LANSING COMMUNITY COLLEGE

Lansing, Michigan

Comprehensive Annual Financial Report

Fiscal Years Ended June 30, 2015 and June 30, 2014

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LANSING COMMUNITY COLLEGE
Lansing, MI

COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Years Ended June 30, 2015 and June 30, 2014

Prepared by:
Financial Services Division

Donald L. Wilske
Chief Financial Officer

Lisa L. Mazure
Controller

Megan L. Garrett
Assistant Controller

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LANSING COMMUNITY COLLEGE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEARS ENDED JUNE 30, 2015 AND JUNE 30, 2014

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Introductory Section

November 2, 2015

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

The Comprehensive Annual Financial Report (CAFR) of Lansing Community College for the fiscal years ended June 30, 2015 and June 30, 2014, 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 is 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, Certified Public Accountants, have issued an unmodified (clean) opinion on Lansing Community College's financial statements for the years ended June 30, 2015 and 2014. 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.

We strive for fiscally responsible planning for our immediate and future needs. As the financial operations shows in the recent CAFR, 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.

In March 2013 the College adopted a new Strategic Plan, *Learn Forward*, which set the institution's direction for the next three fiscal years. This plan was 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. During the fiscal year ending June 30, 2015 the College continued upon a $67 million capital program funded by bond proceeds, internally designated funds, externally raised funds and a State of Michigan capital outlay appropriation. This broad initiative is transforming facilities for teaching and learning on campus now and for decades to come.

We have remained flexible in these most challenging economic times to provide services efficiently while maintaining our commitment to students. We are encouraged by the continued dedication of our faculty, administrators, staff and the Board of Trustees to make Lansing Community College an excellent place of higher education. Lansing Community College ~ "*Where Success Begins*".

PROFILE OF THE COLLEGE

Lansing Community College is a major urban community college, situated on 48 acres, in a nine-city block area in downtown Lansing, Michigan. Founded in 1957, Lansing Community College is now the third largest community college in the state of Michigan. The College currently enrolls more than 22,000 college-credit students each year, and has over 500 full-time and over 1,600 part-time staff and faculty. The College offers classes year-round in a three-semester curriculum. The College offers 230 degree and certificate programs and over 1,156 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 and manufacturers.

In addition to the Downtown Campus, the College operates a 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, the North Campus in St. Johns, an Aviation Maintenance Center at the Mason-Jewett Airport in Mason, and the EMS facility in Livingston County. In addition, there are learning centers in more than 20 communities within the College's 30-mile service district. Lansing Community College was the first Michigan community college to offer a complete associate's degree online and now offers over 500 online/hybrid sections per semester, or approximately 23.5% of all section offerings.

LCC is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools, and serves over 35,000 people annually.

The following table illustrates enrollments over the last five years:

	FALL				
	2014	**2013**	**2012**	**2011**	**2010**
Enrollment					
College (unduplicated head count)	16,031	17,562	19,082	20,640	22,014
Full-time Equivalents	9,250	10,245	11,147	10,793	13,524
Total Credit Hours	143,330	163,466	174,369	186,354	209,621

FINANCIAL PLANNING

In-District tuition was increased by $3 per billing hour for Fiscal Year 2015. Tuition remained constant for Fiscal Year 2010; increased by $3 per billing hour in Fiscal Years 2011 and 2012; and increased by $2 per billing hour in Fiscal Years 2013 and 2014. LCC's leadership remains firm in their stance to keep tuition rates low. With tuition and fees accounting for 41% of the revenue mix and few viable options available to diversify revenue sources, the college finds itself with the challenge to balance changing student demand with increasing costs and decreasing revenue.

As the least expensive post-secondary education option in a community facing a difficult economic situation, LCC is well positioned to attract a diverse group of students. High potential targets include those who are looking for a less-expensive post-secondary education option, those who have recently lost their job and are looking to retool their skill set in order to be productive in what may potentially be a more service-oriented and higher-skill-based economy, 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 LCC's value proposition to graduating high school students improves. LCC's value is aided by the numerous transfer and articulation agreements LCC maintains with four-year institutions in the state of Michigan as well as the success of LCC's University Center.

At the start of the College's FY 2015 budget planning, College financial staff projected an initial gap of more than $2.9 million between projected revenues and expenditures. This $2.9 million deficit assumed College programs and services would remain at FY 2014 levels with the exception of additional funding deemed necessary to target student success and planned capital improvements. This also assumed that tuition rates would remain flat. The College engaged in a rigorous review of all programs and services and closed the $2.9 million gap using criteria that prioritized funding for activities that had a direct impact on workforce development, educational quality, or activities that would produce more revenue than expense. Finally the remaining gap was closed with a conservative tuition rate increase of 3.5% for students.

As the financial report shows, we continue to exercise fiscal prudence, to maintain a healthy financial condition and to protect the tax dollars in the use of available resources to continue our commitment to academic excellence. The Lansing State Journal has previously printed, "The College has demonstrated restraint while coping with the same intense financial pressures facing every educational institution in the state."

STRATEGIC FOCUS

On March 18, 2013, the Board of Trustees adopted a strategic plan titled *Learn Forward* for 2013 through 2016. Development of the plan began in 2011 with an assessment of the College's strategic challenges and priorities and included numerous conversations with community and campus stakeholders.

Six areas of strategic focus emerged from the process:

Competitiveness and Innovation
Lansing Community College demonstrates its status as a college of choice by delivering superior value, by continuously improving and innovating, and by forecasting and responding to growth opportunities and competitive challenges.

Engaged Learning
Lansing Community College is an exemplary institution where student achievement and success are realized through relevant and rigorous curricula across all areas of teaching and learning.

Student Success
Lansing Community College provides excellent student support services that facilitate retention, goal completion, engagement, and success.

Community Engagement
Lansing Community College builds and enhances mutually beneficial relationships with community partners.

Leadership, Culture, and Communication
Lansing Community College is an organization in which personal responsibility, trust, respect for others, openness, and excellent customer service are core values. All employees model the values of integrity, honesty, transparency, accountability, and good stewardship. The College affirms its commitment to participatory governance.

Resource Management and Fiscal Responsibility
Lansing Community College engages in planning activities that support its ability to make data-informed and transparent decisions within a participatory framework at all levels to ensure the health and sustainability of the institution over the long term.

LOCAL ECONOMY

Michigan's economy spent the years 2000 through 2010 in recession, largely driven by the same fundamental restructuring that affected manufacturing globally. Manufacturing experienced, and continues to experience, increased competition that will require additional productivity gains. For Michigan, the effect of productivity improvements was substantial for at least three reasons: 1) there was more room for productivity improvements in the durable goods and motor vehicle manufacturing sectors than in many other sectors, 2) Michigan was, and remains, very disproportionately concentrated in motor vehicle manufacturing, and 3) the motor vehicle industry has become one of the most competitive sectors of the economy. For Michigan, those factors were complicated as General Motors, Ford, and Chrysler lost market share over most of the last decade, leaving Michigan to lose employment from both higher productivity and reduced demand. The impact on the Michigan economy was exacerbated by the rapid and drastic decline in automobile sales in late 2008 and during 2009, reflecting national collapses in sectors such as construction, real estate, and finance.

However, the drag from the manufacturing sector on Michigan's economy appears to have bottomed out and the recovery in vehicle sales nationally has helped Michigan's economic situation. Manufacturing employment in Michigan rose by 110,300 jobs (25.1%) between June 2009, when the U.S. recession ended, and October 2013. However, Michigan manufacturing employment remained essentially unchanged from October 2013 through October 2014. Manufacturing employment rose in the fourth quarter of 2014 but it remains to be seen whether the higher level of employment represents the beginning of a new trend or a new norm.

Source: MICHIGAN'S ECONOMIC OUTLOOK AND BUDGET REVIEW - FY 2014-15, FY2015-16, and FY2016-17
May 13, 2015 Senate Fiscal Agency, State of Michigan

Forecast Summary

After increasing by 2.9% in 2014, Michigan's inflation-adjusted personal income is projected to increase 5.0% in 2015, and then grow more slowly, rising 2.6% in 2016, and 1.9% in 2017. In Michigan, higher vehicle sales, stability in the housing market, and an improved national economy are expected to allow the unemployment rate to slowly decline, from 7.3% in 2014 to 5.8% in 2015, 5.7% in 2016 and 5.6% in 2017.

Although both the U.S. and Michigan economies will continue to exhibit growth over the forecast period, neither the U.S. nor the Michigan forecast exhibits particularly strong economic growth. Weak employment growth, weak income growth, and slowdowns in overseas economies will temper the pace of the U.S. and Michigan recoveries during the forecast period. However, improved vehicle sales and stronger profitability in Michigan's vehicle sector will provide stability to the Michigan employment situation.

Source: MICHIGAN'S ECONOMIC OUTLOOK AND BUDGET REVIEW - FY 2014-15, FY2015-16, and FY2016-17
May 13, 2015 Senate Fiscal Agency, State of Michigan

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 has been $3.8072 since 2006. The state average for all community colleges was $2.4605 in 2014.

PROSPECTS FOR THE FUTURE

The forecast expects employment levels in the transportation equipment manufacturing sector to increase slightly through 2015, but to remain relatively flat in both 2016 and 2017. Overall employment in Michigan is expected to grow slightly, with virtually all of the growth in private sector employment. However, for both the economy and State tax revenue to improve markedly, more substantial employment gains in the economy as a whole will need to occur. While increased profitability in the vehicle industry has stabilized much of the Michigan economy, significant and sustained growth at both the national and statewide levels is unlikely to occur until the housing industry experiences a meaningful recovery and consumers exhibit improved debt-to-income ratios and growing wages.

FY 2015-16 Revised Revenue Estimate

- General Fund/General Purpose (GF/GP) and School Aid Fund (SAF) revenue is expected to total $22.1 billion, up 2.2% or $476.6 million from the revised estimate for FY 2014-15. The revised estimate for FY 2015-16 is $79.6 million above the January 2015 consensus revenue estimate. As in FY 2014-15, the revenue increase in FY 2015-16 reflects improvements in the level of economic activity that are partially offset by increased business tax credits and revenue reductions attributable to personal property tax reform.

FY 2016-17 Revised Revenue Estimate

- GF/GP and SAF revenue is expected to total $22.6 billion in FY 2016-17. This revised estimate for FY 2016-17 is up 2.6% or $573.8 million from the revised estimate for FY 2015-16. As in FY 2015-16, the revenue increase in FY 2016-17 reflects growth in Michigan economic activity, combined with a reduction in expected business tax credits.

Source: MICHIGAN'S ECONOMIC OUTLOOK AND BUDGET REVIEW - FY 2014-15, FY2015-16, and FY2016-17
May 13, 2015 Senate Fiscal Agency, State of Michigan

CAPITAL PROJECTS

In July, 2012, the Lansing Community College Board of Trustees approved a forward-thinking set of renovation projects designed to transform teaching and learning on campus for the next several decades. It is a sweeping vision grounded in the practical needs of our students — one that will enable them to pursue their educational and professional goals in settings that have been purposefully designed to help them perform at their best and to succeed.

These projects fundamentally change the student experience by creating a variety of dynamic and adaptable teaching, learning, and support environments. They include:

- Technology-rich learning spaces and infrastructure
- Student-centered commons areas that encourage learning beyond the classroom
- Inviting environments for attracting and retaining students and enhancing campus-community connections

Together, these projects position LCC as a national leader in community college education, linking best practices in teaching and learning to the needs of Michigan employers and the expectations of baccalaureate-granting colleges and universities. In our transfer and career programs, as well as in our partnerships with K-12 schools in mid-Michigan, the College is committed to providing students with a superior learning environment that effectively prepares them to participate in today's economy.

Multiple funding strategies were used. The State of Michigan Capital Outlay appropriation funded $9.4 million of the Arts & Sciences Building renovation. The College accumulated $11.9 million for these projects. The College received $1.4 million from LCC Foundation capital funds, and the remainder was financed with net proceeds of a bond issuance of approximately $44.3 million dollars, net of the cost of issuance.

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 Lansing Community College for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. 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. LCC has received a Certificate of Achievement for six consecutive years. We believe that our current CAFR 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.

LCC has received the Distinguished Budget Presentation Award from the GFOA for the 2014/2015 fiscal year. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. LCC has received this award for six consecutive years. A copy of this award can be viewed on the College's website at http://www.lcc.edu/finservices/FY%202016%20Budget.pdf.

LCC has received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the GFOA for the fiscal year ended June 30, 2014. The GFOA established the Popular Annual Financial Reporting Awards Program to encourage and assist state and local governments to extract information from their comprehensive annual 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. LCC has received this award for four consecutive years. A copy of this award can be viewed on the College's website at http://www.lcc.edu/finservices/2014-LCC-Annual-Report.pdf.

LCC's Purchasing Department is the recipient of the 19th Annual Achievement of Excellence in Procurement (AEP) Award. Lansing Community College has received the award for twelve consecutive years and is one of only four government agencies in Michigan to receive the national award. The award is designed to recognize organizational excellence in procurement through efficient and effective practices within an organization's procurement policies and processes. It acknowledges measures in innovation, professionalism, e-procurement, productivity and leadership attributes of the procurement function.

Independent Audit

State statutes require an annual audit by independent certified public accountants. The accounting firm of Rehmann Robson 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 CAFR was made possible by the dedicated service of the entire staff of the finance department. 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

Lisa Webb Sharpe, Ed.D
Senior Vice President for Finance, Administration, and Advancement

LANSING COMMUNITY COLLEGE

PRINCIPAL OFFICIALS

Year Ended June 30, 2015

BOARD OF TRUSTEES

	Position	Term Expires
Robert E. Proctor	Chairperson	2016
Lawrence Hidalgo, Jr.	Vice Chairperson	2018
Dr. Judi K. Berry	Secretary	2020
Larry Meyer	Treasurer	2016
Deborah Canja	Trustee	2016
Robin M. Smith	Trustee	2018
Andrew P. Abood	Trustee	2020

OFFICERS OF THE COLLEGE

Brent Knight	President
Richard Prystowsky	Provost/Senior Vice President of Academic & Student Affairs
Lisa Webb Sharpe	Senior Vice President of Finance, Administration & Advancement
Donald L. Wilske	Chief Financial Officer

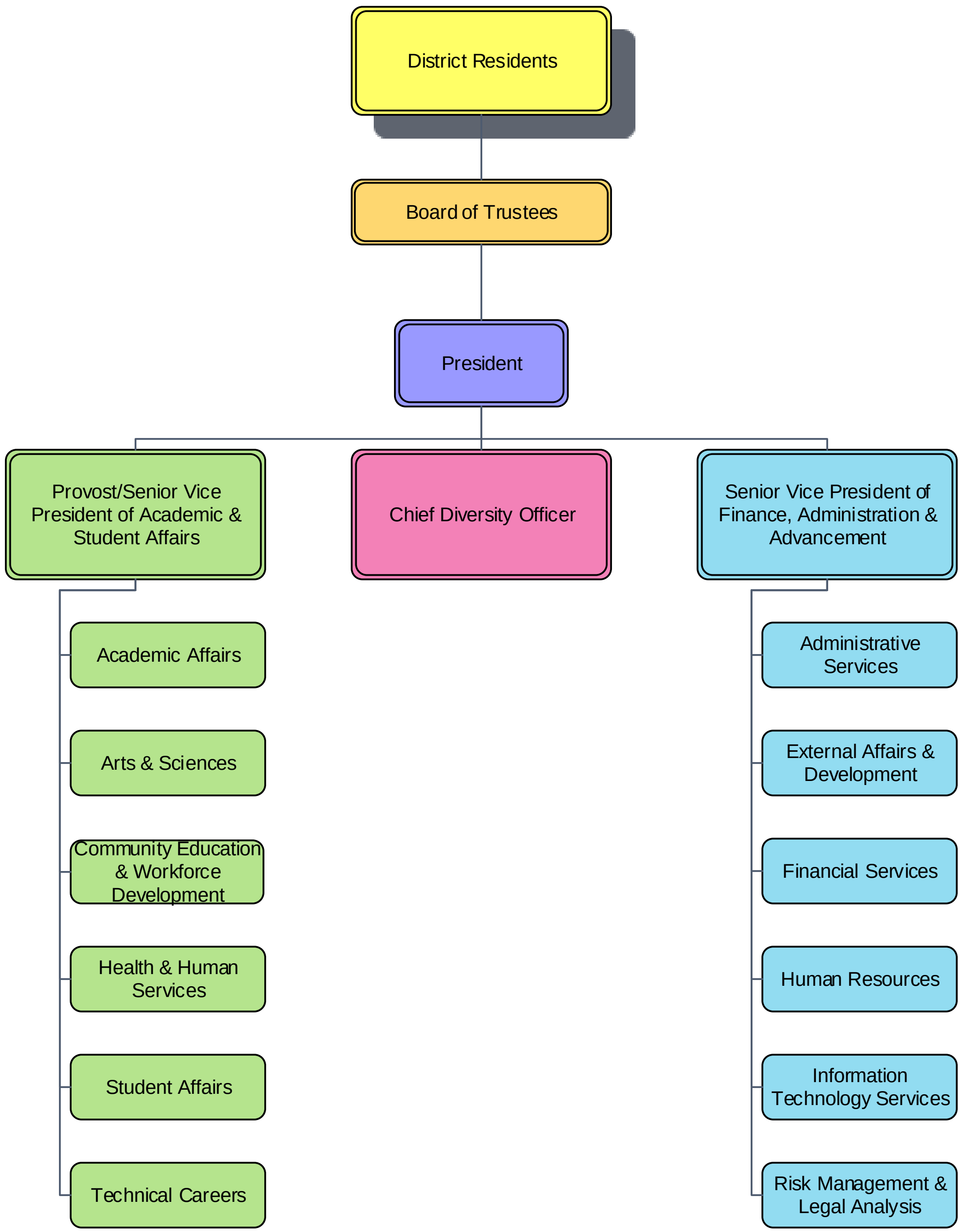
OFFICIALS ISSUING REPORT

Lisa Webb Sharpe	Senior Vice President of Finance, Administration & Advancement
Donald L. Wilske	Chief Financial Officer
Lisa L. Mazure, C.P.A.	Controller
Megan L. Garrett	Assistant Controller

DIVISION ISSUING REPORT

Financial Services Division

LANSING COMMUNITY COLLEGE
Organizational Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lansing Community College

Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

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Financial Section

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Rehmann

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rehmann.com

INDEPENDENT AUDITORS' REPORT

November 2, 2015

Board of Trustees
Lansing Community College
Lansing, Michigan

Report on the Financial Statements

We have audited the accompanying 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, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Independent Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Lansing Community College Foundation, the College's discretely presented component unit, were not audited in accordance with *Government Auditing Standards.*

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component unit of *Lansing Community College* as of June 30, 2015 and 2014, and the respective results of their operations and cash flows, where applicable, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Implementation of GASB Statement No. 68

As described in Notes 1 and 7, the College implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in the current year. Accordingly, beginning net position of business-type activities as of July 1, 2014 was restated. Application of this new standard to July 1, 2013, the earliest year presented, is not practical as complete information is not available. Our opinion is not modified with respect to this matter.

Other Matters

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, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 audit 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.

Additional Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The additional information identified in the introductory, statistical and special reports sections in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in our audits of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued under separate cover our report dated November 2, 2015 on our consideration of *Lansing Community 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 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 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 *Lansing Community College's* internal control over financial reporting and compliance.

Rehmann Robson LLC

The discussion and analysis of Lansing Community College's financial statements provides an overview of the College's financial activities for the years ended June 30, 2015 and 2014. Management has prepared the fiscal 2015 and 2014 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.

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".

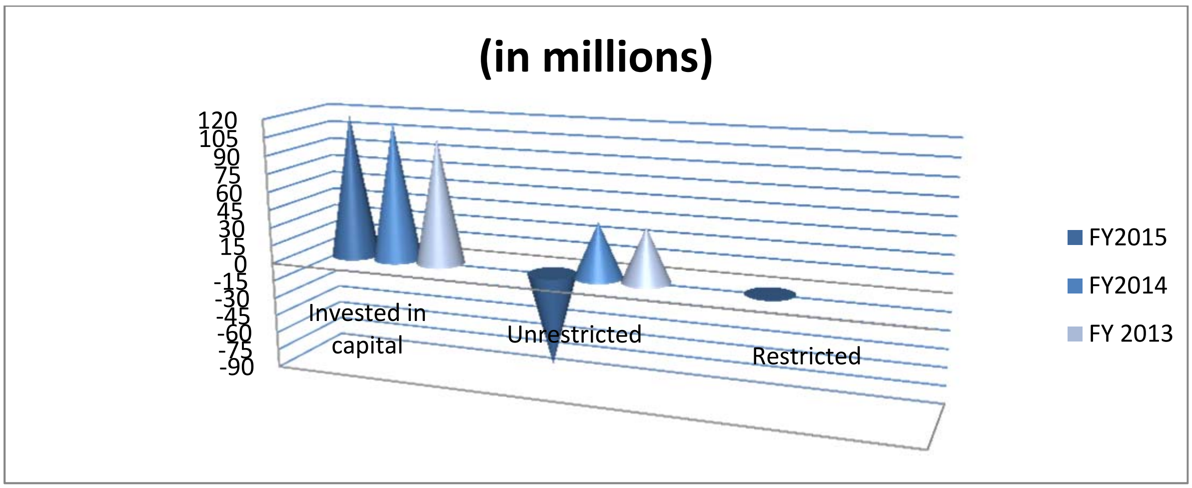
This Comprehensive Annual Financial Report (CAFR) includes the report of independent auditors, management's discussion and analysis, the basic financial statements in the above referred to format, notes to financial statements, required supplementary information, and additional information.

Financial Highlights

The College's financial position declined during the fiscal year ended June 30, 2015, with a $118.1 million decrease in total net position. One of the two major categories of net position changed somewhat, as shown in the graph below. Total net position decreased by $118.1 million, while net position invested in capital assets increased by $3.9 million due to the capitalization of additional portions of the *Build Forward* project. Unrestricted net position decreased by $122.1 million, from $45.3 to $(76.8) million as a result of the recording of the College's share of the Michigan Public School Employees Retirement System long-term net pension liability as required by GASB Statement 68, *Accounting and Financial Reporting for Pensions.* While the implementation of GASB 68 impacted total net position, it did not have any impact on the College's cash flows or operating budgets.

The College's financial position improved during the fiscal year ended June 30, 2014, with an $11.9 million increase in total net position. The two major categories of net position changed somewhat, as shown in the graph below. Total net position increased by $11.9 million, net position invested in capital assets increased by $11.0 million due to the capitalization of major portions of the *Build Forward* project. Unrestricted net position increased by approximately $0.9 million, from $44.4 to $45.3 million as a result of the increase in net position from current year operations.

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 LCC'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**

	2015	2014	Increase (Decrease) 2015-2014	2013	Increase (Decrease) 2014-2013
Current assets	$ 45.6	$ 55.8	$ (10.2)	$ 53.2	$ 2.6
Non-current assets					
Capital assets, net of depreciation	198.8	189.8	9.0	171.0	18.8
Other	11.1	16.8	(5.7)	35.5	(18.7)
Total non-current assets	209.9	206.6	3.3	206.5	0.1
Total assets	255.5	262.4	(6.9)	259.7	2.7
Deferred outflows of resources	19.2	1.3	17.9	1.5	(0.2)
Current liabilities	19.9	21.7	(1.8)	25.4	(3.7)
Net pension liabilities	123.2	-	123.2	-	-
Long-term liabilities	75.3	81.2	(5.9)	86.9	(5.7)
Total liabilities	218.4	102.9	115.5	112.3	(9.4)
Deferred inflows of resources	13.6	-	13.6	-	-
Net position					
Net investment in capital assets	119.4	115.5	3.9	104.5	11.0
Restricted	0.1	-	0.1	-	-
Unrestricted	(76.8)	45.3	(122.1)	44.4	0.9
Total net position	$ 42.7	$ 160.8	$ (118.1)	$ 148.9	$ 11.9

Fiscal Year 2015 Compared to 2014

The College decreased its current assets by $10.2 million primarily due to continued completion of the *Build Forward* project and moving short-term investment positions to long-term positions. The College net position decreased by $118.1 million. This is primarily attributed to recording $123.2 million of the long-term net pension liability. The College's capital assets, net of depreciation increased primarily from the capitalization of additional portions of the *Build Forward* project. Other assets decreased due to use of restricted bond proceeds for the *Build Forward* projects, offset by a movement from short-term to long-term investment positions. Current liabilities decreased $1.8 million primarily due to the timing of payroll and weekly check runs at year end. Long-term liabilities increased as a result of the recording of the net pension obligation offset by a decrease in bonds payable as a result of debt payments.

Fiscal Year 2014 Compared to 2013

The College increased its current assets by $2.6 million primarily due to shortening investment maturities. The College net position increased by $11.9 million. This is attributed to various operational efficiencies and a $9.4 million increase from the receipt of State Appropriations for the *Build Forward* project. The College's capital assets, net of depreciation increased primarily from the capitalization of major portions of the *Build Forward* project. Other assets decreased due to shortening of investment maturities and payment of restricted bond proceeds for the *Build Forward* projects. Current liabilities decreased $3.7 million primarily due to the timing of payroll and weekly check runs at year end. Long-term liabilities decreased as a result of debt payments.

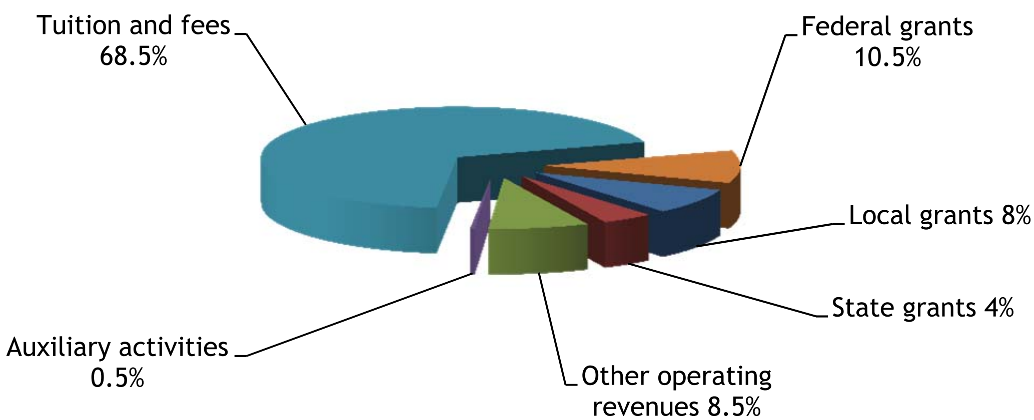
Operating Results *(in millions)* for the Years Ended June 30

	2015	2014	Increase (Decrease) 2015-2014	2013	Increase (Decrease) 2014-2013
Operating revenues:					
Tuition and fees (net of scholarship allowances)	$ 27.6	$ 28.6	$ (1.0)	$ 29.4	$ (0.8)
Federal grants and contracts	4.2	3.5	0.7	4.2	(0.7)
State grants and contracts	1.7	1.2	0.5	1.4	(0.2)
Local grants and contracts	3.3	2.8	0.5	3.0	(0.2)
Sales and services of educational activities	0.3	0.4	(0.1)	0.4	-
Sales and services of auxiliary activities	0.2	1.7	(1.5)	2.6	(0.9)
Miscellaneous	3.0	1.9	1.1	1.5	0.4
Total operating revenues	40.3	40.1	0.2	42.5	(2.4)
Operating expenses:					
Instruction	45.5	47.5	(2.0)	48.8	(1.3)
Public services	2.0	2.2	(0.2)	2.2	-
Instructional support	23.3	21.9	1.4	22.0	(0.1)
Student services	15.2	17.9	(2.7)	20.6	(2.7)
Institutional administration	18.1	16.6	1.5	13.0	3.6
Operation and maintenance of plant	18.5	17.0	1.5	17.0	-
Depreciation	7.3	7.0	0.3	8.7	(1.7)
Total operating expenses	130.0	130.1	(0.2)	132.3	(2.2)
Operating loss	(89.7)	(90.0)	0.4	(89.8)	(0.2)
Nonoperating revenues (expenses):					
State appropriations	35.3	32.8	2.5	30.7	2.1
Property tax levy	37.4	36.7	0.7	37.3	(0.6)
Pell Grant revenue	22.5	26.4	(3.9)	29.3	(2.9)
Other nonoperating expenses - net	(3.3)	(3.4)	0.1	(3.4)	-
Net nonoperating revenues	91.9	92.5	(0.6)	93.9	(1.4)
Other revenues:					
State capital appropriations	-	9.4	(9.4)	-	9.4
Capital gifts	-	-	-	1.3	(1.3)
Change in net position	2.2	11.9	(9.6)	5.4	6.5
Net position - beginning of year	160.8	148.9	11.9	143.5	5.4
Implementation of GASB 68	(120.3)	-	(120.3)	-	-
Adjusted net position - beginning of year	40.5	148.9	(108.4)	143.5	5.4
Net position- end of year	$ 42.7	$ 160.8	$ (118.1)	$ 292.4	$ 17.3

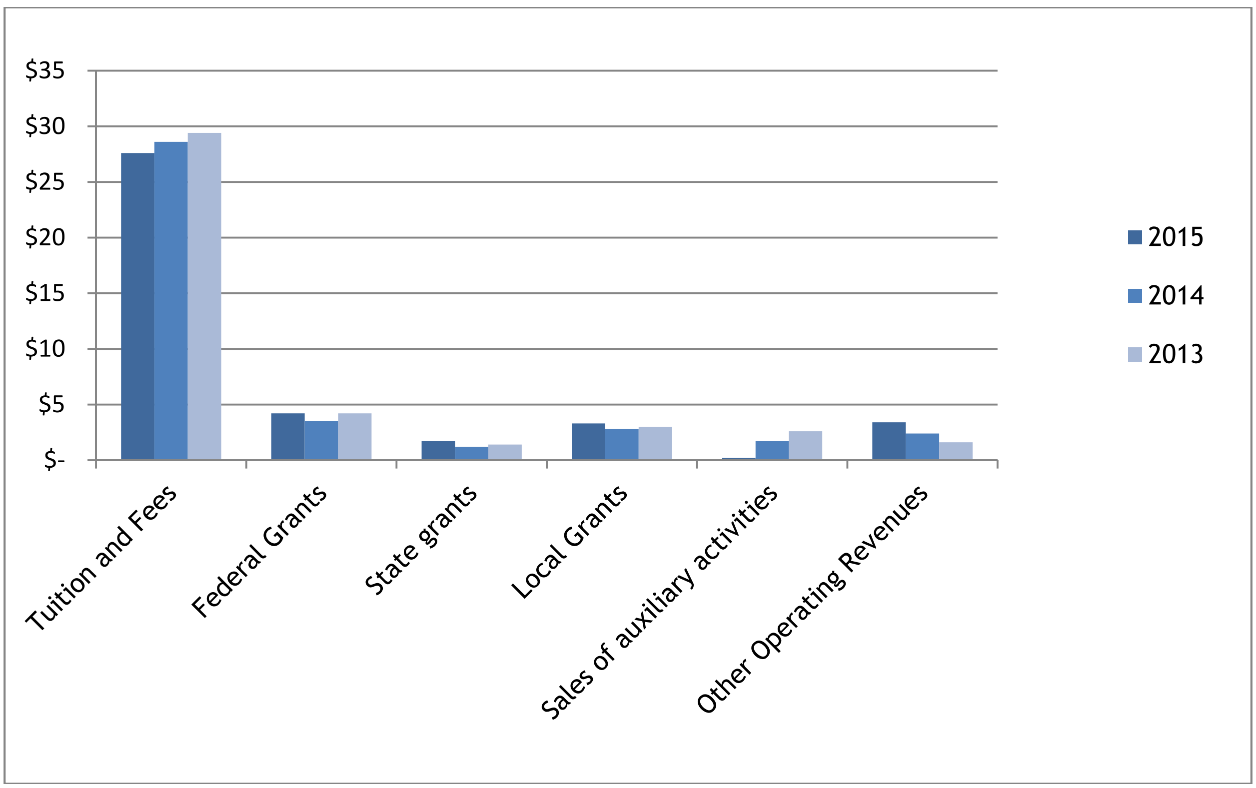
Operating Revenues

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 purposes.

2015 Operating Revenues by Source



2015, 2014, 2013 Operating Revenues by Source *(in millions)*



Operating Revenues

Fiscal Year 2015 Compared to 2014

Operating revenue changes were the result of the following factors:

- Tuition and fee revenue decreased by $1.0 million. The decrease is attributable to decline in enrollment.
- Federal grants and contracts increased by $0.7 million primarily due to the increase in allocations to the TRIO, CCAMPIS, and TAA grants totaling $0.9 million offset by decreases in other grants.
- State grants increased by $0.5 million primarily due to the increase in The Early College grants.
- Local grants increased $0.5 million due to the establishment of grant funds for LCC Foundation funding offset by a decrease in the required match due to the decline in the Perkins federal grant.
- Auxiliary fund revenue decreased by $1.5 million due to a change in the parking fee charged to students from an additional charge to a component of the student support fee and is now reflected in tuition and fees.
- Miscellaneous revenue increased $1.1 million as a result of new auxiliary services vending commissions and the increased administrative fee earned as a result of the increase in the Michigan New Job Training Program activity.

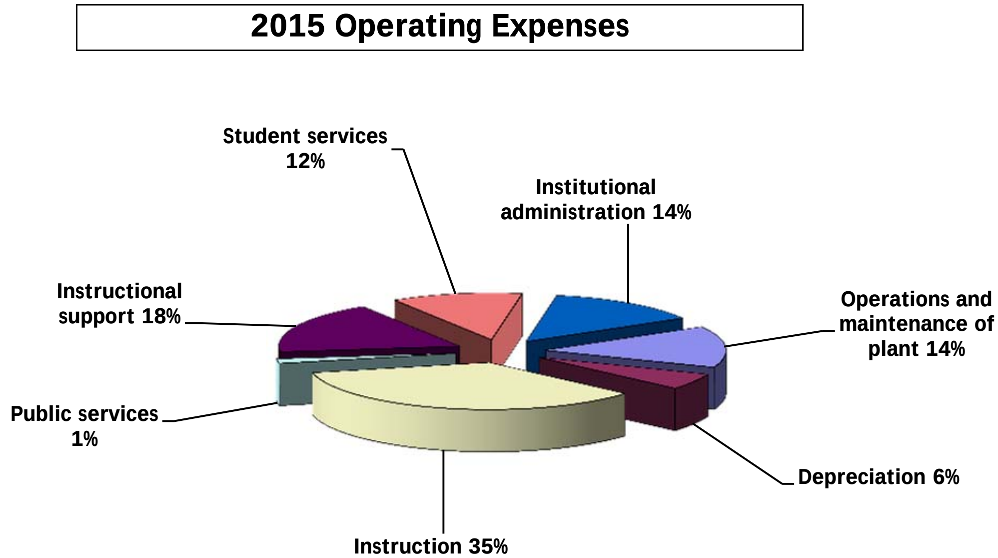
Fiscal Year 2014 Compared to 2013

Operating revenue changes were the result of the following factors:

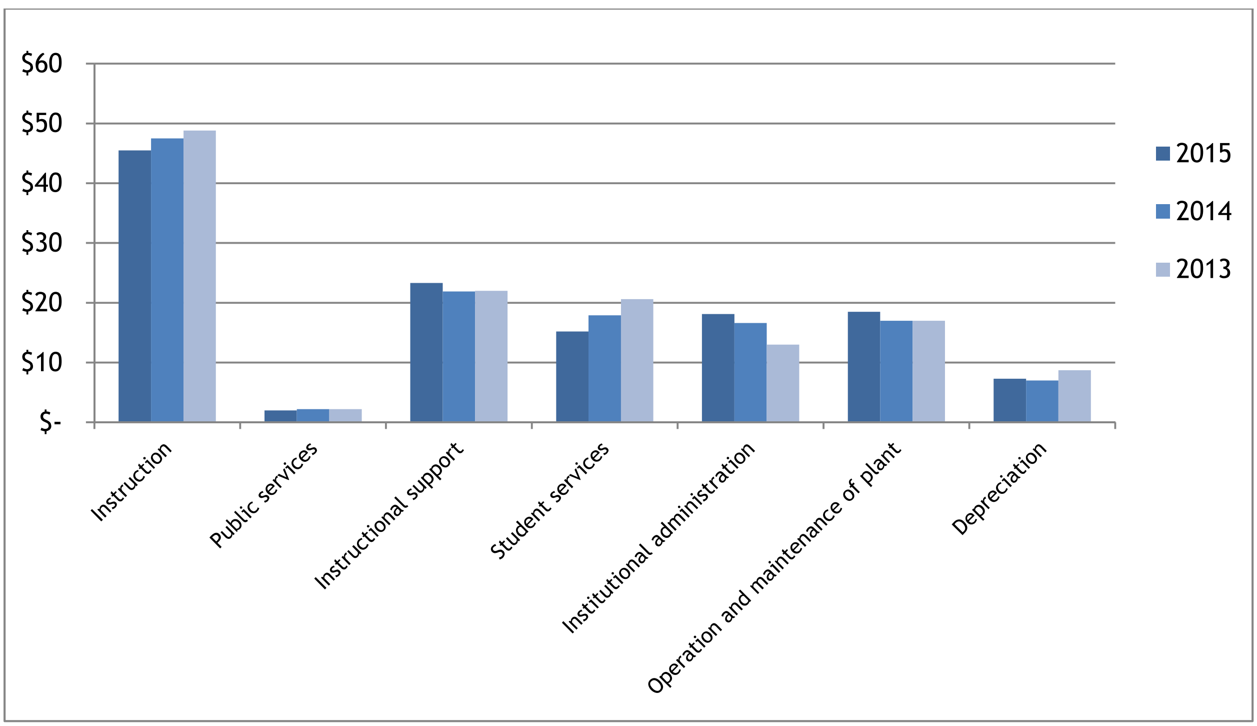
- Tuition and fee revenue decreased by $0.8 million. The decrease is attributable to decline in enrollment.
- Federal grants and contracts decreased by $0.7 million primarily due to close out of two grants and the reduction in grant amounts for four other grants totaling $1.0 million offset by one new grant and an increase in another grant of $0.3 million.
- State grants decreases by $0.2 million due to the close out of one grant.
- Local grants decreased by $0.2 million due to the decrease in the required match due to the decline in the Perkins federal grant.
- Auxiliary fund revenue decreased by $0.9 million due to food service space being unavailable during College renovations and a change in parking fees for the Gannon Parking Ramp.

Operating Expenses

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



2015, 2014, 2013 Operating Expenses by Function *(in millions)*



Fiscal Year 2015 Compared to 2014

Total operating expenses decreased by $0.2 million. However, this decrease included a $1.5 million negative adjustment to pension expense as a result of the decrease in the long-term pension liability based upon the overall MPSER plan year-end results. This $1.5 million decrease was offset by a $1.4 million increase in operating expenses.

Factors that influenced this increase included:

- Instruction decreased by $1.2 million due primarily to a decrease in salary and benefit costs as a result of enrollment decline and less part-time faculty needs.
- Student services decreased by $2.5 million due primarily to a decrease in the amount of Pell funds received by students.
- Instructional Support increased $1.7 million primarily due to the implementation of various student success initiatives.
- Institutional administration increased by $1.7 million due primarily to an increase in UAAL payments.
- Operation and Maintenance of Plant increased $1.6 million due primarily to increased utility rates and increased power needs due to the unseasonably cold winter.

Fiscal Year 2014 Compared to 2013

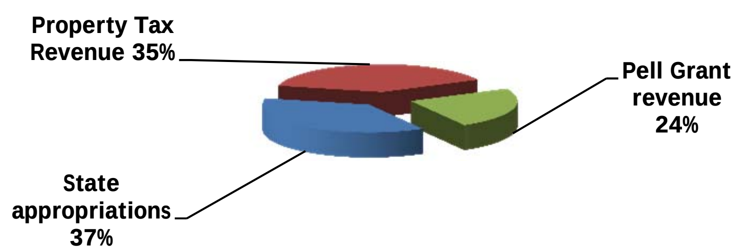
Total operating expenses decreased by $2.2 million. Factors that influenced this decrease are:

- Instruction decreased by $1.3 million due primarily to decreased salary and benefit costs.
- Student services decreased by $2.7 million due primarily to a decrease in Pell grant expenses and close out of multi-year grants in 2013.
- Institutional administration increased by $3.6 million due to increase in computer replacement costs, increased pension contributions, and increased bond interest payments.
- Depreciation decreased by $1.7 million due to technical equipment and computer capital assets realizing their useful life and being fully depreciated in 2013.

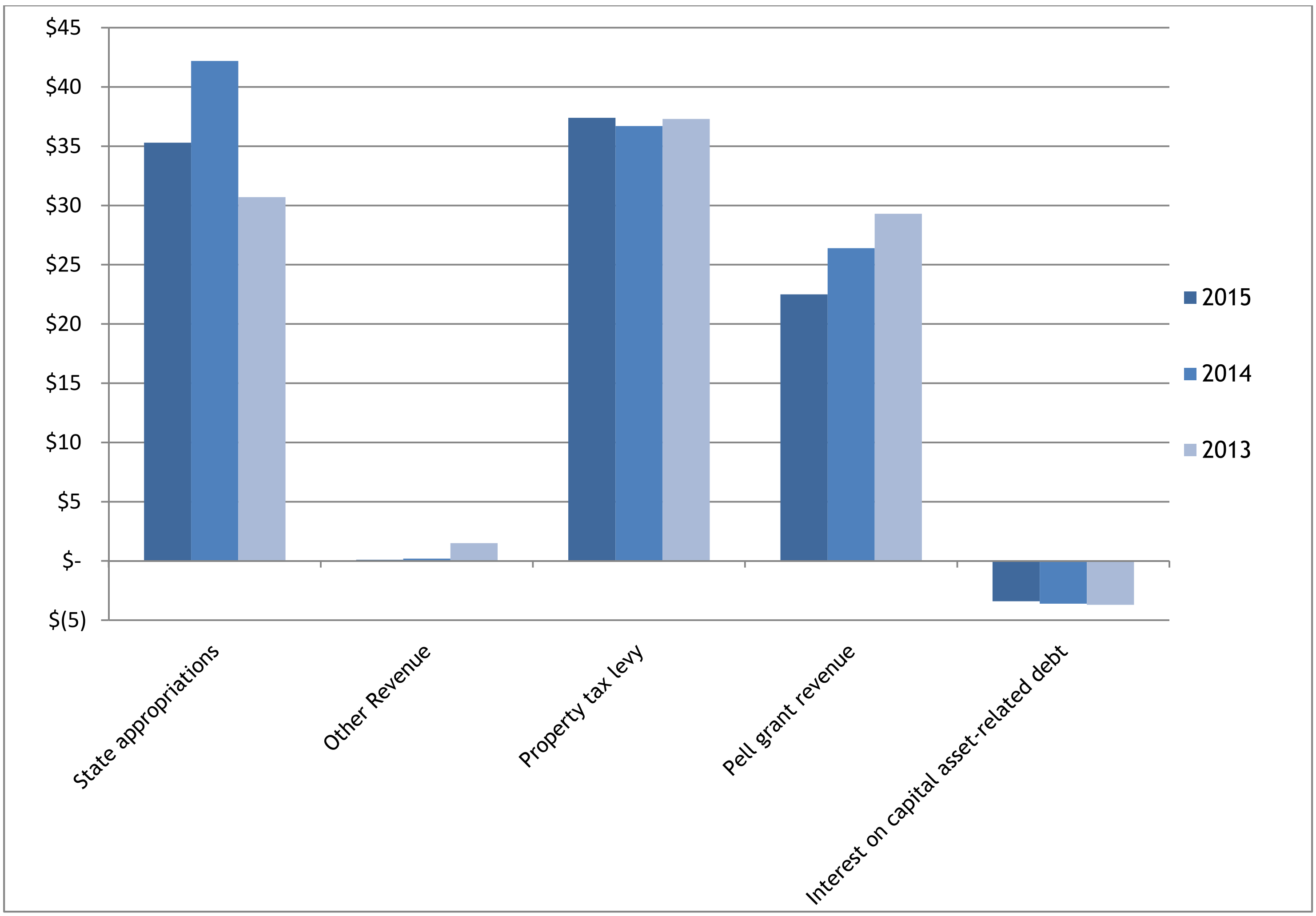
Non-Operating Revenues

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

2015 Non-Operating & Other Revenue



2015, 2014, 2013 Net Non-Operating Revenue *(in millions)*



Fiscal Year 2015 Compared to 2014

Changes in non-operating revenues were the result of the following factors:

- Pell Grant awards decreased $3.9 million due to economic changes, and a decrease in enrollment.
- Property tax revenue increased $0.7 million due to a slight increase in property values and increased collections.
- State appropriations increased $2.5 million due to an increase of the state operational grant and increased appropriations for pension liability costs, this was offset by a decrease in capital appropriations of $9.4 million.

Fiscal Year 2014 Compared to 2013

Changes in non-operating revenues were the result of the following factors:

- Pell Grant awards decreased by $2.9 million due to economic changes, and a decrease in enrollment.
- Decline of $0.6 million in property tax revenue is due to a decline in taxable values.
- State appropriations increased $11.5 million due to an increase of the state operational grant, increased appropriations for pension liability costs, and receiving $9.4 million for capital projects.

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

	2015	2014	Increase (Decrease) 2015-2014	2013	Increase (Decrease) 2014-2013
Cash provided (used) by:					
Operating activities	$ (82.7)	$ (86.7)	$ 4.0	$ (77.2)	$ (9.5)
Noncapital financing activities	94.8	96.4	(1.6)	96.0	0.4
Capital and related financing activities	(24.9)	(25.0)	0.1	13.1	(38.1)
Investing activities	0.5	(4.0)	4.5	3.3	(7.3)
Net (decrease) increase in cash	(12.3)	(19.3)	7.0	35.2	(54.5)
Cash, beginning of year	24.7	44.0	(19.3)	8.8	35.2
Cash, end of year	$ 12.4	$ 24.7	$ (12.3)	$ 44.0	$ (19.3)

	2015	2014	Increase (Decrease) 2015-2014	2013	Increase (Decrease) 2014-2013
Unrestricted cash	$ 12.4	$ 14.0	$ (1.6)	$ 20.1	$ (6.1)
Restricted cash	-	10.7	(10.7)	23.9	(13.2)
Total cash	$ 12.4	$ 24.7	$ (12.3)	$ 44.0	$ (19.3)

Fiscal Year 2015 Compared to 2014

The College's cash and cash equivalents decreased by $12.3 million during 2015 primarily due to the use of the balance of the restricted bond proceeds for the *Build Forward* initiative and the decrease in the receipt of Pell grants.

Fiscal Year 2014 Compared to 2013

The College's cash and cash equivalents decreased by $19.3 million during 2014 primarily due to the use of restricted bond proceeds for the *Build Forward* initiative, the investment in short-term investments, and the decrease in the receipt of Pell grants.

Capital Assets and Debt Administration

Capital Assets

Fiscal Year 2015 Compared to 2014

As of June 30, 2015, the College had $336.0 million invested in capital assets, net of accumulated depreciation of $137.3 million, resulting in $198.7 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 2015 fiscal year is $8.9 million. Annual depreciation for fiscal 2015 was $7.3 million, which was offset by additions of $16.2 million.

Significant additions include the construction in progress related to the *Build Forward* projects and related purchases of furnishings.

Details of these assets at net book value for 2015, 2014, and 2013 are shown below (in millions):

	2015	2014	Increase (Decrease) 2015-2014	2013	Increase (Decrease) 2014-2013
Land	$ 14.8	$ 14.8	$ -	$ 12.6	$ 2.2
Buildings and improvements	214.3	210.7	3.6	186.9	23.8
Furniture, fixtures and equipment	77.6	72.0	5.6	66.6	5.4
Infrastructure and land improvements	3.8	3.8	-	3.4	0.4
Construction in progress	25.5	18.5	7.0	24.8	(6.3)
Total property and equipment	336.0	319.8	16.2	294.3	25.5
Less accumulated depreciation	137.3	130.0	7.3	123.3	6.7
Property and equipment, net	**$ 198.7**	**$ 189.8**	**$ 8.9**	**$ 171.0**	**$ 18.8**

For more detailed information of capital assets activity, refer to Note 4, Capital Assets, within the notes to financial statements section of this document (pages 39 and 40).

Fiscal Year 2014 Compared to 2013

As of June 30, 2014, the College had $319.8 million invested in capital assets, net of accumulated depreciation of $130.0 million, resulting in $189.8 million in net capital assets. This investment in capital assets includes land, buildings, improvements, and equipment. The total increase in the College's net capital assets for the 2014 fiscal year is $18.8 million. Annual depreciation for fiscal 2014 was $7.0 million, which was offset by additions of $25.8 million. Significant additions include the construction in progress related to the *Build Forward* projects and related purchases of furnishings.

Debt

At year end, the College had $80.5 million in outstanding debt including four outstanding bond issues. The 2005 bond issue will be paid off in May of 2017, the 2006 bond issue will be paid off in May of 2026, the 2007 bond issue will be paid off in May of 2026 and the 2012 bond issue will be paid off in May of 2032. The 2012 bond issue included $13 million in escrow which paid off a 2003 bond issue and significantly changed the payoff date of the 2005 bond issue. The table below summarizes these amounts (in millions).

	2015	2014	Increase (Decrease) 2015-2014	2013	Increase (Decrease) 2014-2013
2005 building & site bonds	$ 8.4	$ 12.5	$ (4.1)	$ 16.9	$ (4.4)
2006 building & site bonds	7.6	8.1	(0.5)	8.5	(0.4)
2007 building & site bonds	7.9	8.1	(0.2)	8.4	(0.3)
2012 buidling & site bonds	56.6	57.6	(1.0)	57.7	(0.1)
National City note payable	-	0.1	(0.1)	0.4	(0.3)
Total long-term debt	80.5	86.4	(5.9)	91.9	(5.5)
Less current portion of long-term debt	(5.2)	(5.2)	-	(5.0)	(0.2)
Long-term debt, net of current portion	$ 75.3	$ 81.2	$ (5.9)	$ 86.9	$ (5.7)

For more detailed information on debt activity, refer to Note 6, Long-Term Liabilities within the notes to financial statements section of this document (pages 41 through 43).

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 had experienced a continued decrease in state appropriations until fiscal year 2013. Beginning in fiscal year 2013, appropriations to community colleges began to increase, however operating appropriations are still under the 2002 levels totaling $31.0 million in fiscal year 2015. In total Lansing Community College received $35.2 million in appropriations, however $4.2 million of that amount was received and immediately paid to the Office of Retirement Systems for the Michigan Public Schools Retirement System pension Unfunded Actuarial Accrued Liability as required by the State Appropriations Act.

The current and projected economic outlook for Michigan includes an uncertain employment, and a slowly rebounding real estate market. While there has been some recovery in the auto industry the future remains uncertain.

Property tax revenue to the College slightly increased in 2015. 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 only slightly increase or stay static in the subsequent fiscal year as a result of a significant backlog in the processing of appeals by the tax authorities. In addition, the Michigan Legislature passed legislation which will cause major changes to the taxation of commercial and industrial personal property that will have an additional negative impact.

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, 2015 and 2014 as a percentage of payroll ranged from 29.35 to 33.41 percent and 24.79 to 26.96 percent, respectively.

The College budgets approximately $51 million in salaries and wages for employees who participate in MPSERS therefore, each 1% increase in contribution rate equates to approximately $530,000 more in retirement contribution costs.

The College anticipates an increase in benefit costs in Fiscal Year 2016 as a result of the implementation of the Affordable Care Act.

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 the business office, Lansing Community College, 309 N. Washington Square, Suite 203, Lansing, Michigan 48933.

LANSING COMMUNITY COLLEGE

STATEMENTS OF NET POSITION
JUNE 30, 2015 AND JUNE 30, 2014

	Primary Government Lansing Community College		Component Unit Lansing Community College Foundation	
Assets	**2015**	**2014**	**2015**	**2014**
Current assets				
Cash and cash equivalents	$ 12,422,536	$ 14,005,912	$ 103,312	$ 292,969
Short-term investments	19,421,016	24,901,543	21,945	32,715
Property taxes receivable, net	530,893	535,629	-	-
State appropriations receivable	6,383,580	5,901,226	-	-
Accounts receivable, net	5,152,717	6,094,304	6,220	82,811
Federal and state grants receivable	1,190,680	3,610,635	-	-
Inventories	226,181	163,130	-	-
Prepaid expenses and other assets	226,497	487,398	-	-
Due from Component Unit	50,825	88,761	-	-
Total current assets	**45,604,925**	**55,788,538**	**131,477**	**408,495**
Noncurrent assets				
Restricted cash - unspent bond proceeds	-	10,729,919	-	-
Long-term investments	11,142,907	6,041,548	10,445,404	10,443,164
Promises to give, net of current portion	-	-	2,074	-
Capital assets not being depreciated	40,288,040	33,346,894	-	-
Capital assets being depreciated, net	158,465,482	156,445,302	-	-
Total noncurrent assets	**209,896,429**	**206,563,663**	**10,447,478**	**10,443,164**
Total assets	**255,501,354**	**262,352,201**	**10,578,955**	**10,851,659**
Deferred outflows of resources				
Deferred charge on refunding	1,164,295	1,330,622	-	-
Deferred pension amounts (Notes 1 and 7)	18,050,453	-	-	-
Total deferred outflows of resources	**19,214,748**	**1,330,622**	**-**	**-**
Liabilities				
Current liabilities				
Accounts payable	3,657,124	6,003,530	25,885	-
Due to primary government	-	-	50,825	88,761
Accrued payroll and other compensation	5,471,408	4,904,126	-	-
Accrued vacation	1,560,803	1,529,609	-	-
Accrued interest payable	560,995	586,800	-	-
Unearned revenue	3,382,722	3,408,606	-	-
Other current liabilities	27,564	41,841	-	-
Current portion of debt obligations	5,215,000	5,234,848	-	-
Total current liabilities	**19,875,616**	**21,709,360**	**76,710**	**88,761**
Noncurrent liabilities				
Long-term debt obligations, net of current portion	75,293,790	81,175,907	-	-
Net pension liability (Notes 1 and 7)	123,194,232	-	-	-
Other noncurrent liabilities	-	27,564	-	-
Total noncurrent liabilities	**198,488,022**	**81,203,471**	**-**	**-**
Total liabilities	**218,363,638**	**102,912,831**	**76,710**	**88,761**
Deferred inflows of resources				
Deferred pension amounts (Notes 1 and 7)	**13,619,218**	**-**	**-**	**-**
Net position				
Net investment in capital assets	119,409,027	115,441,982	-	-
Restricted:				
Restricted for restricted fund activities	152,940	-	-	-
Non-expendable - permanently restricted	-	-	6,872,751	6,633,971
Expendable - temporarily restricted	-	-	3,489,472	3,961,892
Unrestricted (deficit) (Note 9)	(76,828,721)	45,328,010	140,022	167,035
Total net position	**$ 42,733,246**	**$ 160,769,992**	**$ 10,502,245**	**$ 10,762,898**

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

LANSING COMMUNITY COLLEGE

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2015 AND JUNE 30, 2014

	Primary Government Lansing Community College		Component Unit Lansing Community College Foundation	
	2015	2014	2015	2014
Operating revenues				
Tuition and fees (net of scholarship allowances of $23,181,704 and $23,621,292, respectively)	$ 27,560,464	$ 28,554,591	$ -	$ -
Federal grants and contracts	4,194,022	3,508,779	-	-
State grants and contracts	1,709,876	1,202,810	-	-
Local grants and contracts	3,316,514	2,842,918	-	-
Sales and services of educational activities	280,068	401,923	-	-
Sales and services of auxiliary activities	158,246	1,701,672	-	-
Job Training Programs	369,171	484,437	-	-
Miscellaneous	2,668,037	1,451,163	-	-
Total operating revenues	**40,256,398**	**40,148,293**	**-**	**-**
Operating expenses				
Instruction	45,539,843	47,495,410	-	-
Public services	2,015,322	2,162,257	-	-
Instructional support	23,323,896	21,917,746	-	-
Student services	15,240,309	17,926,228	-	-
Institutional administration	18,125,659	16,630,435	-	-
Operation and maintenance of plant	18,489,746	17,033,486	-	-
Depreciation	7,262,393	6,978,813	-	-
Foundation operations and fundraising	-	-	759,477	637,992
Total operating expenses	**129,997,168**	**130,144,375**	**759,477**	**637,992**
Operating loss	**(89,740,770)**	**(89,996,082)**	**(759,477)**	**(637,992)**
Nonoperating revenues (expenses)				
State appropriations	35,344,860	32,824,815	-	-
Property tax levy	37,390,260	36,718,154	-	-
Pell Grant revenue	22,505,731	26,380,689	-	-
Investment return and other gains	139,381	177,187	61,127	1,363,410
Interest on capital asset-related debt	(3,396,095)	(3,627,164)	-	-
Gifts	-	-	888,136	865,107
Payments to primary government	-	-	(614,645)	(813,943)
Net nonoperating revenues	**91,984,137**	**92,473,681**	**334,618**	**1,414,574**
Other revenues				
State capital appropriations	-	9,366,050	-	-
Capital gifts	-	50,000	-	-
Additions to permanent endowment funds	-	-	164,206	179,038
Total other revenues	**-**	**9,416,050**	**164,206**	**179,038**
Change in net position	**2,243,367**	**11,893,649**	**(260,653)**	**955,620**
Net position, beginning of year	160,769,992	148,876,343	10,762,898	9,807,278
Implementation of GASB 68 (Notes 1 and 7)	(120,280,113)	-	-	-
Adjusted net position, beginning of year	**40,489,879**	**148,876,343**	**10,762,898**	**9,807,278**
Net position, end of year	**$ 42,733,246**	**$ 160,769,992**	**$ 10,502,245**	**$ 10,762,898**

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

LANSING COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2015 AND JUNE 30, 2014

	Primary Government Lansing Community College	
	2015	2014
Cash flows from operating activities		
Tuition and fees	$ 28,514,103	$ 29,097,312
Grants and contracts	11,640,367	6,453,562
Payments to suppliers and students	(36,575,491)	(39,051,043)
Payments to or on behalf of employees	(91,395,394)	(87,337,108)
Educational enterprise charges	280,068	401,923
Auxiliary enterprise charges	422,561	1,806,555
Other	4,396,418	1,955,226
Net cash used in operating activities	**(82,717,368)**	**(86,673,573)**
Cash flows from noncapital financing activities		
Local property taxes	37,394,996	36,647,183
Pell Grant receipts	22,505,731	26,380,689
William D. Ford direct lending receipts	29,728,068	38,786,641
William D. Ford direct lending disbursements	(29,728,068)	(38,786,641)
State scholarship and grant receipts	1,332,688	1,162,671
State scholarship and grant disbursements	(1,332,688)	(1,162,671)
State appropriations	34,862,506	33,342,654
Net cash provided by noncapital financing activities	**94,763,233**	**96,370,526**
Cash flows from capital and related financing activities		
Purchase of capital assets	(16,235,916)	(25,766,376)
Principal paid on capital debt and other noncurrent obligations	(5,234,848)	(4,996,699)
Proceeds from sales of capital assets `	23,685	81,980
Capital gifts	-	50,000
Discount on bonds	2,757	(2,757)
State capital appropriations	-	9,366,050
Interest paid on capital debt	(3,421,900)	(3,749,483)
Net cash (used in) provided by capital and related financing activities	**(24,866,222)**	**(25,017,285)**
Cash flows from investing activities		
Proceeds from sales and maturities of investments	1,509,478	35,250
Interest on investments	127,894	121,604
Purchases of investments	(1,130,310)	(4,123,982)
Net cash (used in) provided by investing activities	**507,062**	**(3,967,128)**
Net (decrease) increase in cash and cash equivalents	**(12,313,295)**	**(19,287,460)**
Cash and cash equivalents, beginning of year	24,735,831	44,023,291
Cash and cash equivalents, end of year	**$ 12,422,536**	**$ 24,735,831**
Reconciliation to Statements of Net Position:		
Cash and cash equivalents	$ 12,422,536	$ 14,005,912
Restricted cash - unspent bond proceeds	-	10,729,919
Cash and cash equivalents, end of year	**$ 12,422,536**	**$ 24,735,831**

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

STATEMENTS OF CASH FLOWS (Concluded)
YEARS ENDED JUNE 30, 2015 AND JUNE 30, 2014

	Primary Government Lansing Community College	
	2015	2014
Reconciliation of operating loss		
to net cash used in operating activities		
Operating loss	$ (89,740,770)	$ (89,996,082)
Adjustments to reconcile operating loss to net cash		
used in operating activities		
Depreciation	7,262,392	6,978,813
Amortization of bond premium	(669,874)	(470,560)
Amortization of loss on refunding	166,327	166,327
(Increase) decrease in operating assets:		
Accounts receivable, net	979,523	998,677
Federal and state grants receivable	2,419,955	(1,100,945)
Inventories	(63,051)	(89,499)
Prepaid expenses and other current assets	260,901	663,531
Increase (decrease) in operating liabilities:		
Accounts payable and other liabilities	(2,388,247)	(2,532,488)
Accrued payroll and other compensation	567,282	(913,188)
Accrued vacation	31,194	77,797
Unearned revenue	(25,884)	(455,956)
Change in net pension liability and deferred amounts	(1,517,116)	-
Net cash used in operating activities	**$ (82,717,368)**	**$ (86,673,573)**

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

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 (the Foundation) meets the criteria of a component unit.

Lansing Community College 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, 2015 and 2014, the Foundation distributed $614,645 and $813,943, 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 consists of demand deposits in banks, cash on hand, and highly liquid investments with an initial maturity of three months or less.

D. Investments

Investments are recorded at fair value based on quoted market prices.

E. Inventories

Inventories are valued at the lower of cost (first-in, first-out) or market. Inventories consist of expendable supplies held for consumption and resale.

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 fair market 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 property 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.

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 position that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) 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 or resources for certain pension related amounts, such as changes in assumptions, and certain contributions made to the plan subsequent to the measurement date. More detailed information can be found in Note 7.

J. Deferred Inflow 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 position that applies to one or more 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-related amounts, such as the difference between projected and actual earnings of the pension plan's investments. 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. 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, 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 2015 summer semester began June 5, 2015 and ended August 2, 2015. The 2014 summer semester began June 6, 2014 and ended August 3, 2014.

M. 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 uncollectibles. For the years ended June 30, 2015 and 2014, the College levied 3.8072 mills per $1,000 of assessed valuation for general operations.

In August 2010, the College became aware of a property tax settlement between Delta Township and General Motors which resulted in a tax refund that will be repaid by reducing the levy to General Motors over a period of 6 years. The refundable amount of $27,564 and $69,405 has been recorded within other liabilities in the accompanying statements of net position at June 30, 2015 and June 30, 2014, respectively.

N. State Appropriations Revenue

State appropriations revenue has been recorded in accordance with the MUFR.

O. 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.

P. 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, 2015 and 2014 is classified as a current liability in the accompanying statements of net position.

Q. Long-Term Obligations

In the College’s financial statements, long-term debt and other long-term 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.

R. 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.

S. 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 liability, and deferred outflows and inflows related to pension amounts.

T. 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.

U. New Accounting Pronouncement

As of July 1, 2014, the College adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions.* This statement requires that the College recognize a net pension liability on the statement of net position, equal to the College's proportionate share of the net pension liability of the Michigan Public School Employees Retirement System (MPSERS), as defined and calculated in accordance with the new standard. More detailed information can be found in Note 7. As a result of this change, the College recognized a net pension liability of $131,054,135 and deferred outflows of resources of $10,774,022, which resulted in a decrease in net position of $120,280,113 as of July 1, 2014. Application of this new standard to July 1, 2013, the earliest year presented, is not practical as complete information is not available.

2. DEPOSITS AND INVESTMENTS

Deposit and investment amounts are reported in the statements of net position at June 30 as follows:

	2015	2014
Cash and cash equivalents	$ 12,422,536	$ 14,005,912
Short-term investments (certificates of deposit)	19,421,016	24,901,543
Restricted cash	-	10,729,919
Long-term investments (certificates of deposit)	11,142,907	6,041,548
	$ 42,986,459	**$ 55,678,922**

The College did not hold any investment securities as of June 30, 2015 or 2014.

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 certificates of deposit have scheduled maturities as follows as of June 30:

2015	Less Than One Year	One to Five Years	Total
Certificates of deposit	$ 19,421,016	$ 11,142,907	$ 30,563,923

2014	Less Than One Year	One to Five Years	Total
Certificates of deposit	$ 24,901,543	$ 6,041,548	$ 30,943,091

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.

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, 2015, $0 of the College's bank balance of $43,793,676 was uninsured and uncollateralized. At June 30, 2014, $0 of the College's bank balance of $55,665,898 was uninsured and uncollateralized. The College does have over $10,000,000 at one institution as of June 30, 2015 and 2014. That institution collateralizes the College's balances with U.S. Treasury Notes.

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.

The College is authorized by Michigan Public Act 331, as amended through 1997, and by resolution of the Board of Trustees, to invest surplus monies in:

1. Bonds, bills or notes of the United States (or of an agency or instrumentality of the United States) or obligations of this state.

2. Negotiable certificates of deposit, savings accounts, or other interest earning deposit accounts of a financial institution. As used in this subdivision, financial institution means a bank that is a member of the Federal Deposit Insurance Corporation, a savings and loan association that is a member of the Federal Savings and Loan Insurance Corporation, or a credit union whose deposits are insured by the National Credit Union Administration that have their principal office or a branch office in Michigan and which otherwise meets the requirement imposed by law.

3. Bankers' acceptances that are issued by a bank that is a member of the Federal Deposit Insurance Corporation.

4. Commercial paper that is supported by an irrevocable letter of credit issued by a bank that is a member of the Federal Deposit Insurance Corporation.

5. Commercial paper of corporations rated prime by at least one of the standard rating services.

6. Mutual funds, trusts or investment pools composed entirely of instruments that are eligible collateral.

7. Repurchase agreements against eligible collateral of the type specified in subsection (1) hereof, the market value of which must be maintained during the life of the agreements at levels equal to or greater than the amounts advanced. An undivided interest in the instruments pledged for these agreements must be granted to the College and the securities held by an independent custodial bank for the College without any right of set off. The repurchase agreement may allow for the substitution of collateral but shall not otherwise allow for the pledging or transfer of such collateral.

8. Investment pools, as authorized by the surplus funds investment pool act, 1982 PA 367, MCL 129.111 to 129.118, composed entirely of instruments that are legal for direct investment by a community college.

3. PROPERTY TAXES AND ACCOUNTS RECEIVABLE

Property taxes receivable, net at June 30 consists of the following:

	2015	2014
Property taxes receivable	$ 5,429,844	$ 4,457,568
Less allowance for doubtful collection	(4,898,951)	(3,921,939)
Property taxes receivable, net	**$ 530,893**	**$ 535,629**

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

	2015	2014
Accounts receivable	$ 21,648,419	$ 20,443,431
Less allowance for doubtful collection	(16,495,702)	(14,349,127)
Accounts receivable, net	**$ 5,152,717**	**$ 6,094,304**

4. CAPITAL ASSETS

Capital assets activity for the years ended June 30, 2015 and 2014 follows:

	Beginning Balance July 1, 2014	Additions	Deletions	Transfers	Ending Balance June 30, 2015
Assets not being depreciated:					
Land	$ 14,824,146	$ -	$ -	$ -	$ 14,824,146
Construction in progress	18,522,748	11,054,091	-	(4,112,945)	25,463,894
Total capital assets not being depreciated	33,346,894	11,054,091	-	(4,112,945)	40,288,040
Capital assets being depreciated:					
Buildings and improvements	210,679,785	321,535	-	3,280,376	214,281,696
Furniture and equipment	72,030,222	4,797,959	(45,025)	832,569	77,615,725
Infrastructure and improvements	3,760,998	62,331	-	-	3,823,329
Total capital assets being depreciated	286,471,005	5,181,825	(45,025)	4,112,945	295,720,750
Less accumulated depreciation:					
Buildings and improvements	64,064,648	5,026,378	-	-	69,091,026
Furniture and equipment	62,806,845	2,102,164	(32,827)	-	64,876,182
Infrastructure and improvements	3,154,210	133,850	-	-	3,288,060
Total accumulated depreciation	130,025,703	7,262,392	(32,827)	-	137,255,268
Capital assets being depreciated, net	156,445,302	(2,080,567)	(12,198)	4,112,945	158,465,482
Property and equipment, net	$ 189,792,196	$ 8,973,524	$ (12,198)	$ -	$ 198,753,522

	Beginning Balance July 1, 2013	Additions	Deletions	Transfers	Ending Balance June 30, 2014
Assets not being depreciated:					
Land	$ 12,661,037	$ -	$ -	$ 2,163,109	$ 14,824,146
Construction in progress	24,822,090	23,372,392	-	(29,671,734)	18,522,748
Total capital assets not being depreciated	37,483,127	23,372,392	-	(27,508,625)	33,346,894
Capital assets being depreciated:					
Buildings and improvements	186,947,505	-	-	23,732,280	210,679,785
Furniture and equipment	66,475,453	2,364,378	(254,488)	3,444,879	72,030,222
Infrastructure and improvements	3,399,926	29,606	-	331,466	3,760,998
Total capital assets being depreciated	256,822,884	2,393,984	(254,488)	27,508,625	286,471,005
Less accumulated depreciation:					
Buildings and improvements	59,891,230	5,055,550	-	(882,132)	64,064,648
Furniture and equipment	61,830,858	1,652,487	(228,091)	(448,409)	62,806,845
Infrastructure and improvements	1,552,893	270,776	-	1,330,541	3,154,210
Total accumulated depreciation	123,274,981	6,978,813	(228,091)	-	130,025,703
Capital assets being depreciated, net	133,547,903	(4,584,829)	(26,397)	27,508,625	156,445,302
Property and equipment, net	$ 171,031,030	$ 18,787,563	$ (26,397)	$ -	$ 189,792,196

As of June 30, 2015, construction in progress reflected amounts expended for the new College ID Card System, Gannon renovations, Arts & Sciences renovations Phase 2, and Infrastructure Upgrade, which were not yet completed as of June 30, 2015. As of June 30, 2015, the College had approximately $3.3 million of construction commitments outstanding related to these projects.

5. UNEARNED REVENUE

Unearned revenue at June 30 consists of the following:

	2015	2014
Phil's Gift Cards	$ 1,278	$ -
Student tuition and fees	2,746,838	3,006,008
Student deposits	-	126,328
Contracted training deposits	4,350	75,287
Restricted funds	630,256	200,983
Total	**$ 3,382,722**	**$ 3,408,606**

6. LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable	$ 86,310,907	$ -	$ 5,802,117	$ 80,508,790	$ 5,215,000
Note payable	99,848	-	99,848	-	-
Property tax refundable	69,405	-	41,841	27,564	27,564
Total long-term liabilities	**$ 86,480,160**	**$ -**	**$ 5,943,806**	**$ 80,536,354**	**$ 5,242,564**

Long-term liabilities activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable	$ 91,488,710	$ -	$ 5,177,803	$ 86,310,907	$ 5,135,000
Note payable	392,061	-	292,213	99,848	99,848
Property tax refundable	111,245	-	41,840	69,405	41,841
Total long-term liabilities	**$ 91,992,016**	**$ -**	**$ 5,511,856**	**$ 86,480,160**	**$ 5,276,689**

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

	2015	2014
2005 building and site and refunding bonds original balance of $21,740,000, due in installments of $280,000 to $3,575,000 through May 1, 2017 plus interest at 4.1% to 5.0% (partially refunded during fiscal 2013; see below)	$ 7,930,000	$ 11,740,000
2006 general obligation limited tax bonds original balance of $9,900,000, due in installments of $385,000 to $875,000 through May 1, 2026 plus interest at 3.7% to 3.9%	7,635,000	8,070,000

	2015	2014
2007 general obligation limited tax bonds original balance of $9,470,000, due in installments of $275,000 to $900,000 through May 1, 2026 plus interest at 4.0% to 4.3%	$ 7,875,000	$ 8,150,000
2012 building and site and refunding bonds original balance of $50,300,000, due in installments of $80,000 to $5,240,000 through May 1, 2032 plus interest at 2.0% to 5.0%	49,280,000	49,895,000
Plus: premium on bonds	7,819,122	8,488,996
Less: discount on bonds	(30,332)	(33,089)
Total bonded debt	**80,508,790**	**86,310,907**
Note payable – repaid during 2015	-	99,848
Total long-term debt obligations	**$ 80,508,790**	**$ 86,410,755**

Scheduled principal and interest requirements of bonds and notes payable for years succeeding June 30, 2015 are summarized are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2016	$ 5,215,000	$ 3,284,752	$ 8,499,752
2017	5,965,000	3,043,282	9,008,282
2018	3,730,000	2,766,508	6,496,508
2019	3,905,000	2,594,808	6,499,808
2020	4,055,000	2,440,170	6,495,170
2021-2025	17,755,000	9,782,720	27,537,720
2026-2030	21,865,000	5,649,576	27,514,576
2031-2032	10,230,000	773,500	11,003,500
	72,720,000	30,335,316	103,055,316
Premium on bonds	7,819,122	-	7,819,122
Discount on bonds	(30,332)	-	(30,332)
Total as of June 30, 2015	**$ 80,508,790**	**$ 30,335,316**	**$ 110,844,116**

Scheduled principal and interest requirements of bonds and notes payable for years succeeding June 30, 2014 are summarized are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2015	$ 5,234,848	$ 3,521,558	$ 8,756,406
2016	5,215,000	3,365,970	8,580,970
2017	5,965,000	3,124,520	9,089,520
2018	3,730,000	2,766,508	6,496,508
2019	3,905,000	2,594,808	6,499,808
2020-2024	17,945,000	10,587,088	28,532,088
2025-2029	20,975,000	6,536,128	27,511,128
2030-2032	14,985,000	1,522,750	16,507,750
	77,954,848	34,019,330	111,974,178
Premium on bonds	8,488,996	-	8,488,996
Discount on bonds	(33,089)	-	(33,089)
Total as of June 30, 2014	**$ 86,410,755**	**$ 34,019,330**	**$ 120,430,085**

Interest is payable semi-annually on the bonds payable and monthly on the note 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 the years ended June 30, 2015 and 2014 was $3,396,095 and $3,627,164, respectively.

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 pension plan administered by the State of Michigan Department of Technology, Management and Budget, Office of Retirement Services. Benefit provisions are established and may be amended by state statute. The Office of Retirement Services issues a publicly available financial report that includes financial statements and required supplementary information for MPSERS. That report may be obtained by writing to Michigan Public School Employees' Retirement System, 7150 Harris Drive, P.O. Box 30171, Lansing, Michigan, 48909 or by calling (517) 322-5103.

Participants are enrolled in one of multiple plans based on date of hire and certain voluntary elections. A summary of the pension plans offered by MPSERS is as follows:

Plan Name	Plan Type	Plan Status
Member Investment Plan (MIP)	Defined Benefit	Closed
Basic	Defined Benefit	Closed
Pension Plus	Hybrid	Open
Defined Contribution	Defined Contribution	Open

The *Member Investment Plan* (MIP) includes additional subgroups based on hire date. The *MIP Fixed* plan includes members hired prior to January 1, 1990. The *MIP Graded* plan includes members first hired from January 1, 1990 through June 30, 2008. The *MIP Plus* plan includes members first hired from July 1, 2008 through June 30, 2010. Members who initially enrolled in the MIP plan and made a voluntary election to contribute a higher rate are participants in the *MIP 7 %* plan.

Members hired between July 1, 2010 and September 3, 2012 were enrolled in the *Pension Plus* plan. Members hired on or after September 4, 2012 are automatically enrolled in this plan unless an election is made to participate in the defined contribution plan. The plan includes a pension component as well as a savings component. Member contributions to the savings component are matched at a rate of 50% by the employer (up to a maximum of 1%) and invested in a 401(k) plan.

Effective February 1, 2013, members that initially enrolled in MIP were provided the option to convert to a defined contribution plan (*Basic 4%*). In these instances, any service credit accumulated under the defined benefit plan before February 1, 2013 is retained. For service performed after this date, the converted plan member receives 4% employer contributions to a personal 401(k) account.

A member first enrolling in MPSERS on or after September 4, 2012 may elect to enroll in the *defined contribution* plan. Employer and employee contribution rates and vesting requirements are consistent with the defined contribution component of the *Pension Plus* plan as described above.

Benefits Provided. MPSERS provides retirement, death, disability and postemployment benefits to eligible participants. Retirement benefits are calculated as a percentage of the employee's final average compensation times the employee's years of service. All participants qualify for a benefit multiplier of 1.5% for the first 30 years of service. Certain benefit groups receive a reduced rate of 1.25% for service above 30 years. Disability benefits are calculated the same as regular service retirement. Participants are eligible to receive full retirement benefits upon reaching the age and years of service requirements below. Most plans offer additional options for early retirement if certain stipulations have been met. Voluntary contributions vest immediately.

Plan	Eligibility Based on Years of Service	Vesting
Member Investment Plan (MIP)	Age 46 with 30 years or age 60 with 10 years	10 years
Basic	Age 55 with 30 years or Age 60 with 10 years	10 years
Pension Plus	Age 60 with 10 years	4 years
Defined Contribution	Age 46 with 30 years or age 60 with 10 years	4 years

Contributions. Employer contributions to the plans are based on a percentage of covered payroll that has been actuarially determined as an amount that, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Member contributions are determined based on date of hire and the plan selected. In addition, the College is invoiced monthly an amount that approximates 8.7% of covered payroll for "MPSERS UAAL Stabilization."

This additional contribution is offset by monthly State aid payments equal to the amounts actually billed by the Office of Retirement Services. Employer contribution requirements for pension, inclusive of the MPSERS UAAL Stabilization rates, range from 25.47% to 27.27% of covered payroll. Plan member contributions range from 0.0% to 7.0% of covered payroll.

The College's contributions to MPSERS for all pension plans described above were $14,585,927 for the year ended June 30, 2015. The College's contributions to MPSERS for all plans, including other postemployment benefits as described on page 48, for the years ended June 30, 2014 and 2013 were $12,067,205 and $12,264,763, respectively. These amounts are equal to the College's required contributions for each year.

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

At June 30, 2015, the College reported a liability of $123,194,232 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 30, 2013. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2014, the College's proportion (as calculated by MPSERS) was 0.55930%.

For the year ended June 30, 2015, the College's proportionate share of pension expense was $9,981,000. At June 30, 2015, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2015	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Changes in assumptions	$ 4,545,619	$ -	$ 4,545,619
Net difference between projected and actual earnings on pension plan investments	-	13,619,218	(13,619,218)
	4,545,619	13,619,218	(9,073,599)
College contributions subsequent to the measurement date	13,504,834	-	13,504,834
Total	**$ 18,050,453**	**$ 13,619,218**	**$ 4,431,235**

The amount of deferred outflows of resources related to College contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended June 30	Amount
2016	$ (2,220,915)
2017	(2,220,915)
2018	(2,220,915)
2019	(2,410,854)
Total	**$ (9,073,599)**

Actuarial Assumptions. The total pension liability in the September 30, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation	3.5%
Salary increases	3.5% to 12.3%, including wage inflation of 3.5%
Investment rate of return	8% (7% for the Pension Plus plan), net of pension plan investment expense, including inflation
Cost of living adjustments	3.0% annual, non-compounded for MIP members
Healthcare cost trend rate	8.5% year 1 graded to 3.5% year 12

The mortality table used in this valuation was the RP-2000 Male and Female Combined Healthy Life Mortality Tables, adjusted for mortality improvements to 2025 using projection scale BB. For retirees, 100% of the table rates were used. For active members, 80% of the table rates were used for males and 70% of the table rates were used for females.

Assumption changes as a result of an experience study for the periods 2007 through 2012 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2014 valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best-estimate 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Domestic equity pools	28.00 %	4.80 %	1.34 %
Alternative investment pools	18.00	8.50	1.53
International equity	16.00	6.10	0.98
Fixed income pools	10.50	1.50	0.16
Real estate and infrastructure pools	10.00	5.30	0.53
Absolute return pools	15.50	6.30	0.98
Short-term investment pools	2.00	-0.20	-0.02
			5.50 %
	100.00 %		
Inflation			2.50
Investment rate of return			**8.00 %**

Discount Rate. The discount rate used to measure the total pension liability is 8.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the College, calculated using the discount rate of 8.0%, as well as what the College's net pension liability would be if it were calculated using a discount rate that is 1% lower (7.0%) or 1% higher (9.0%) than the current rate:

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
College's proportionate share of net pension liability	$ 162,421,410	$ 123,194,232	$ 90,145,514

Pension Plan Fiduciary Net Position. Detailed information about the pension 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, 2015, the College reported a payable of $1,897,234 for the outstanding amount of pension contributions to the Plan required for the year ended June 30, 2015.

Other Postemployment Benefits

Retirees enrolled in MPSERS before September 4, 2012 have the option of participating in the *Premium Subsidy* plan, a defined benefit postemployment healthcare plan, which is funded by employers on a cash disbursement basis. The State of Michigan has contracted to provide the comprehensive group medical, hearing, dental and vision coverage for retirees and beneficiaries. All health care benefits are on a self-funded basis. A significant portion of the premium is paid by MPSERS with the balance deducted from the monthly pension. Employer contributions range from 2.20% to 2.71% of covered payroll. Plan participants contribute 3% of covered payroll to the Retiree Healthcare Fund. At retirement, these individuals receive a subsidy for healthcare premiums that covers up to 80% of cost.

Plan members enrolled on or after September 4, 2012 participate in the *Personal Healthcare Fund.* This defined contribution other postemployment benefits plan includes a required 2% employee contribution into a personal tax-deferred account, which is matched by an additional 2% employer contribution. Employees are fully vested in these contributions which can be used, along with earnings thereon, to pay for postemployment healthcare expenses. Plan members working prior to September 4, 2012 were given the option to convert from the Premium Subsidy plan to the Personal Healthcare Fund option. Effective February 1, 2013, these members are no longer required to make the 3% employee contribution. Amounts paid into the Retiree Healthcare Fund between September 4, 2012 and February 1, 2013 were credited to each individual's Personal Healthcare Fund account. Any contributions made prior to September 4, 2012 are pending a Supreme Court resolution.

The College's contributions to MPSERS for other postemployment benefits amounted to $1,743,040 for the year ended June 30, 2015.

Other

Per MPSERS' comprehensive annual financial report as of September 30, 2014, the unfunded actuarial accrued liability (UAAL) for other postemployment benefits (OPEB/Healthcare) for MPSERS is $12.5 billion, and the ratio of the UAAL to covered payroll is 151.0%.

For fiscal year ended June 30, 2015, Lansing Community College had approximately $53.9 million of covered payroll. Applying the MPSERS ratio of the UAAL to Lansing Community College's covered payroll results in an estimated share of the UAAL for OPEB Healthcare of $81.4 million.

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 107 and 99 participants at June 30, 2015 and 2014, 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, 2015 were $364,844 and $1,018,165, respectively. The participant and College contributions to ORP for the year ended June 30, 2014 were $333,342 and $930,257, respectively.

9. UNRESTRICTED NET (DEFICIT) POSITION

The College has designated the use of unrestricted net (deficit) position at June 30 as follows:

	2015	2014
Auxiliary activities	$ 2,433,815	$ 3,030,549
Encumbrances	1,262,469	1,330,325
Plant improvement	19,502,672	13,893,484
Pension liability fund deficit	(118,762,997)	-
Undesignated	18,735,320	27,073,652
Total unrestricted net (deficit) position	**$ (76,828,721)**	**$ 45,328,010**

10. LEASES

The College conducts a portion of its operations with leased property, including a parking structure and a building. Net rental expense on these operating leases was $1,115,609 and $945,579 for fiscal 2015 and 2014, respectively.

The following is a schedule of annual future minimum lease payments required under these non-cancelable operating leases as of June 30, 2015:

Year	Amount
2016	$ 1,038,394
2017	792,322
2018	452,817
2019-2020	873,975
2021-2036	728,529
Total minimum payments due	**$ 3,886,037**

NOTES TO FINANCIAL STATEMENTS

11. 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.

12. 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 audits, if any, may result in refunds to these governmental agencies. Any liabilities for reimbursements which may arise as the result of these audits is not believed to be material.

■ ■ ■ ■ ■

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, 2015
College's proportion of the net pension liability	0.55930%
College's proportionate share of the net pension liability	$ 123,194,232
College's covered-employee payroll	52,829,768
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	233.19%
Plan fiduciary net position as a percentage of the total pension liability	66.2%

The amounts presented for the fiscal year were determined as of September 30 of the preceding year.

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Required Supplementary Information

MPSERS Cost-Sharing Multiple-Employer Plan

Schedule of College Contributions

	Year Ended June 30, 2015
Contractually required contribution	$ 14,585,927
Contributions in relation to the contractually required contribution	(14,585,927)
Contribution deficiency (excess)	$ -
College's covered-employee payroll	$ 48,782,946
Contributions as a percentage of covered employee payroll	29.9%

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Lansing Community College
Where Success Begins

Statistical Section

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LANSING COMMUNITY COLLEGE

STATISTICAL SECTION

This part of the College's Statistical Section of the Comprehensive Annual 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.

Contents

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 comprehensive annual financial reports for the relevant year.

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Special Reports Section

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LANSING COMMUNITY COLLEGE

FINANCIAL TRENDS

Statements of Revenues, Expenses, and Changes in Net Position

Last Ten Fiscal Years

(Unaudited)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
OPERATING REVENUES										
Tuition and fees (net of scholarships allowances)	$27,560,464	$28,554,591	$29,363,192	$28,979,245	$29,649,088	$27,265,422	$29,903,915	$30,337,889	$26,232,399	$27,583,208
Federal grants and contracts	4,194,022	3,508,779	4,226,015	4,610,027	4,919,228	4,405,710	4,326,131	4,161,928	4,738,870	32,836,910
State grants and contracts	1,709,876	1,202,810	1,414,642	1,236,128	308,623	589,955	1,158,988	1,170,917	1,856,065	5,634,449
Local grants and contracts	3,316,514	2,842,918	3,028,011	2,936,104	2,994,464	2,452,566	2,149,412	2,774,743	1,526,458	1,428,950
Sales and services of educational activities (1)	280,068	401,923	361,835	1,207,875	1,274,118	1,352,067	1,644,901	1,269,628	2,347,778	2,691,093
Sales and services of auxiliary activities	158,246	1,701,672	2,641,831	3,303,012	2,981,292	2,992,370	3,338,948	2,872,679	2,624,492	2,478,900
Job Training Programs	369,171	484,437	-	-	-	-	-	-	-	-
Miscellaneous	2,668,037	1,451,163	1,473,168	1,643,600	1,592,534	1,263,106	1,089,933	358,168	258,154	87,868
Total operating revenues	40,256,398	40,148,293	42,508,694	43,915,991	43,719,347	40,321,196	43,612,228	42,945,952	39,584,216	72,741,378
OPERATING EXPENSES										
Instruction	45,539,843	47,495,410	48,827,540	48,921,597	47,627,872	46,403,697	46,654,529	43,283,246	39,862,366	38,379,956
Information technology (2)	-	-	-	-	-	-	-	-	5,796,646	7,772,956
Public services	2,015,322	2,162,257	2,196,929	3,164,438	2,980,456	3,094,673	3,188,632	3,022,360	1,842,137	1,865,518
Instructional support	23,323,896	21,917,746	22,020,718	21,545,150	21,211,978	22,386,779	22,732,391	20,447,472	19,147,107	17,074,691
Student services (1)(3)	15,240,309	17,926,228	20,559,075	26,742,055	29,539,633	26,913,778	19,182,351	17,729,457	16,774,351	38,255,517
Institutional administration (1)	18,125,659	16,630,435	12,999,388	12,029,791	11,679,996	11,245,916	14,026,044	8,841,887	8,038,973	9,292,787
Operation and maintenance of plant (1)(3)	18,489,746	17,033,486	16,993,682	17,927,676	18,855,091	17,827,998	19,449,921	16,306,000	14,133,693	14,057,156
Depreciation expense	7,262,393	6,978,813	8,726,093	8,170,195	9,091,813	9,414,522	8,949,125	7,680,791	8,678,276	7,797,489
Total operating expenses	129,997,168	130,144,375	132,323,425	138,500,902	140,986,839	137,287,363	134,182,993	117,311,213	114,273,549	134,496,070
Operating loss	**(89,740,770)**	**(89,996,082)**	**(89,814,731)**	**(94,584,911)**	**(97,267,492)**	**(96,966,167)**	**(90,570,765)**	**(74,365,261)**	**(74,689,333)**	**(61,754,692)**
NONOPERATING REVENUES (EXPENSES)										
State appropriations	35,344,860	32,824,815	30,724,364	28,651,900	29,762,500	29,762,500	29,762,500	31,810,203	25,019,900	28,323,200
Property tax levy	37,390,260	36,718,154	37,294,876	38,543,630	40,359,554	41,681,996	42,147,127	41,722,075	39,394,072	38,133,388
Pell Grant revenue	22,505,731	26,380,689	29,347,419	33,125,802	37,215,746	32,548,966	17,684,893	13,428,753	11,772,511	-
Investment return and other gains	139,381	177,187	224,494	509,745	195,154	82,155	437,689	1,244,354	1,018,574	667,871
Interest on capital asset - related debt	(3,396,095)	(3,627,164)	(3,664,322)	(2,403,409)	(2,725,686)	(2,936,962)	(3,097,828)	(3,241,375)	(2,888,177)	(2,517,177)
Other	-	-	-	-	-	-	-	-	(22,830)	321,656
Net nonoperating revenues	91,984,137	92,473,681	93,926,831	98,427,668	104,807,268	101,138,655	86,934,381	84,964,010	74,294,050	64,928,938
OTHER REVENUES										
State capital appropriations	-	9,366,050	-	-	-	-	1,092,736	2,532,140	1,592,206	281,190
Capital gifts	-	50,000	1,300,000	-	-	-	-	1,089,597	-	-
Total other revenues	-	9,416,050	1,300,000	-	-	-	1,092,736	3,621,737	1,592,206	281,190
Total change in net position	**2,243,367**	**11,893,649**	**5,412,100**	**3,842,757**	**7,539,776**	**4,172,488**	**(2,543,648)**	**14,220,486**	**1,196,923**	**3,455,436**
NET POSITION, beginning of year	160,769,992	148,876,343	143,464,243	137,988,429	130,448,653	126,276,165	128,819,813	114,599,327	113,402,404	109,946,968
Implementation of GASB 68	(120,280,113)	-	-	-	-	-	-	-	-	-
NET POSITION, beginning of year (4)	40,489,879	148,876,343	143,464,243	137,988,429	130,448,653	126,276,165	128,819,813	114,599,327	113,402,404	109,946,968
ADJUSTED NET POSITION, end of year	**$ 42,733,246**	**$ 160,769,992**	**$ 148,876,343**	**$ 141,831,186**	**$ 137,988,429**	**$ 130,448,653**	**$ 126,276,165**	**$ 128,819,813**	**$ 114,599,327**	**$ 113,402,404**

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

(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. The corresponding amounts for 2008 and 2009 were reclassified to conform with the 2010 presentation.

(3) Reclassified Board authorized transfer in 2010 and 2009.

(4) Restated 2013 beginning of year net position.

LANSING COMMUNITY COLLEGE
FINANCIAL TRENDS
Net Position by Components
Last Ten Fiscal Years
(Unaudited)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net Position:										
Net investment in capital assets	$119,409,027	$115,441,982	$104,514,717	$104,243,439	$102,655,503	$103,542,183	$103,559,437	$107,118,926	$100,880,868	$95,890,086
Restricted for:										
Restricted fund activities	152,940	-	-	171,618	171,618	171,618	171,618	171,618	184,743	184,743
Loan programs	-	-	-	-	-	-	-	-	-	22,078
Unrestricted	(76,828,721)	45,328,010	44,361,626	37,416,129	35,161,308	26,734,852	22,545,110	21,529,269	13,533,716	17,305,497
Total Net Position	**$42,733,246**	**$160,769,992**	**$148,876,343**	**$141,831,186**	**$137,988,429**	**$130,448,653**	**$126,276,165**	**$128,819,813**	**$114,599,327**	**$113,402,404**

Source: Lansing Community College's Audited Financial Statements excluding Lansing Community College Foundation

LANSING COMMUNITY COLLEGE
REVENUE CAPACITY
Major Taxpayers
2015 Levy Year vs. 2006 Levy Year
(Unaudited)

2015 Levy Year					2006 Levy Year				
2015 Taxpayer	**Type of Business**	**2015 Taxable Valuation**	**Rank (1)**	**Percentage of Total College District Taxable Valuation ($10,451,534,470)**	**2006 Taxpayer**	**Type of Business**	**2006 Taxable Valuation**	**Rank (1)**	**Percentage of Total College District Taxable Valuation ($10,637,548,443)**
Consumers Energy Company	Utility	$ 102,313,762	1	0.98%	General Motors	Automotive	$ 146,973,349	1	1.38%
Enbridge Energy LP	Oil & Gas Delivery/Storage	74,062,421	2	0.71%	Consumers Energy	Utility	73,738,864	2	0.69%
Dart Container Corporation	Packaging Products	43,762,701	3	0.42%	DTN Management Properties	Property Mangement	35,315,030	3	0.33%
Enbridge Pipelines (Toldeo) Inc	Crude Oil Transportation	32,523,400	4	0.31%	Jackson National Life	Insurance	32,393,347	4	0.30%
Meridian Mall LTD Partnership	Shopping Mall	29,387,161	5	0.28%	Inland Western (Eastwood LLC)	Shopping Mall	31,636,100	5	0.30%
Retail Properties of America, Inc.	Retail Property Management	27,354,784	6	0.26%	Meridian Mall LTD Partnership	Shopping Mall	26,222,558	6	0.25%
Jackson National Life	Insurance	27,042,611	7	0.26%	Dart Container Corporation	Packaging Products	25,407,343	7	0.24%
Tri County Electric Cooperative	Utility	26,619,400	8	0.25%	Meijer	Retail	24,491,047	8	0.23%
Gestamp Mason LLC	Metal Heat Treating	24,696,516	9	0.24%	MEIP Borrower U LLC/MEIP Borrower C LLC	Financing	23,965,948	9	0.23%
C 150 2929 Hannah Lofts LLC	Property Management	21,311,300	10	0.20%	Wal-Mart Stores, Inc.	Retail	20,244,852	10	0.19%

Source - Ingham County Assessor, Ingham.org

(1) Ranking is in terms of Ad Valorem Taxable Valuation

LANSING COMMUNITY COLLEGE

REVENUE CAPACITY

Assessed Value and Taxable Value of Property

Last Ten Fiscal Years

(Unaudited)

Levy Year	Taxable Valuation (1)	Tax Rates (per $1,000) of Valuation (1)	Taxes Extended	Collections through June 30 Each Year*	Percent of Taxes Extended Uncollected through June 30 Each Year
2015	$ 10,451,534,470	3.8072	$ 39,791,082	----	----
2014	10,131,872,904	3.8072	38,574,067	$ 37,264,108	3.40%
2013	9,989,851,902	3.8072	38,033,364	36,654,758	3.62%
2012	10,068,843,104	3.8072	38,334,099	37,252,732	2.82%
2011	10,477,691,694	3.8072	39,890,668	38,652,739	3.10%
2010	10,863,291,527	3.8072	41,358,724	40,038,978	3.61%
2009	11,434,729,014	3.8072	43,534,300	41,441,780	4.81%
2008	11,394,316,077	3.8072	43,380,440	41,594,429	4.12%
2007	11,173,428,053	3.8072	42,539,475	41,185,737	3.18%
2006	10,637,548,443	3.8072	40,499,274	39,394,072	2.73%

(1) 2015 Millage Report to County Board of Commissioners

(*) Per LCC Controller Office

---- Information is unavailable

LANSING COMMUNITY COLLEGE

REVENUE CAPACITY

Property Tax Levies and Collections

Last Ten Fiscal Years

(Unaudited)

Levy Year	Levy	Collections through June 30 Each Year*	Collections through June 30 as a percentage of the Levy	Collections in subsequent years*	Total Collections to date	Total Collections to date as percentage of levy
2015	$ 39,791,082	----	----	----	----	----
2014	38,574,067	$ 37,264,108	96.60%	----	$ 37,342,309	96.81%
2013	38,033,364	36,654,758	96.38%	$ 78,201	36,752,508	96.63%
2012	38,334,099	37,252,732	97.18%	97,750	37,781,577	98.56%
2011	39,890,668	38,652,739	96.90%	528,845	39,092,684	98.00%
2010	41,358,724	40,038,978	96.81%	439,945	40,313,910	97.47%
2009	43,534,300	41,441,780	95.19%	274,932	41,582,375	95.52%
2008	43,380,440	41,594,429	95.88%	140,595	41,784,364	96.32%
2007	42,539,475	41,185,737	96.82%	189,935	41,375,672	97.26%
2006	40,499,274	39,394,072	97.27%	61,176	39,455,248	97.42%

(*) Per LCC 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*	Total Outstanding Debt** (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)
2015	$10,451,534,470	$11,493,211,119	$1,723,981,668	$80,508,790	$0	$80,508,790	$1,643,472,878	$116,182,111	$35,673,321	----
2014	10,131,872,904	10,869,735,968	1,630,460,395	86,310,907	99,848	86,410,755	1,544,049,640	109,947,360	23,536,605	220
2013	9,989,851,902	10,597,803,080	1,589,670,462	91,488,710	392,061	91,880,771	1,497,789,691	107,228,031	15,347,260	235
2012	10,068,843,104	10,673,406,039	1,601,010,906	51,428,711	673,970	52,102,681	1,548,908,225	107,984,060	55,881,379	134
2011	10,477,691,694	11,367,915,808	1,705,187,371	56,458,406	945,790	57,404,196	1,647,783,175	114,929,158	57,524,962	147
2010	10,863,291,527	11,731,383,600	1,759,707,540	61,298,381	1,207,882	62,506,263	1,697,201,277	118,563,836	56,057,573	161
2009	11,435,297,400	12,863,353,645	1,929,503,047	65,908,356	1,460,754	67,369,110	1,862,133,937	129,883,536	62,514,426	176
2008	11,400,478,719	13,505,218,382	2,025,782,757	70,318,331	1,704,262	72,022,593	1,953,760,164	136,302,184	64,279,591	185
2007	11,108,592,218	13,607,027,906	2,041,054,186	74,495,662	1,939,209	76,434,871	1,964,619,315	137,320,279	60,885,408	197
2006	10,576,815,457	13,088,039,702	1,963,205,955	59,159,562	2,165,748	61,325,310	1,901,880,645	132,130,397	70,805,087	159

**Note Payable to the bank began October 24, 2004, which is secured by equipment, with monthly payments at an interest rate at 6.5%, maturing October 2014.*
***Adjusted 2006-2013 outstanding debt figures based on comments from GFOA on FY2012 CAFR submission.*

Source: College Audited Financial Statements and Stauder, Barch & Associates 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)
2015	----	----	----	5.00%
2014	393,161	----	----	6.52%
2013	390,582	$ 14,047,691	$ 35,901	7.40%
2012	389,731	13,674,927	35,057	7.70%
2011	389,669	13,338,096	34,053	9.00%
2010	388,654	13,005,245	33,391	14.30%
2009	383,710	13,008,000	33,902	11.30%
2008	388,281	12,878,362	33,295	6.80%
2007	387,060	12,417,188	31,949	5.66%
2006	386,431	11,944,941	30,666	5.75%

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
2015 Employers vs. 2006 Employers
(Unaudited)

2015					2006				
Employer	Product/Service	Rank	No. of Employees	% of Total District Population	Employer	Product/Service	Rank	No. of Employees	% of Total District Population
State of Michigan	Government	1	14,249	3.62%	General Motors Corporation	Automotive	1	16,000	4.14%
Michigan State University	Higher Education	2	11,100	2.82%	State of Michigan	Government	2	13,517	3.50%
Sparrow Health System	Health Care	3	10,858	2.76%	Michigan State University	Higher Education	3	12,200	3.16%
General Motors Corporation	Automotive	4	5,153	1.31%	Sparrow Health System	Health Care	4	6,000	1.55%
Auto Owners Insurance	Insurance	5	3,700	0.94%	Meijer's, Inc	Retail	5	3,800	0.98%
Meijer's, Inc.	Retail	6	3,500	0.89%	Lansing School District	Education	6	3,500	0.91%
Lansing Community College	Education	7	3,144	0.80%	Ingham Regional Medical Center	Health Care	7	2,800	0.72%
Peckman	Social Service	8	2,510	0.64%	Lansing Community College	Education	8	2,474	0.64%
Lansing School District	Education	9	2,130	0.54%	U.S. Postal Service	Government	9	1,300	0.34%
Ingham Regional Medical Center/McLaren	Health Care	10	1,900	0.48%	City of Lansing	Government	10	1,295	0.34%

Source: Ingham County December 31, 2014 CAFR

LANSING COMMUNITY COLLEGE
DEMOGRAPHIC AND ECONOMIC INFORMATION
Capital Asset Statistics
Last Ten Fiscal Years
(Unaudited)

Facilities Data	2015 (1)	2014	2013	2012	2011	2010	2009	2008	2007	2006
Size of campus (acres)	96.00	96.00	96.00	94.00	94.00	109.00	109.00	109.00	109.00	101.00
Square footage of gross building space (2)	1,883,612	1,873,640	1,870,683	1,870,683	1,831,132	1,834,012	1,834,012	1,834,012	1,834,012	1,834,012
Number of classrooms	136	136	136	132	130	136	137	137	123	127
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: 2005-2014 LCC Campus Master Plans

(1) FY15 Master Plan submitted to the state October 2014

(2) Including leased space

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 and Fee Revenue
2015(2)	-----	-----	-----	-----	-----	85.00	170.00	255.00	-----	-----
2014	11,374	27,734	109,332	18.4	352,592	83.00	166.00	249.00	$4,587	$52,175,883
2013	12,124	29,245	118,575	18.5	375,835	81.00	162.00	243.00	4,516	54,752,661
2012	13,232	31,042	128,383	18.1	410,190	79.00	158.00	237.00	4,180	55,311,454
2011	14,649	34,413	145,079	22.5	454,114	76.00	140.00	210.00	3,816	55,907,849
2010	13,720	31,179	140,942	21.8	449,923	73.00	134.00	201.00	3,707	50,859,326
2009	13,039	32,024	122,819	19.0	404,223	73.00	134.00	201.00	3,675	47,915,880
2008	11,953	30,620	116,700	18.1	370,542	73.00	134.00	201.00	3,779	45,172,683
2007	11,919	34,067	122,029	21.1	369,496	67.00	120.00	180.00	3,369	40,160,599
2006	11,311	32,097	116,595	19.4	350,626	65.00	105.00	145.00	3,291	37,223,761

Source: Activity Classification Structure Data (www.michigancc.net/ccdata/tuition/summary.aspx)

(1) One Fiscal Year Equated Student (FYES) equals 31 semester credit hours

(2) The ACS Report for June 30, 2015 is due November 1, 2015, therefore the data is not yet available.

---- Information is unavailable

LANSING COMMUNITY COLLEGE
DEMOGRAPHIC AND ECONOMIC INFORMATION
Full-Time Equivalent Employees
Last Ten (10) Fiscal Years
(Unaudited)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
ADMINISTRATORS:	**163**	**224**	**142**	**171**	**176**	**171**	**169**	**182**	**165**	**163**
Full-Time	156	200	133	155	155	147	152	165	149	147
Part-Time	22	72	27	47	62	59	52	52	48	47
Calc 1/3 p/t	7	24	9	16	21	20	17	17	16	16
FACULTY:	**697**	**725**	**778**	**865**	**816**	**826**	**825**	**807**	**815**	**639**
Full-Time	189	184	211	225	217	229	223	250	229	237
Part-Time	1,524	1,624	1,700	1,919	1,786	1,781	1,796	1,670	1,757	1,207
Calc 1/3 p/t	508	541	567	640	599	597	602	557	586	402
SUPPORT:	**260**	**204**	**286**	**275**	**257**	**283**	**257**	**287**	**259**	**257**
Full-Time	204	150	198	183	158	187	163	195	183	183
Part-Time	168	163	264	275	295	287	280	277	229	222
Calc 1/3 p/t	56	65	88	92	99	96	94	92	76	74
Actual total employees reported	2,263	2,393	2,533	2,804	2,673	2,690	2,666	2,609	2,595	2,043
TOTAL FTE (1)	1,120	1,153	1,206	1,311	1,249	1,281	1,252	1,276	1,239	1,059

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

LANSING COMMUNITY COLLEGE
COMBINING STATEMENT OF NET POSITION (Unaudited)
JUNE 30, 2015

	Combined Total	General Fund	Pension Liability Fund	Designated Fund	Auxiliary Activities Funds	Expendable Restricted Funds	Plant Funds	Agency Funds
Assets								
Current assets								
Cash and cash equivalents	$ 12,422,536	$ 8,312,619	$ -	$ -	$ 2,396,102	$ -	$ 1,713,815	$ -
Short-term investments	19,421,016	19,421,016	-	-	-	-	-	-
Property taxes receivable, net	530,893	530,893	-	-	-	-	-	-
State appropriations receivable	6,383,580	5,614,112	-	-	-	769,468	-	-
Accounts receivable, net	5,152,717	5,037,573	-	-	121,026	-	-	(5,882)
Federal and state grants receivable	1,190,680	-	-	-	-	1,190,680	-	-
Inventories	226,181	198,993	-	-	27,188	-	-	-
Prepaid expenses and other assets	226,497	212,370	-	1,627	12,500	-	-	-
Due from (due to) other funds	-	(20,663,277)	-	1,423,306	(40,172)	(286,102)	19,228,986	337,259
Due from Component Unit	50,825	-	-	-	-	50,825	-	-
Total current assets	**45,604,925**	**18,664,299**	**-**	**1,424,933**	**2,516,644**	**1,724,871**	**20,942,801**	**331,377**
Noncurrent assets								
Long-term investments	11,142,907	11,142,907	-	-	-	-	-	-
Capital assets not being depreciated	40,288,040	-	-	-	-	-	40,288,040	-
Capital assets being depreciated, net	158,465,482	-	-	-	-	-	158,465,482	-
Total noncurrent assets	**209,896,429**	**11,142,907**	**-**	**-**	**-**	**-**	**198,753,522**	**-**
Total assets	**255,501,354**	**29,807,206**	**-**	**1,424,933**	**2,516,644**	**1,724,871**	**219,696,323**	**331,377**
Deferred outflows of resources								
Deferred charge on bond refunding	1,164,295	-	-	-	-	-	1,164,295	-
Deferred pension amounts	18,050,453	-	18,050,453	-	-	-	-	-
Total deferred outflows of resources	**19,214,748**	**-**	**18,050,453**	**-**	**-**	**-**	**1,164,295**	**-**
Liabilities								
Current liabilities								
Accounts payable	3,657,124	1,474,110	-	110,585	81,551	941,675	879,134	170,069
Accrued payroll and other compensation	5,471,408	5,310,100	-	-	-	-	-	161,308
Accrued vacation	1,560,803	1,560,803	-	-	-	-	-	-
Accrued interest payable	560,995	-	-	-	-	-	560,995	-
Unearned revenue	3,382,722	2,751,188	-	-	1,278	630,256	-	-
Other current liabilities	27,564	27,564	-	-	-	-	-	-
Current portion of debt obligations	5,215,000	-	-	-	-	-	5,215,000	-
Total current liabilities	**19,875,616**	**11,123,765**	**-**	**110,585**	**82,829**	**1,571,931**	**6,655,129**	**331,377**
Noncurrent liabilities								
Long-term debt obligations, net of current portion	75,293,790	-	-	-	-	-	75,293,790	-
Net pension liability	123,194,232	-	123,194,232	-	-	-	-	-
Total noncurrent liabilities	**198,488,022**	**-**	**123,194,232**	-	**-**	**-**	**75,293,790**	**-**
Total liabilities	**218,363,638**	**11,123,765**	**123,194,232**	**110,585**	**82,829**	**1,571,931**	**81,948,919**	**331,377**
Deferred inlfows of reosurces								
Deferred pension amounts	**13,619,218**	**-**	**13,619,218**	**-**	**-**	**-**	**-**	**-**
Net position (deficit)								
Net investment in capital assets	119,409,027	-	-	-	-	-	119,409,027	-
Restricted:								
Restricted fund activities	152,940	-	-	-	-	152,940	-	-
Unrestricted (deficit)	(76,828,721)	18,683,441	(118,762,997)	1,314,348	2,433,815	-	19,502,672	-
Total net position (dificit)	**$ 42,733,246**	**$ 18,683,441**	**$ (118,762,997)**	**$ 1,314,348**	**$ 2,433,815**	**$ 152,940**	**$ 138,911,699**	**$ -**

LANSING COMMUNITY COLLEGE
COMBINING STATEMENT OF NET POSITION (Unaudited)
JUNE 30, 2014

	Combined Total	General Fund	Designated Fund	Auxiliary Activities Funds	Expendable Restricted Funds	Plant Funds	Agency Funds
Assets							
Current assets							
Cash and cash equivalents	$ 14,005,912	$ 9,897,225	$ -	$ 2,395,385	$ -	$ 1,713,302	$ -
Short-term investments	24,901,543	24,901,543	-	-	-	-	-
Property taxes receivable, net	535,629	535,629	-	-	-	-	-
State appropriations receivable	5,901,226	5,442,784	-	-	458,442	-	-
Accounts receivable, net	6,094,304	5,932,146	-	143,289	-	3,816	15,053
Federal and state grants receivable	3,610,635	-	-	-	3,610,635	-	-
Inventories	163,130	78	-	163,052	-	-	-
Prepaid expenses and other assets	487,398	77,914	-	305,977	103,507	-	-
Due from (due to) other funds	-	(15,447,301)	1,390,246	275,247	(1,992,241)	15,280,505	493,544
Due from Component Unit	88,761	-	88,761	-	-	-	-
Total current assets	**55,788,538**	**31,340,018**	**1,479,007**	**3,282,950**	**2,180,343**	**16,997,623**	**508,597**
Noncurrent assets							
Restricted cash - unspent bond proceeds	10,729,919	-	-	-	-	10,729,919	-
Long-term investments	6,041,548	6,041,548	-	-	-	-	-
Capital assets not being depreciated	33,346,894	-	-	-	-	33,346,894	-
Capital assets being depreciated, net	156,445,302	-	-	-	-	156,445,302	-
Total noncurrent assets	**206,563,663**	**6,041,548**	**-**	**-**	**-**	**200,522,115**	**-**
Total assets	**262,352,201**	**37,381,566**	**1,479,007**	**3,282,950**	**2,180,343**	**217,519,738**	**508,597**
Deferred outflows of resources							
Deferred charge on bond refunding	**1,330,622**	**-**	**-**	**-**	**-**	**1,330,622**	**-**
Liabilities							
Current liabilities							
Accounts payable	6,003,530	1,227,736	15,870	126,073	1,979,360	2,517,339	137,152
Accrued payroll and other compensation	4,904,126	4,607,968	-	-	-	-	296,158
Accrued vacation	1,529,609	1,529,609	-	-	-	-	-
Accrued interest payable	586,800	-	-	-	-	586,800	-
Unearned revenue	3,408,606	3,006,008	-	126,328	200,983	-	75,287
Other current liabilities	41,841	41,841	-		-	-	-
Current portion of debt obligations	5,234,848	-	-	-	-	5,234,848	-
Total current liabilities	**21,709,360**	**10,413,162**	**15,870**	**252,401**	**2,180,343**	**8,338,987**	**508,597**
Noncurrent liabilities							
Long-term debt obligations, net of current portion	81,175,907	-	-	-	-	81,175,907	-
Other noncurrent liabilities	27,564	27,564	-	-	-	-	-
Total noncurrent liabilities	**81,203,471**	**27,564**	-	**-**	**-**	**81,175,907**	**-**
Total liabilities	**102,912,831**	**10,440,726**	**15,870**	**252,401**	**2,180,343**	**89,514,894**	**508,597**
Net position							
Net investment in capital assets	115,441,982	-	-	-	-	115,441,982	-
Unrestricted	45,328,010	26,940,840	1,463,137	3,030,549	-	13,893,484	-
Total net position	**$ 160,769,992**	**$ 26,940,840**	**$ 1,463,137**	**$ 3,030,549**	**$ -**	**$ 129,335,466**	**$ -**

LANSING COMMUNITY COLLEGE
COMBINING STATEMENT OF REVENUES, EXPENSES, TRANSFERS AND CHANGES IN NET POSITION (Unaudited)
YEAR ENDED JUNE 30, 2015

	Combined Total	Eliminations	General Fund	Pension Liability Fund	Designated Fund	Auxiliary Activities Funds	Expendable Restricted Funds	Plant Funds
Operating revenues								
Tuition and fees (net of scholarship allowances of $23,181,704)	$ 27,560,464	$ (23,181,704)	$ 49,110,493	$ -	$ (17,732)	$ 1,648,387	$ 1,020	$ -
Federal grants and contracts	4,194,022	-	-	-	-	-	4,194,022	-
State grants and contracts	1,709,876	-	-	-	-	-	1,709,876	-
Local grants and contracts	3,316,514	-	1,477,542	-	-	-	1,838,972	-
Sales and services of educational activities	280,068	-	153,997	-	-	122,398	-	3,673
Sales and services of auxiliary activities	158,246	-	354	-	-	157,892	-	-
Job Training Programs	369,171	-	-	-	-	-	369,171	-
Miscellaneous	2,668,037	-	1,349,630	-	-	665,292	485,453	167,662
Total operating revenues	**40,256,398**	**(23,181,704)**	**52,092,016**	**-**	**(17,732)**	**2,593,969**	**8,598,514**	**171,335**
Operating expenses								
Instruction	45,539,843	-	44,866,204	(743,416)	-	79,055	1,338,000	-
Public services	2,015,322	-	1,481,727	(18,622)	171,277	13,033	367,907	-
Instructional support	23,323,896	-	19,015,767	(297,169)	108,368	177,796	4,110,619	208,515
Student services	15,240,309	(23,181,704)	12,546,044	(167,520)	753,188	10,509	25,279,792	-
Institutional administration	18,125,659	-	11,940,864	(209,887)	250,448	466,225	4,840,488	837,521
Operation and maintenance of plant	18,489,746	-	12,617,120	(80,502)	-	871,753	84,688	4,996,687
Depreciation	7,262,393	-	-	-	-	-	-	7,262,393
Total operating expenses	**129,997,168**	**(23,181,704)**	**102,467,726**	**(1,517,116)**	**1,283,281**	**1,618,371**	**36,021,494**	**13,305,116**
Operating (loss) income	**(89,740,770)**	**-**	**(50,375,710)**	**1,517,116**	**(1,301,013)**	**975,598**	**(27,422,980)**	**(13,133,781)**
Nonoperating revenues (expenses)								
State appropriations	35,344,860	-	31,112,791	-	-	-	4,232,069	-
Property tax levy	37,390,260	-	37,390,260	-	-	-	-	-
Pell Grant revenue	22,505,731	-	-	-	-	-	22,505,731	-
Investment return and other gains	139,381	-	126,664	-	-	717	-	12,000
Interest on capital asset - related debt	(3,396,095)	-	-	-	-	-	-	(3,396,095)
Net nonoperating revenues (expenses)	**91,984,137**	**-**	**68,629,715**	**-**	**-**	**717**	**26,737,800**	**(3,384,095)**
Increase (decrease) in net position	**2,243,367**	**-**	**18,254,005**	**1,517,116**	**(1,301,013)**	**976,315**	**(685,180)**	**(16,517,876)**
Transfers in (out)	-	-	(26,511,404)	-	1,152,224	(1,573,049)	838,120	26,094,109
Change in net position	**2,243,367**	**-**	**(8,257,399)**	**1,517,116**	**(148,789)**	**(596,734)**	**152,940**	**9,576,233**
Net position, beginning of year	160,769,992	-	26,940,840	-	1,463,137	3,030,549	-	129,335,466
Implementation of GASB 68	(120,280,113)	-	-	(120,280,113)	-	-	-	-
Adjusted net position, beginning of year	**40,489,879**	**-**	**26,940,840**	**(120,280,113)**	**1,463,137**	**3,030,549**	**-**	**129,335,466**
Net position (deficit), end of year	**$ 42,733,246**	**$ -**	**$ 18,683,441**	**$ (118,762,997)**	**$ 1,314,348**	**$ 2,433,815**	**$ 152,940**	**$ 138,911,699**

LANSING COMMUNITY COLLEGE
COMBINING STATEMENT OF REVENUES, EXPENSES, TRANSFERS AND CHANGES IN NET POSITION (Unaudited)
YEAR ENDED JUNE 30, 2014

	Combined Total	Eliminations	General Fund	Designated Fund	Auxiliary Activities Funds	Expendable Restricted Funds	Plant Funds
Operating revenues							
Tuition and fees (net of scholarship allowances of $23,621,292)	$ 28,554,591	$ (23,621,292)	$ 52,168,821	$ -	$ -	$ 7,062	$ -
Federal grants and contracts	3,508,779	-	-	-	-	3,508,779	-
State grants and contracts	1,202,810	-	-	-	-	1,202,810	-
Local grants and contracts	2,842,918	-	1,527,857	-	-	1,315,061	-
Sales and services of educational activities	401,923	-	18,234	-	383,689	-	-
Sales and services of auxiliary activities	1,701,672	-	-	-	1,701,672	-	-
Job Training Programs	484,437	-	-	-	-	484,437	-
Miscellaneous	1,451,163	-	1,208,140	-	-	133,671	109,352
Total operating revenues	**40,148,293**	**(23,621,292)**	**54,923,052**	**-**	**2,085,361**	**6,651,820**	**109,352**
Operating expenses							
Instruction	47,495,410	-	46,003,764	-	88,523	1,403,123	-
Public services	2,162,257	-	1,710,191	887	25,276	425,903	-
Instructional support	21,917,746	-	18,150,417	69,738	138,481	3,467,268	91,842
Student services	17,926,228	(23,621,292)	12,822,962	-	27,415	28,697,143	-
Institutional administration	16,630,435	-	10,609,709	53,321	953,662	2,792,899	2,220,844
Operation and maintenance of plant	17,033,486	-	11,501,250	-	2,361,934	128,219	3,042,083
Depreciation	6,978,813	-	-	-	-	-	6,978,813
Total operating expenses	**130,144,375**	**(23,621,292)**	**100,798,293**	**123,946**	**3,595,291**	**36,914,555**	**12,333,582**
Operating (loss) income	**(89,996,082)**	**-**	**(45,875,241)**	**(123,946)**	**(1,509,930)**	**(30,262,735)**	**(12,224,230)**
Nonoperating revenues (expenses)							
State appropriations	32,824,815	-	30,303,385	-	-	2,521,430	-
Property tax levy	36,718,154	-	36,718,154	-	-	-	-
Pell Grant revenue	26,380,689	-	-	-	-	26,380,689	-
Investment return and other gains	177,187	-	117,487	-	2,400	-	57,300
Interest on capital asset - related debt	(3,627,164)	-	-	-	-	-	(3,627,164)
Net nonoperating revenues (expenses)	**92,473,681**	**-**	**67,139,026**	**-**	**2,400**	**28,902,119**	**(3,569,864)**
Other revenues							
State capital appropriations	9,366,050	-	-	-	-	-	9,366,050
Capital gifts	50,000	-	-	-	-	-	50,000
Total Other Revenues	**9,416,050**	-	-	-	-	-	**9,416,050**
Increase (decrease) in net position	**11,893,649**	**-**	**21,263,785**	**(123,946)**	**(1,507,530)**	**(1,360,616)**	**(6,378,044)**
Transfers in (out)	-	-	(17,911,699)	387,083	400,000	1,360,616	15,764,000
Change in net position	**11,893,649**	**-**	**3,352,086**	**263,137**	**(1,107,530)**	**-**	**9,385,956**
Net position, beginning of year	148,876,343	-	23,588,754	1,200,000	4,138,079	-	119,949,510
Net position, end of year	**$ 160,769,992**	**$ -**	**$ 26,940,840**	**$ 1,463,137**	**$ 3,030,549**	**$ -**	**$ 129,335,466**