

Review Report

Institutional Update 2012-2013 for Lorain County Community College

Financial Information

Type	FY 2012	FY 2011	FY 2010
Ending month of fiscal year	June	June	June
Last Completed Audit Year (example 2012)	2012	2011	2010
Did you receive your last completed audit within 6 months of the close of your fiscal year?	Yes	Yes	Yes
Was your most recent financial audit UNQUALIFIED?	Yes	Yes	Yes
Did your most recent audit report include a going concern for disclosure?	No	No	

Composite Financial Index												
	FY 2012				FY 2011				FY 2010			
Primary Reserve Ratio Calculation	Data	Str	Wt	CFI	Data	Str	Wt	CFI	Data	Str	Wt	CFI
Institution unrestricted net assets	28,528,841				20,251,932				27,141,807			
Institution expendable restricted net assets	+ 4,811,856				5,340,907				5,525,881			
Component Unit (C.U.) unrestricted net assets	+ 393,176				470,667				353,017			
C.U. temporary restrict net assets	+ 11,957,041				12,161,457				10,881,367			
C.U. net investment in plant	- 0				0				0			
Numerator Total	45,690,914				38,224,963				43,902,072			
Institution operating expenses	111,846,443				113,053,448				100,963,512			
Institution nonoperating expenses	+ 2,249,424				227,653				213,128			
Elimination of inter-entity amounts	+ 0				0				0			
C.U. total expenses	+ 3,251,863				2,708,762				2,826,491			
Denominator Total	117,347,730				115,989,863				104,003,131			
Primary reserve ratio (p. 58*)	/ 0.389	2.92	0.35	1.02	0.330	2.48	0.35	0.87	0.422	3.17	0.35	1.11
Net Operating Revenue Ratio Calculation												
Institution operating income (loss)	-69,992,570				-71,619,209				-62,621,240			
Institution net nonoperating revenues	+ 72,057,416				76,506,890				71,116,106			
C.U. change in unrestricted net assets	+ -77,491				3,989,989				7,779,972			
Elimination of inter-entity amounts	+ 0				0				0			
Numerator Total	1,987,355				8,877,670				16,274,838			
Institution operating revenues	41,853,873				41,434,239				38,342,272			
Institution nonoperating revenues	+ 72,057,416				76,734,543				71,329,234			
C.U. total unrestricted revenues	+ 977,197				1,046,052				856,412			
Elimination of inter-entity amounts	+ 0				0				0			
Denominator Total	114,888,486				119,214,834				110,527,918			
Net Operating Revenue ratio (p. 86*)	/ 0.017	1.31	0.10	0.13	0.074	5.69	0.10	0.57	0.147	10.00	0.10	1.00
Return on Net Assets ratio calculation												
Change in net assets plus C.U. change in net assets	-1,451,959				8,877,670				16,274,838			
Elimination of inter-entity amounts	+ 0				0				0			
Divided by total net assets + C.U. total net assets (beginning of year)	178,705,629				169,827,959				153,553,121			
Return on Net Assets ratio (p. 74*)	/ -0.008	- 0.20	- 0.40	0.08	0.052	2.60	0.20	0.52	0.106	5.30	0.20	1.06
Viability ratio calculation												

Numerator - Expendable net assets (from Primary Reserve Numerator)	45,690,914	38,224,963	43,902,072
Institution long-term debt (total project-related debt)	68,950,000	5,130,000	5,440,000
C.U. long-term debt (total project-related debt)	+ 0	0	0
Denominator - Total Long-term + C.U. debt (total project-related debt)	68,950,000	5,130,000	5,440,000
Viability ratio (p. 64*) /	0.663 1.59 0.35 0.56	7.451 10.00 0.35 3.50	8.070 10.00 0.35 3.50
Total-Composite Financial Indicator Score (CFI)		1.6	5.5 6.7

Comments

2012: FY 2011 figure for "Institution net nonoperating revenues" should be \$76,734,543 (same as "Institution nonoperating revenues") FY 2011 figure for "C.U. change in unrestricted net assets" should be \$117,650. FY 2010 figure for "C.U. change in unrestricted net assets" should be \$-23,945

2011: FY 2009 figure for "Divided by total net assets + C.U. total net assets (beginning of year)" should be \$141,084,349; FY 2009 figure for "C.U. total unrestricted revenues" should be \$469,716

2010: FY 2009 figure for "Divided by total net assets + C.U. total net assets (beginning of year)" should be \$141,084,349; FY 2009 figure for "C.U. total unrestricted revenues" should be \$469,716

What the Total Composite Financial Indicator Score (CFI) Means to You

The chart below identifies three zones in which the CFI scores shown above will fall: Above, In, and Below. Each zone specifies a range of CFI scores, with different ranges for private and public institutions. Following the close of the Institutional Update, the Commission will review all the financial data reported and will identify any institutions that have CFI scores in the **Below** zone for a **single** year or the **In** zone for **two consecutive** years. The Commission will notify those institutions about possible follow-up needed on their financial condition, including review by the Commission's Financial Panel Review process.

Zones	Private Institutions (-1 to 3) Composite Index	Public Institutions (-4 to 10) Composite Index	Outcomes
Above	1.5 to 3.0	1.1 to 10	No Review
In	1.0 to 1.4	0 to 1.0	Financial Panel Review if "In" for two or more consecutive years.
Below	-1.0 to 0.9	-4.0 to -0.1	Financial Panel Review if "Below" in any given year.