

# Lake County Community College District

## d/b/a Lakeland Community College

### Management's Discussion and Analysis (Unaudited) (continued)

During 2017, 2016 and 2015, the College paid \$1.3 million, \$10.3 million, and \$4.7 million, respectively, in connection with debt maturities. The College is in compliance with all of its contractual long-term debt requirements and covenants.

More detailed information about the College's capital assets and long-term debt is presented in Notes 5 and 6 of the financial statements.

#### Condensed Statements of Revenues, Expenses, and Changes in Net Position

|                                               | Year Ended June 30     |                        |                        |
|-----------------------------------------------|------------------------|------------------------|------------------------|
|                                               | 2017                   | 2016                   | 2015                   |
| <b>Operating Revenue</b>                      |                        |                        |                        |
| Student tuition and fees - Net                | \$ 10,269,005          | \$ 9,654,099           | \$ 10,855,940          |
| Grants, contracts, and other revenue          | 3,801,003              | 3,441,346              | 2,769,193              |
| Auxiliary enterprises - Net                   | 3,719,490              | 3,832,967              | 3,674,590              |
| Total operating revenue                       | 17,789,498             | 16,928,412             | 17,299,723             |
| <b>Operating Expenses</b>                     | 70,214,186             | 62,931,616             | 63,676,624             |
| <b>Operating Loss</b>                         | (52,424,688)           | (46,003,204)           | (46,376,901)           |
| <b>Nonoperating Revenue</b>                   |                        |                        |                        |
| State appropriations                          | 19,625,591             | 19,344,227             | 18,617,240             |
| Local appropriations                          | 20,536,994             | 19,530,758             | 17,725,078             |
| Pell grant revenue - Net of refunds           | 8,254,629              | 9,832,449              | 11,583,223             |
| Other nonoperating income and expenses - Net  | (1,978,652)            | (2,160,324)            | (795,234)              |
| Total nonoperating revenue                    | 46,438,562             | 46,547,110             | 47,130,307             |
| <b>Gain (Loss) - Before other changes</b>     | (5,986,126)            | 543,906                | 753,406                |
| <b>Other Changes</b>                          |                        |                        |                        |
| Capital appropriations from the State of Ohio | 4,370,420              | 4,290,094              | 848,798                |
| Capital grants and gifts                      | 5,000                  | -                      | 14,800                 |
| Total other changes                           | 4,375,420              | 4,290,094              | 863,598                |
| <b>Increase in Net Position</b>               | (1,610,706)            | 4,834,000              | 1,617,004              |
| <b>Net Position - Beginning of year</b>       | (35,031,807)           | (39,865,807)           | (41,482,811)           |
| <b>Net Position - End of year</b>             | <u>\$ (36,642,513)</u> | <u>\$ (35,031,807)</u> | <u>\$ (39,865,807)</u> |

#### Analysis of Results of Operations

Total revenue for the years ended June 30, 2017 and 2016 was \$66.6 million and \$66.0 million, respectively, of which operating revenue amounted to \$17.8 million and \$16.9 million, respectively. Operating revenue increased \$0.9 million, or 5.1 percent. Total operating expenses for the years ended June 30, 2017 and 2016 were \$70.2 million and \$62.9 million, respectively. Operating expenses increased \$7.3 million, or 11.6 percent. The College's operating loss amounted to \$52.4 million during 2017 compared to \$46.0 million in 2016, which represented a decrease of \$6.4 million, or 14.0 percent.