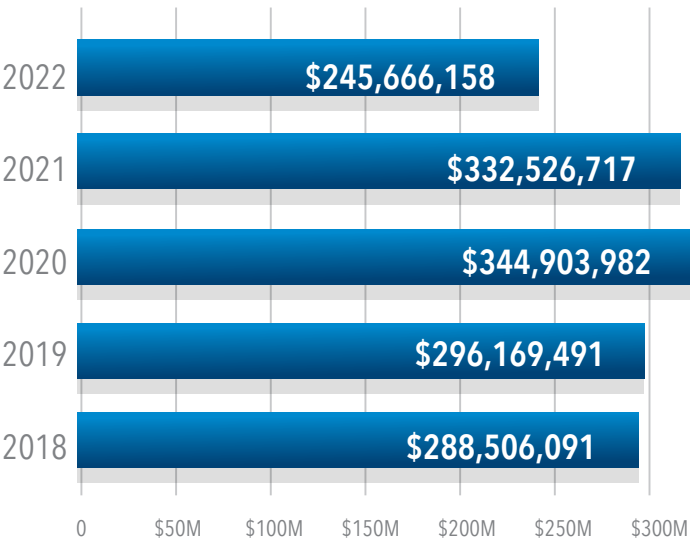
Liabilities

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.

Total Assets



Total Liabilities

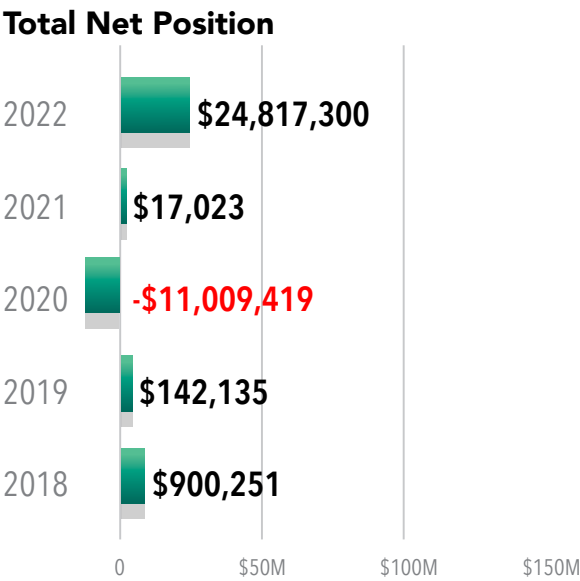


2022 Assets, Liabilities and Net Position cntd.

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 2022, the college’s overall net position increased by \$24.8 million. This is mainly due to decreased expenses due to the pandemic, including a reduction in college travel and the impact of federal stimulus grants, and a decrease in debt obligations due to principal payments made on outstanding bond issues along with the 2022 bond refunding on the 2012 debt obligation.

The large decrease in net position from 2019 to 2020 was the result of the implementation of



Governmental Accounting Standards Board Statement 75, titled Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

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

	2022	2021	2020	2019	2018
Current assets					
Cash and cash equivalents	\$15,193,993	\$24,920,161	\$15,073,366	\$18,019,750	\$11,779,096
Short-term investments	\$64,247,685	\$47,329,813	\$40,476,077	\$22,279,173	\$31,963,912
Receivables	\$13,302,178	\$12,372,853	\$9,095,193	\$12,295,399	\$13,079,373
Inventories	\$-	\$-	\$-	\$-	\$96,703
Prepaid expenses and other assets	\$2,320,230	\$2,641,304	\$2,056,847	\$2,217,174	\$1,991,127
Noncurrent assets					
Restricted cash and short-term investments-unspent bond proceeds	\$15,063,110	\$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
Lease assets being amortized, net	\$1,531,130	\$1,936,247	\$-	\$-	\$-
Property and equipment, net	\$210,433,635	\$194,983,974	\$186,520,842	\$192,154,208	\$199,430,164
Total assets	\$322,091,961	\$320,007,337	\$304,654,572	\$266,283,913	\$272,253,719
Deferred outflows of resources					
Deferred charge on bond refunding	\$1,818,836	\$1,650,664	\$1,867,316	\$2,083,969	\$2,300,622
Deferred pension amounts	\$32,081,158	\$48,160,423	\$60,577,120	\$59,515,517	\$33,928,655
Current liabilities					
Accounts payable and other current liabilities	\$7,186,175	\$7,035,427	\$4,146,993	\$4,455,991	\$8,203,995
Accrued payroll and other compensation	\$9,816,459	\$8,864,740	\$9,593,412	\$8,306,502	\$8,651,326
Unearned revenue	\$4,268,911	\$4,234,554	\$3,428,552	\$3,425,760	\$3,728,060
Current portion of lease obligations	\$405,978	\$406,535	\$-	\$-	\$-
Current portion of debt obligations	\$5,025,000	\$4,495,000	\$4,345,000	\$4,255,000	\$4,120,000
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	\$107,942,173	\$68,401,166	\$73,217,199
Net pension liability	\$117,177,936	\$176,522,247	\$177,789,942	\$163,974,876	\$141,871,522
Net OPEB liabilities	\$7,234,259	\$26,773,639	\$37,657,910	\$43,350,196	\$48,713,989
Total liabilities	\$245,666,158	\$332,526,717	\$344,903,982	\$296,169,491	\$288,506,091
Deferred inflows of resources					
Deferred pension and OPEB amounts	\$85,508,497	\$37,274,684	\$33,204,445	\$31,571,773	\$19,076,653
Net position					
Net invested in capital assets	\$128,864,293	\$125,297,760	\$127,533,232	\$130,783,094	\$135,187,005
Restricted	\$229,982	\$221,826	\$143,914	\$246,003	\$199,611
Unrestricted	\$(104,276,975)	\$(125,502,563)	\$(138,686,565)	\$(130,886,962)	\$(134,486,365)
Total net position	\$24,817,300	\$17,023	\$(11,009,419)	\$142,135	\$900,251

2022 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 2022 remains among the most competitive in the state. Total Operating Revenues increased 1.3 million from FY 2021 to FY 2022. This is primarily due to increases in tuition and fee revenue offsetting enrollment declines, and increases in auxiliary activities and job training programs, due to resuming campus and training activities after the pandemic.

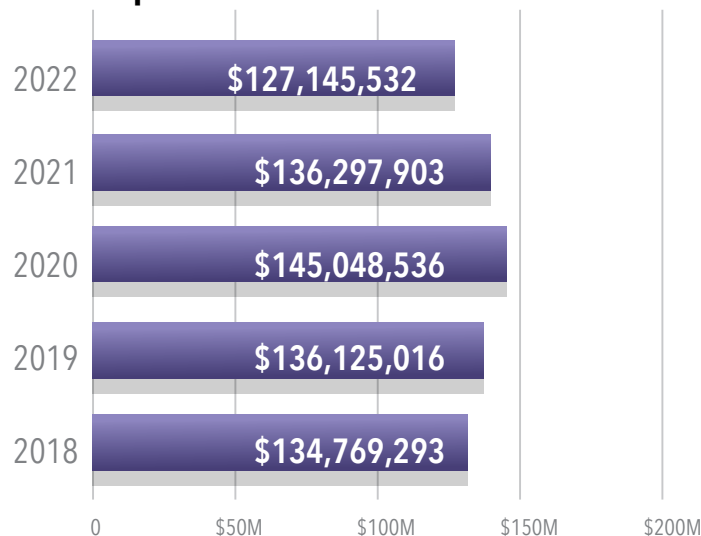
Operating Expenses

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 and telecommunication services. Institutional Administration encompasses

Total Revenues



Total Expenses



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 operation of the college's facilities. Depreciation represents the current

2022 Operating Revenue and Expenses

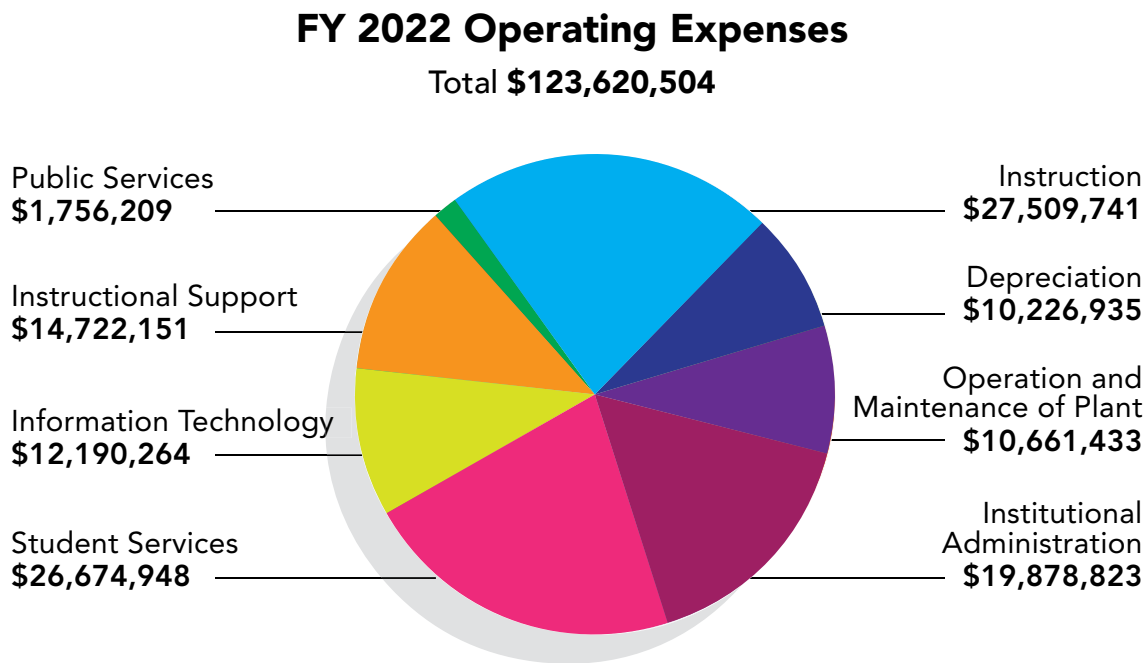
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year allocated costs of capital assets. Total Operating Expenses decreased \$8.5 million from FY 2021 to FY 2022. This decrease resulted from decreases in Instruction, Instructional Support, and Operation and Maintenance of Plant offset by increases in Student Services.

Non-Operating Revenues (Expenses)

State appropriations, property tax levies,

and Pell grants are the major source of non-operating revenue for the College. Total net non-operating revenues increased by \$4.1 million from FY 2021 to FY 2022 due to an increase in state appropriations, an increase in Property Tax Levy due to increased taxable values, increased investment returns, and reductions of interest on capital asset-related debt due to a 2022 bond refunding issue.



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

	2022	2021	2020	2019	2018
Operating income (loss)					
Total operating revenues	\$ 41,921,873	\$40,655,064	\$43,142,045	\$45,015,987	\$42,627,974
Total operating expenses	\$ 123,620,504	\$132,178,788	\$141,289,141	\$133,371,330	\$132,144,748
Operating income (loss)	\$ (81,698,631)	\$(91,523,724)	\$(98,147,096)	\$(88,355,343)	\$(89,516,774)
Net non-operating revenues (expenses)	\$ 106,396,961	\$102,330,166	\$86,995,542	\$87,597,227	\$89,078,232
Capital gifts, grants and appropriations	\$ 101,947	\$220,000	\$-	\$-	\$599,701
Total change in net position	\$ 24,800,277	\$11,026,442	\$(11,151,554)	\$(758,116)	\$161,159
Net position, beginning of year	\$ 17,023	\$(11,009,419)	\$142,135	\$900,251	\$48,107,556
Implementation of GASB 75	\$-	\$-	\$-	\$-	\$(47,368,464)
Net position, end of year	\$24,817,300	\$17,023	\$(11,009,419)	\$142,135	\$900,251
Operating revenues					
Tuition and fees (net of scholarships allowances)	\$31,956,596	\$30,203,838	\$30,728,261	\$30,611,199	\$31,112,089
Federal, state and local grants and contracts	\$8,412,473	\$9,552,046	\$10,515,925	\$9,595,925	\$9,180,805
Sales and services	\$507,735	\$92,144	\$892,062	\$732,681	\$361,849
Miscellaneous	\$1,045,069	\$807,036	\$1,005,797	\$4,076,182	\$1,973,231
Total operating revenues	\$41,921,873	\$40,655,064	\$43,142,045	\$45,015,987	\$42,627,974
Operating expenses					
Instruction	\$27,509,741	\$33,160,622	\$37,459,754	\$37,541,664	\$37,305,679
Information technology	\$12,190,264	\$11,381,058	\$13,574,193	\$12,727,743	\$12,258,907
Public services	\$1,756,209	\$2,655,040	\$2,560,771	\$2,567,157	\$2,754,459
Instructional support	\$14,722,151	\$17,138,188	\$20,207,931	\$18,307,771	\$16,502,356
Student services	\$26,674,948	\$22,057,563	\$17,222,229	\$14,499,277	\$17,352,582
Institutional administration	\$19,878,823	\$20,723,534	\$20,920,319	\$19,954,545	\$19,835,166
Operation and maintenance of plant	\$10,661,433	\$14,712,040	\$18,963,328	\$17,269,139	\$16,044,964
Depreciation	\$10,226,935	\$10,350,743	\$10,380,616	\$10,504,034	\$10,090,635
Total operating expenses	\$123,620,504	\$132,178,788	\$141,289,141	\$133,371,330	\$132,144,748
Operating income (loss)	\$(81,698,631)	\$(91,523,724)	\$(98,147,096)	\$(88,355,343)	\$(89,516,774)
Non-operating revenues					
State appropriations	\$36,377,586	\$34,775,424	\$29,950,889	\$33,884,167	\$33,759,671
Property tax levy	\$46,328,235	\$44,956,559	\$43,781,074	\$42,298,367	\$40,983,811
Pell grant revenue	\$10,888,958	\$10,693,117	\$13,208,069	\$13,267,697	\$16,461,261
Financial nonoperating grants - CARES Act	\$16,038,737	\$16,749,041	\$1,775,621	\$-	\$-
Investment return and other gains	\$288,473	\$(724,860)	\$2,039,284	\$900,682	\$498,034
Interest on capital asset related debt	\$(3,525,028)	\$(4,119,115)	\$(3,759,395)	\$(2,753,686)	\$(2,624,545)
Net non-operating revenues (expenses)	\$106,396,961	\$102,330,166	\$86,995,542	\$87,597,227	\$89,078,232
Increase (decrease) in net position	\$24,698,330	\$10,806,442	\$(11,151,554)	\$(758,116)	\$(438,542)
State capital grants	\$-	\$-	\$-	\$-	\$599,701
Capital appropriations and gifts	\$101,947	\$220,000	\$-	\$-	\$-
Change in net position	\$24,800,277	\$11,026,442	\$(11,151,554)	\$(758,116)	\$161,159
Net position, beginning of year	\$17,023	\$(11,009,419)	\$142,135	\$900,251	\$48,107,556
Implementation of GASB 75	\$-	\$-	\$-	\$-	\$(47,368,464)
Adjusted net position, beginning of year	\$17,023	\$(11,009,419)	\$142,135	\$900,251	\$739,092
Net position, end of year	\$24,817,300	\$17,023	\$(11,009,419)	\$142,135	\$900,251

OPERATING REVENUE AND EXPENSES

5-Year Trend For Total Revenues And Total Expenses for the Years Ended June 30

	2022	2021	2020	2019	2018
Operating income (loss)					
Total operating revenues	41,921,873	40,655,064	43,142,045	45,015,987	42,627,974
State appropriations	36,377,586	34,775,424	29,950,889	33,884,167	33,759,671
Property tax levy	46,328,235	44,956,559	43,781,074	42,298,367	40,983,811
Pell grant revenue	10,888,958	10,693,117	13,208,069	13,267,697	16,461,261
Federal nonoperating grants - CARES Act	16,038,737	16,749,041	1,775,621	-	-
Investment return & other gains	288,473	(724,860)	2,039,284	900,682	498,034
State capital grants	-	-	-	-	599,701
Capital gifts	101,947	220,000	-	-	-
TOTAL REVENUES	151,945,809	147,324,345	133,896,982	135,366,900	134,930,452
Total Operating Expenses	(123,620,504)	(132,178,788)	(141,289,141)	(133,371,330)	(132,144,748)
Interest on capital debt	(3,525,028)	(4,119,115)	(3,759,395)	(2,753,686)	(2,624,545)
TOTAL EXPENSES	(127,145,532)	(136,297,903)	(145,048,536)	(136,125,016)	(134,769,293)



LCC provides equal opportunity for all persons and prohibits discriminatory practices based on 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 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.