



POPULAR ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2021



OAKLAND COMMUNITY COLLEGE®
Excellence *Empowered.*®



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A Letter from the Chancellor and Vice Chancellor for Administrative Services

Greetings:

At Oakland Community College our mission is simple – OCC is committed to empowering our students to succeed and advancing our community – and this is reflected in everything we do. OCC has been providing the residents of Oakland County and surrounding areas with high quality, accessible educational opportunities for more than five decades.

In these unprecedented times, Oakland Community College continues to support and advance the success and well-being of its students and community members by providing education and student services where and when they are needed. Since the initial outbreak of the respiratory disease known as COVID-19 over eighteen months ago, the College's commitment to keeping our students on track with their educational goals has always been our focus. This past year has been like no other, with a worldwide pandemic altering the way we live, learn and teach. To say that it has been difficult for all of us is an understatement, but through these extraordinary challenging circumstances, our commitment to student success has never wavered. Every day, Oakland Community College continues to provide access to invaluable and transformative education.

Mindful that part of the funding OCC receives is entrusted to us by taxpayers, our commitment to responsible resource management remains a priority. It is our pleasure to present Oakland Community College's Popular Annual Financial Report (PAFR) for the year ended June 30, 2021. This PAFR is intended to provide the Oakland County community with important financial information about the College in an easy-to-read, user-friendly format.

We believe both integrity and transparency in financial reporting are essential to maintaining trust with our stakeholders. It is our hope the graphs and financial information presented in this PAFR will strengthen public confidence in Oakland Community College and educate our community about how tax dollars are being used to support students and positively impact the lives of Oakland County residents and our community at large.

Using data gleaned from the College's Annual Comprehensive Financial Report, the PAFR includes information on the College finances, the organizational structure at OCC and the current strategic plan as well as statistical and historical information about the College. This report does not replace the Annual Report, but includes important details relevant to the College's financial condition. Audited by Plante Moran, the Annual Report received an unmodified opinion for fiscal year ending June 30, 2021.

OCC continues its strong commitment to best-in-class financial management and fiscal stewardship as recognized by the Government Finance Officers Association (GFOA), an organization dedicated to enhancing and promoting the professional management of governmental financial resources. Oakland Community College has received the Best Practices in Community College Budgeting Award, the Certificate of Achievement for Excellence in Financial Reporting and the Popular Annual Financial Reporting Award from the GFOA.

The College is grateful for the support offered by our Board of Trustees and the entire College community in developing this report. Electronic copies of the Annual Report and PAFR are available on the College's website at www.oaklandcc.edu. As you review this report, we invite you to share any questions, concerns or comments you may have by contacting raremias@oaklandcc.edu.

Sincerely,



Peter M. Provenzano, Jr., CPA, CGMA
Chancellor



Roberta A. Remias, CPA
Vice Chancellor for Administrative Services



A 7-member Board of Trustees governs Oakland Community College in all policy matters of the College requiring attention or action. The Trustees, in collaboration with the College Chancellor, are charged with fulfilling the goals set forth in the College Mission Statement. The members of the board are elected on a non-partisan, at-large basis by voters living within the College district, an area that generally coincides with the boundaries of Oakland County. Trustees serve as volunteers and are not paid for their services. All appointments are for six year terms. The administrative responsibilities of Oakland Community College has been delegated by the Board of Trustees to the Chancellor and administrative staff.



PAMELA S. JACKSON
Chairperson
Elected: Since 2016



KATHLEEN A. BERTOLINI
Vice Chairperson
Elected: Since 2016



SUSAN GIBSON
Secretary
Elected: Since 2020



SUSAN E. ANDERSON
Treasurer
Elected: Since 2016



SHIRLEY J. BRYANT
Trustee
Elected: Since 2008



PAMALA M. DAVIS
Trustee
Elected: Since 1994



CHRISTINE M. O'SULLIVAN
Trustee
Elected: Since 2012

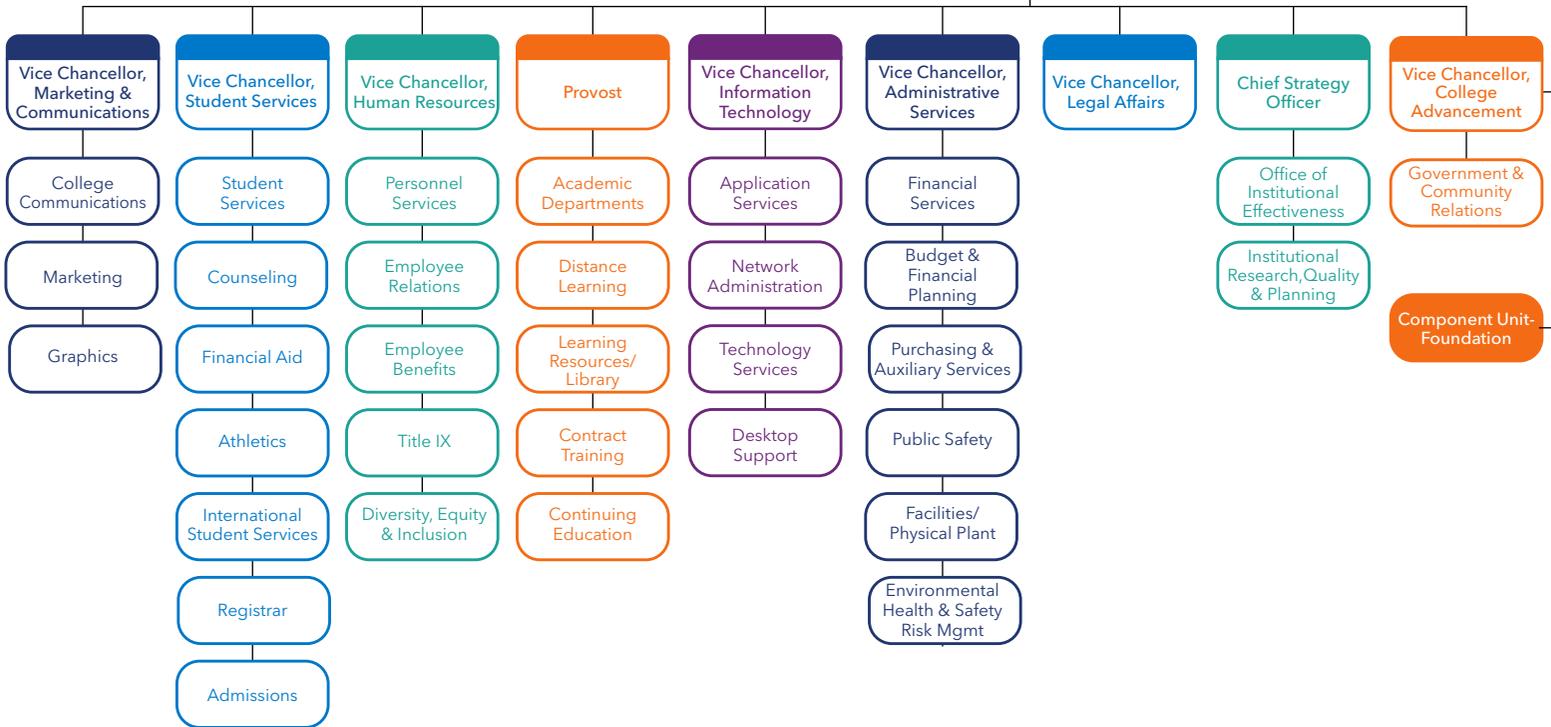


OAKLAND COMMUNITY COLLEGE®

District Residents

Board of Trustees

Chancellor



HISTORY AND OVERVIEW OF OAKLAND COMMUNITY COLLEGE

The Oakland Community College District (“the College” or “OCC”) was established by the electorate of Oakland County, Michigan, on June 8, 1964. The area served encompasses approximately 900 square miles and has an assessed valuation of over \$25 billion. The county contains 28 public school districts with 45 public high schools. In addition, there are 37 non-public high schools in the district. With an estimated population of 1.24 million people, Oakland County is home to a mix of urban and rural communities, encompassing 62 cities, villages and townships, including 32 downtown areas and many scenic natural settings.

The College opened in September 1965, with a record community college initial enrollment of 3,860 students on two campuses – Highland Lakes, a renovated hospital in what was Union Lake, and Auburn Hills, a former Army Nike missile site in what was Auburn Heights.

The Orchard Ridge Campus, with its award-winning architectural design, opened in Farmington Hills in September 1967. First housed in leased facilities in Oak Park, the Southeast Campus System expanded through the purchase and remodeling of buildings at a second site in Royal Oak. In 1980, the Oak Park facilities were replaced

by a new campus in Southfield. The Royal Oak buildings were replaced by a new campus complex which opened in the fall of 1982.

Since 1964, over 1 million students have attended OCC, with over 85,000 degrees granted. Students receive a quality education that either prepares them for employment in diverse, in-demand fields, or starts their path toward other academic achievements and lifelong learning goals. Currently, OCC offers nearly 100 certificate and degree programs reflecting in demand occupations in Oakland County, and provides unique academic, cultural and social experiences on each of its five campuses. Oakland Community College has become a source for community development and engagement since opening its doors more than 50 years ago providing a high quality, affordable higher education opportunity to our community.

OCC’s dedicated faculty and staff are committed to providing academic and developmental experiences that will allow each student to reach their full potential and enhance the diverse communities they serve. OCC is a caring college that values innovation, strong student outcomes, high-quality service, and professionalism, at an affordable price.

FAST FACTS



More than
1 million
students have attended OCC



approximately
100,000
degrees and certificates granted



1 of every **41 jobs**
in Oakland County
is supported by OCC
activities and students



\$99 cost per
contact hour
– among the **lowest**
in Michigan



#1 transfer
institution
in Michigan



18% ROI
OCC students' historical
return on investment in OCC

STUDENTS by the numbers

- ◆ Credit hours taken in 2021: **305,591**
- ◆ Unduplicated head count: **23,980**
- ◆ **55.7%** male; **38.5%** female
- ◆ **70.8%** are part-time students

FACILITIES by the numbers

- ◆ **400+** classrooms on **5** campuses
- ◆ **500+** acres over **6** sites
- ◆ Nearly **2.2** million square feet
in facilities

MOST POPULAR PROGRAMS by the numbers

- ◆ Communication, Arts, and Humanities **26.1%**
- ◆ Business and Information Technology **20.8%**
- ◆ Nursing and Health Professions **19.6%**
- ◆ Mathematics, Natural and Life Sciences **7.6%**
- ◆ Engineering, Manufacturing
and Industrial Technologies **6.3%**
- ◆ Social Science **5.2%**
- ◆ Public Services **3.7%**
- ◆ Learning Resources **0.2%**
- ◆ Major Undeclared/Unknown **10.5%**



2021 POINTS OF PRIDE



COLLEGE

College Academics & Student Services

- ◆ One of Michigan's largest multi-campus community college and top transfer institution in the state with nearly 100 degrees and certificates programs
- ◆ Higher Education Emergency Relief Funds distributed more than 7,000 awards, providing nearly \$7 million in direct funding to eligible students and 3,800 laptops supporting remote, COVID-safe learning. Additional institutional funds used for technology infrastructure, software, training and services supporting student learning.
- ◆ Online campus is 100% ADA compliant, offering 24/7 student services to assist students anytime/anywhere
- ◆ Launched 14 fully online degree and certificate programs
- ◆ Launched Academic Teaching & Learning Center
- ◆ Awarded Gold Status by Michigan Veterans Affairs Agency for sixth consecutive year
- ◆ Awarded more than \$250,000 in scholarship dollars
- ◆ Honored nearly 2,000 graduates in first-ever Virtual Commencement in 2020
- ◆ Nearly 150 attendees and families honored at 2021 Commencement Car Parade
- ◆ Ranked #1 for best college in Michigan for 2020-21 by edsmart.org based on affordability, student satisfaction, academic quality and post-education salary

Programs

- ◆ One of the largest nursing associate degree programs in the nation

- ◆ Largest English as a Second Language program in Michigan
- ◆ Sign Language Interpreter Program is first and only accredited program in Michigan, one of only four accredited associate degree programs nationwide
- ◆ Largest police academy in southeast Michigan
- ◆ Fire Academy is only nationally and internationally accredited program in Michigan

Administration

- ◆ Provided Oakland County use of the Orchard Ridge Campus parking lot for drive-through COVID testing
- ◆ Comprehensive Annual Financial Report Financial Award of Excellence, one of only two community colleges receiving this distinction in Michigan
- ◆ Award for Outstanding Achievement for the Popular Annual Financial Report
- ◆ Marketing & Communications team awarded Gold and Bronze Medallion Awards from the National Council for Marketing & Public Relations
- ◆ OCC Partnership with Detroit Institute of Arts' Inside|Out program featured 15 DIA reproductions across all campuses

Economics & Employability

- ◆ Economic and Workforce Development leader in business and industry providing nearly \$5 million in contract training to 22 companies
- ◆ Top school in Michigan for awarding skill certifications through the National Coalition of Certification Centers (NC3) Auto servicing faculty head Claude Townsend is the only certified NC3 Master Instructor at a Michigan community college

- ◆ Lead college and fiduciary for multi college/agency collaboration expanding apprenticeships in southeast Michigan through a \$4 million federal grant

PEOPLE

Faculty/Staff & Students

- ◆ English Faculty Suba Subbarao awarded League for Innovation Innovator of the Year Award
- ◆ Student Tala Alahmar elected 2021 International President of Phi Theta Kappa Honor Society
- ◆ Associate Provost of Academics and Workforce Joe Petrosky received the "2020 Lighthouse Award" from the Michigan Boating Industries Association in recognition of his efforts to bring marine technology education to Michigan
- ◆ Dean of Communications, Arts and Humanities Cindy Carbone named 2021 Phi Theta Kappa Distinguished College Administrator
- ◆ Director of Government and Community Relations Eunice Jeffries honored as Michigan Chronicle's 2021 Women of Excellence
- ◆ Researchers Dr. Steve Simpson and Zheng Wang won best presentation at the Michigan Association of Institutional Researchers annual conference for "Diversity, Equity, Inclusion and Strategic Planning: How to Advance Institutional Policy through BI Tools"



STRATEGIC PLAN

In 1966, the Community Colleges Act helped institutions such as OCC define their mission. In 2018 OCC redefined its mission statement to be succinct and focused.

Mission

"OCC is committed to empowering our students to succeed and advancing our community."

OCC's vision

Excellence in all we do...

- ◆ Become the college of choice.
- ◆ Become the partner of choice.
- ◆ Become the employer of choice.

Our Strategic Plan is a roadmap for advancing the College and recognizes that our students, staff, and our community are all essential partners in our collective success. In alignment with the College's Mission, Values, and Vision, the Strategic Plan advances Strategic Directions and Strategic Objectives to create an inclusive and action-oriented model of college advancement.

Strategic Direction 1

Optimize Educational Offerings & Opportunities to meet the Needs of the Community

- ◆ Promote Educational Access



WHY WE EXIST/
WHAT WE DO

WHAT WE
BELIEVE IN

WHAT WE
WANT TO BE

WHAT WE MUST
ACHIEVE TO GET THERE

SPECIFIC
OBJECTIVES

PLANNED ACTIONS
TO ACHIEVE OBJECTIVES

- ◆ Implement a Strategic Enrollment Management Framework
- ◆ Promote a Climate of Educational Innovation and Excellence
- ◆ Promote the Holistic Development of all Individuals
- ◆ Implement Innovative, Comprehensive and Effective Student Support Services
- ◆ Advance Diversity, Inclusion, Civility, and Equity Policy and Practice
- ◆ Improve Retention, Persistence, and Completion

Strategic Direction 2

Improve Institutional Culture & Climate

- ◆ Promote a Culture of Accountability to Meet Shared Goals
- ◆ Improve the Availability, Access, and Timely Publication of Essential Institutional Data
- ◆ Develop and Deploy Intentional Communication Structures and Systems
- ◆ Promote a Culture of Collaboration, Civility, Inclusion, and Equity

Planning

Through a robust, comprehensive, cyclical strategic planning cycle, the College continually uses data and intensive collaboration across the organization for continuous improvement, evaluation, and mission-driven strategies to achieve its vision and hold true to its values.

Monitoring Progress

In order to determine progress in achieving established objectives, a system must be in place that tracks key performance indicators (KPIs) and reports results to stakeholders on a regular basis. The College's Board of Trustees adopted a model of policy governance in 2018, which includes an ongoing system of monitoring reports that aligns with strategic planning directions, objectives and actions, showing their impact on the Board's Ends. The Board's Ends are the College's purpose, and related statements that clearly state the desired results of the College's actions; they describe the needs to be met, for whom and at what cost.

Board Ends as established in Board policy include:

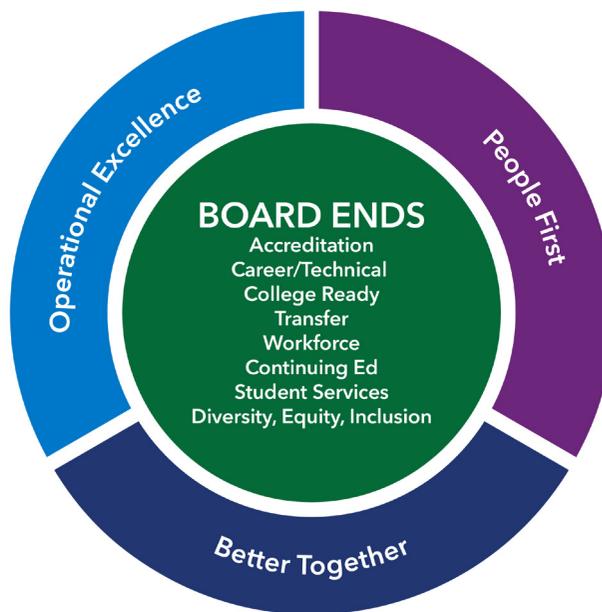
- ◆ Accreditation
- ◆ Career & Technical Education
- ◆ College Readiness
- ◆ Transfer Education
- ◆ Workforce Training

- ◆ Continuing Education
- ◆ Student Services
- ◆ Diversity, Equity & Inclusion

OCC's monitoring reports provide the Board with a comprehensive and consistent evaluative framework to assess overall institutional effectiveness. Reports are delivered on a semester basis (October, February, and June) and track continuous process improvements related to strategic key performance indicators, culminating in an annual report (August).

Core key performance indicators include:

- ◆ Headcount enrollment
- ◆ Average credit hour enrollment
- ◆ Conversion rate (admitted to enrolled)
- ◆ Course success
- ◆ College readiness attainment
- ◆ Fall to winter retention
- ◆ Fall to fall persistence
- ◆ Earned degrees and certificates



AWARDS FOR FINANCIAL REPORTING

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Oakland Community College for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. This was the sixth consecutive year that the College has received this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report whose contents conform to program standards. Such an Annual Report must satisfy both generally accepted accounting principles and applicable legal regulations.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Report for fiscal year ended June 30, 2021 continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another Certificate.

In addition, the GFOA has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Oakland Community College for its Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2020. This is the third year that the College has received this award. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing

conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report for fiscal year ended June 30, 2021 continues to conform to the Popular Annual Financial Reporting requirements and we are submitting it to the GFOA to determine its eligibility for another award.

For three consecutive years, the College has received the GFOA's highest budget award. The latest recognition was received from the GFOA on March 15, 2021. On that date the College was presented with the Distinguished Budget Presentation Award for its June 30, 2021-2025 budget document, along with a Certificate of Recognition for Budget Preparation to the Budget and Financial Planning Department. The awards are valid for a period of one year only. The College believes its current budget document continues to conform to program requirements, and we are submitting it to the GFOA to determine its eligibility for another award. The continued participation in the program represents

the College's support of best practices in community college budgeting and a commitment to budget process excellence.



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**Oakland Community College
Michigan**

For its Annual Financial Report
for the Fiscal Year Ended

2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL PLANNING

Another way Oakland Community College meets its mission is through financial accountability; the allocation and appropriate use of financial resources is a priority in all we do to serve our students and honor our fiduciary responsibility to the community. The College has continually addressed budget issues over the past several years by cutting costs throughout the College and monitoring all sources of revenue. In addition, the College prepares a five-year forecast to better plan and meet any budget shortfalls head-on by looking at all sources of income and expenses across all funds within the College.

Fiscal year 2021 continued to be challenging after the initial outbreak of a respiratory disease caused by a new coronavirus pandemic, now known as COVID-19 in the last quarter of 2020. The College quickly pivoted to a remote online learning environment in March 2020 and continued a mostly remote learning platform throughout the 2021 academic year. The College continued to maintain financial operations as well as all student services to the College community by utilizing technology in all areas of the College. In fall 2021, the College returned to in-person, on-campus instruction but has greatly enhanced its online learning offerings to meet demand and continues to utilize enhanced technology to provide student services and monitor financial operations.

To help offset the financial impact to both the students and the losses and

additional expenses incurred due to the disruption caused by COVID-19 to College operations, the College received local and state grants and emergency relief from the federal government. Three federal grants received were funding from Coronavirus Aid, Relief, and Economic Security Act (CARES), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and American Rescue Plan (ARP). For fiscal year 2021, \$6.2 million in grants were awarded to students and \$15.9 million in grant funds were received for institutional expenses and lost revenues. The severity of the continued impact due to COVID-19 on the College's financial condition, results of operations or cash flows will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the College's community, all of which are uncertain and cannot be predicted.

The Board of Trustees has a fiduciary responsibility to ensure that public funds are used in a transparent, ethical, and fiscally responsible manner. The College has a policy approved by the Board that requires annual budgeting to ensure a net position that reflects a minimum of three months of operating expenses. In addition to the operating expense reserve, the College also has designated funds for quasi endowment and capital outlay.

Oakland Community College makes every effort to keep tuition affordable with

modest inflationary increases annually. The College charges students billable contact hours to address the additional cost of high contact courses such as science courses with labs, culinary courses, nursing courses, and courses in other health professions. While over the past several years, tuition rates have increased annually, the College's In-District rate and overall fees remain the lowest of the 28 Michigan community colleges. The College's out of district/out of state rate is about average when compared to the other Michigan community colleges. OCC's Board of Trustees and executive leadership remains committed to offering affordable education to all students. With gross tuition and fees accounting for approximately a third of the College's revenue when compared to state appropriations and property taxes, and few viable options available to diversify revenue sources, the College finds itself with the challenge of balancing decreasing enrollment with increasing costs and decreasing revenue. As mentioned earlier, the College has addressed these shortfalls and balanced the budget by cutting costs and gaining efficiencies.

FINANCIAL HIGHLIGHTS

The following is an overview of the College's financial operations for the fiscal year ended June 30, 2021. The information contained within this Popular Annual Financial Report is extracted from the financial information contained within the FY2021 Annual Comprehensive Financial Report. The Annual Report is a more detailed and complete financial presentation prepared in conformance with generally accepted accounting principles (GAAP) and is audited by the College's independent auditors, Plante Moran, receiving an unmodified opinion. The financial information for the College's Foundation, a component unit, is not included within this Popular Annual Financial Report. The statistical and demographic data is taken from various sources and is unaudited. The Annual Report and Popular Annual Financial Report are both available on the College's website: oaklandcc.edu/about/transparency-at-occ

The Statement of Net Position most notably includes the College's assets, liabilities and net position as of the last day of the fiscal year, June 30, 2021. An asset is an economic resource. Anything tangible or intangible that can be owned or controlled to produce value and that is held by the College to produce positive economic value is an asset. Current assets include accounts receivable and inventory, while capital assets include such items as buildings and equipment. A liability is defined as the future sacrifices of economic benefits that the entity is obliged to make to other entities as a result of past transactions or other past events, the settlement of which may result in the transfer or use of assets, provision of services or other yielding of economic benefits in the future. Net Position is the residual of all other elements presented in the Statement of Net Position. The Statement of Net Position also includes deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period. The Statement of Revenues, Expenses, and Changes in Net Position focuses on the costs of College's activities, which are supported primarily by property taxes, state appropriations and tuition and fees.

STATEMENT OF STATEMENT OF NET POSITION (in millions)

ASSETS

Current Assets \$68.2

Non-current assets:

Long Term Investments \$333.8

Capital assets - non-depreciable \$43.0

Capital assets, net of depreciation \$99.7

▶ **Total assets** **\$544.7**

▶ Total Deferred outflows
of resources \$57.9

LIABILITIES

Current liabilities \$25.1

Non-current liabilities \$246.2

▶ **Total liabilities** **\$271.3**

▶ Total Deferred inflows of resources \$45.0

NET POSITION

Net investment in capital assets \$141.8

Restricted \$0.7

Unrestricted \$143.8

▶ **Total net position** **\$286.3**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

(in millions)

REVENUES

Operating revenues

Tuition and fees, net.....	\$30.1
Federal grants and contracts.....	\$2.8
State, local and non-governmental grants and contracts	\$1.0
Auxiliary and miscellaneous revenues	\$4.0
▶ Total operating revenues	37.9

Non-operating revenues

Pell grant revenue	\$13.9
Other federal revenue	\$26.3
Property taxes	\$92.8
State appropriations	\$26.2
State appropriations for UAAL	\$6.9
Investment income.....	\$6.0
Net realized and unrealized loss on investments	(\$6.7)
▶ Total non-operating revenues	\$165.4

▶ **Total revenues** **\$203.3**

EXPENSES

Instruction.....	\$54.8
Academic Support.....	\$20.4
Student Services.....	\$27.4
Institutional Support/ Public Services.....	\$19.0
Information Technology	\$12.4
Physical plant operations	\$14.5
Depreciation	\$16.1

▶ **Total expenses** **\$164.6**

Statement of Net Position

The financial statements report information on the College as a whole. These figures report the College's financial position as of June 30, 2021 and changes in net position for the year ended June 30, 2021. The College's Statement of Net Position at June 30, 2021, had assets of \$544.7 million, and liabilities of \$271.3 million.

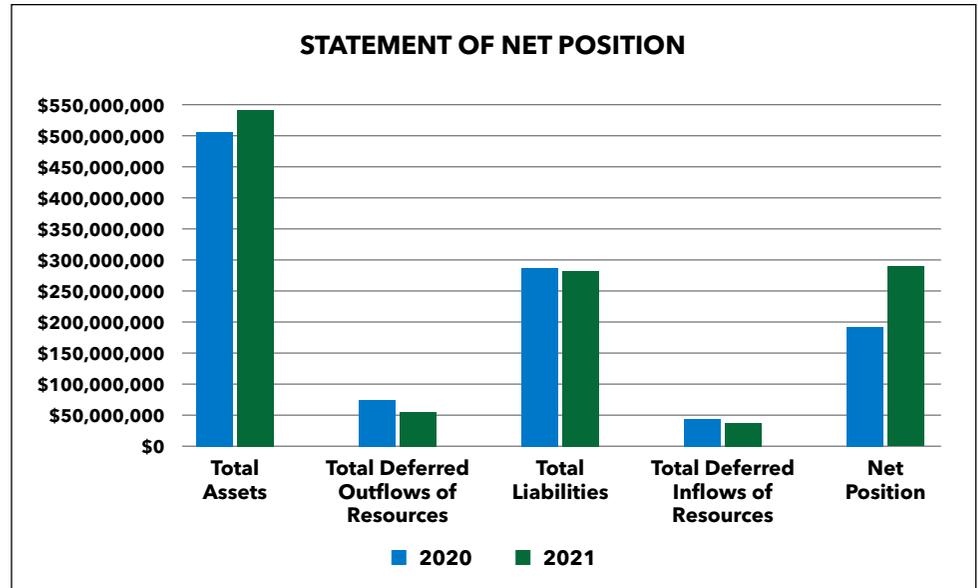
In 2015, the College implemented GASB 68 and recognized the College's share of the Michigan Public School Employees' Retirement System (MPSERS) unfunded net pension liability. The net pension liability at June 30, 2021 was \$211.4 million. In 2018, the College implemented GASB 75 and recognized the College's share of the MPSERS unfunded OPEB liability. The net OPEB liability at June 30, 2021 was \$32.3 million. The net pension and OPEB liabilities result from the College's participation in MPSERS, a statewide, cost-sharing, multiple employer defined benefit public employee retirement system.

The College has \$141.8 million invested in capital assets, net of accumulated depreciation of \$313.2 million at June 30, 2021. Additions to capital assets during 2021 included costs for both internal and external maintenance and renovation projects at various campus sites. Capital additions were \$31.4 million

during 2021. In 2021, the College paid its fourth payment on a 5-year installment purchase agreement for the purchase of computer hardware, software and maintenance. The remaining payments of principal and interest total \$1.0 million to be paid in December 2021.

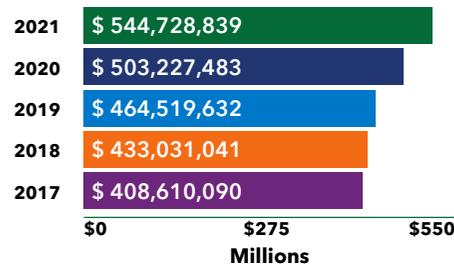
The College's revenues and other support exceeded expenses by \$38.7 million in 2021. This was primarily due to containing costs across all departments, an increase in property tax revenue as well as an increase in state appropriations and tuition revenue at June 30, 2021. Current assets totaled \$68.2 million in 2021. The fluctuations in current assets for the past few years were primarily the result of changes in the College's investment policy and portfolio.

The College's net position, which represents the residual interest in the College's assets and deferred outflows after liabilities and deferred inflows are deducted, totaled \$286.3 million as of June 30, 2021. Although unrestricted net position is not subject to externally imposed restrictions, virtually all of the College's unrestricted net position is designated to fulfill the College's mission including designations for future retirement obligations and insurance, designations to meet the College's reserve policy for operating expenses and capital projects, and designations of quasi-endowment for future debt payments and scholarships.

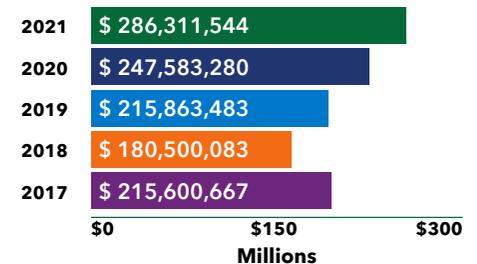


HISTORICAL INFORMATION

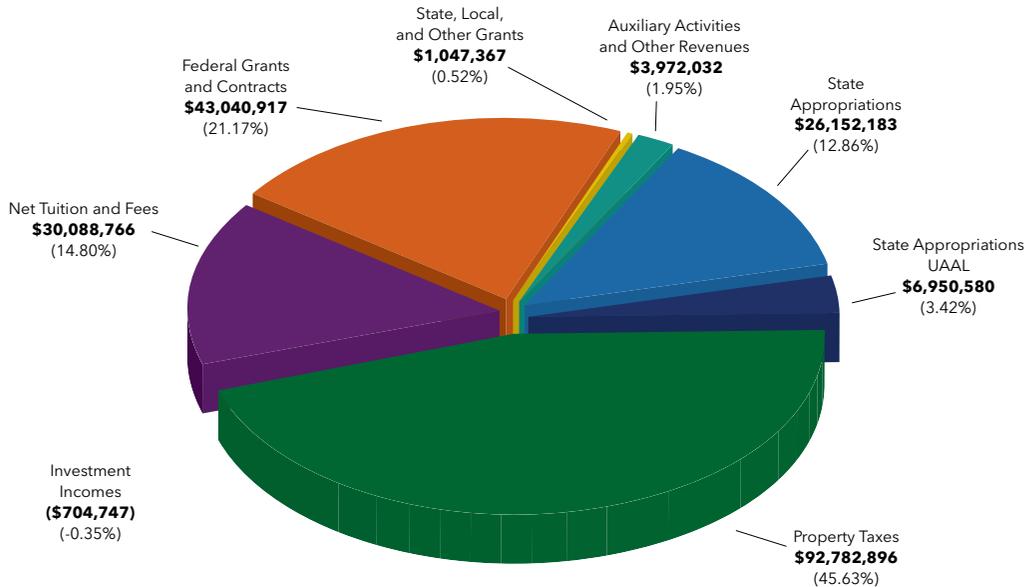
Total Assets



Total Net Position



WHERE DOES THE MONEY COME FROM?



Operating and Non-Operating Revenues

Operating revenues include all transactions that result in sales and/or receipts from goods and services, such as tuition, fees, and bookstore operations. In addition, certain federal, state, and private grants are considered operating if they are not for capital purposes and are considered a contract for services.

Non-operating revenues are all revenue sources that are not a result of College operations. They consist primarily of state appropriations, other federal grant revenue (HEERF/CRF), Pell grant revenue,

property tax revenue, interest income and realized and unrealized gains and losses.

Net student tuition and fee revenue (after scholarship allowance) remained fairly stable with a modest increase of 1.1 percent for the year ended June 30, 2021. Gross tuition and fee revenue also remained stable with a modest increase of approximately 2.8 percent for fiscal year ended June 30, 2021. Contact hours increased by less than 1.0 percent for fiscal year ended June 30, 2021. The modest contact hour increases in fiscal year 2021 along with the tuition rate increases of 3% for both In-district and Out-of-district tuition brought about modest increases in net and

gross student tuition and fee revenue.

In 2021, total Federal grants and contracts revenue (operating) decreased by 8.7 percent from 2020. Modest increases in enrollments continue to affect the revenue received for the federal Pell grant program and campus closures due to COVID-19 affected the Federal Work Study program.

Other federal grants for HEERF and CRF are recorded in non-operating revenues and increased from \$1.7 million in 2020 to \$26.4 million in 2021. These grants were for both direct payments to students to assist with continuing their education and institutional expenses related to the disruption of campus operations and increased expenses due to COVID-19.

Auxiliary services and other miscellaneous revenue decreased by approximately 22.5 percent during fiscal year ending June 30, 2021. The decrease is due to a combination of circumstances including providing students with more affordable textbook options, like rental programs and digital books, modest enrollment growth, and the many other available sources for students to purchase textbooks. However, the closure of on-campus operations for the majority of the fiscal directly affected the auxiliary revenue.

In 2021, state grants and contracts and other non-governmental grants revenue decreased by 26.5 percent from 2020 due to decreases in funding for several state and local programs and scholarships.

In 2021, there was an increase of \$2.7 million or 8.9 percent in total state appropriations from 2020. This increase is primarily because of the \$2.5 million in funding cut last year from the state appropriations late in the state's 2020 fiscal year.

Personal property tax reimbursement from the state in the amount of \$2.3 million was received and is included in the annual state appropriation figure. Public Act 300 of 2012 instituted a 20.96 percent cap on the employer's share of the UAAL for reported MPSERS wages. This resulted in a state appropriation for UAAL of \$8.2 million for 2021, resulting in \$7.0 million of revenue after consideration of GASB 68 and GASB 75 in 2021 as well as MPSERS related cash outlay and expenses of equal amounts.

In 2021, property taxes increased by \$3.2 million or 3.5 percent over 2020. These increases are a result of taxable values in Oakland County, Michigan continuing to increase.

In 2021, investment income decreased by 28.2 percent. Realized gains on investments were \$1.9 million in 2021. With the assistance of the College's investment manager, the College periodically rebalances the investment portfolio to continually meet strategic investment objectives. This results in year-over-year changes to the types and maturities of investments in the College's portfolio.

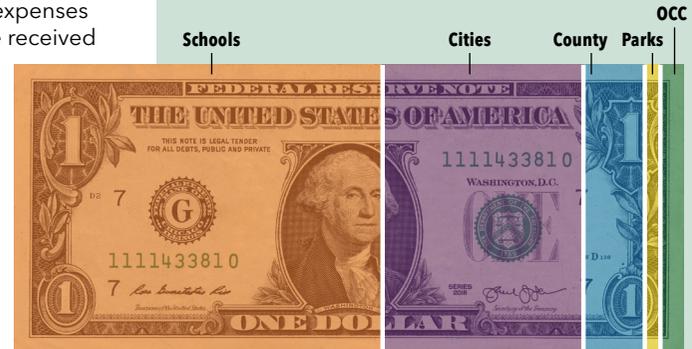
Unrealized gains and losses are primarily a result of market fluctuations in interest rates due to economic conditions in the United States. Unrealized gains and losses represent

the fluctuation in the fair market value of investments. Bond values decline as interest rates increase and rise as interest rates decrease. In 2021, with interest rate increases, the unrealized losses were \$8.7 million. Nearly 90 percent of the investments held by the College are in government agencies and sponsored enterprises securities, whose prices were affected by the factors mentioned above. As the College intends to hold investments to maturity, it is unlikely that these unrealized gains and losses will be realized.

Listed under non-operating revenue as other federal grant revenue, for 2021, the College received federal HEERF funding for student direct payments and institutional expenses of \$22.6 million. Also, the College received \$2.4 million of CRF funding, replacing fiscal year 2020 state aid revenue and \$1.3 million in student financial aid for Future for Frontliners and Michigan ReConnect programs.

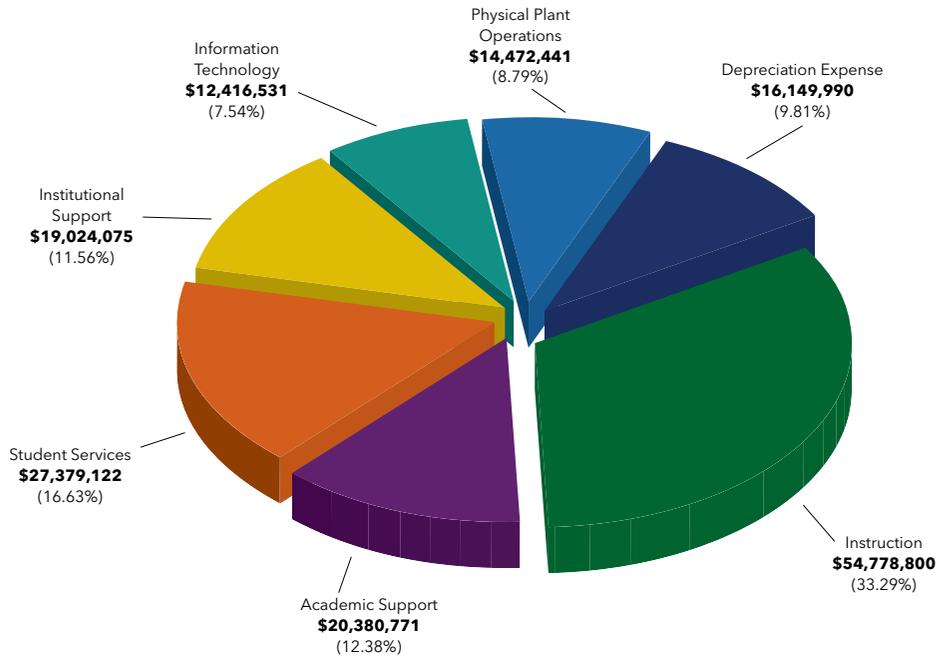
PROPERTY TAXES: WHERE DOES YOUR DOLLAR GO?

The Oakland County Treasurer's office is responsible for the collection and distribution of property tax revenue. Property taxes support cities, villages, townships, the county, libraries, parks and recreation, and school districts. Oakland Community College also receives a portion of these property taxes. The following illustrates the distribution of Oakland County property tax dollars by government entity. For every dollar of property tax, Oakland Community College received \$.03.



Schools	
Cities	
County	
Parks	
OCC	
School Districts/State Education	\$ 0.54
Cities, Villages, Townships	\$ 0.32
County Operating	\$ 0.09
Parks & Recreation/Zoo/Art/Huron Clinton	\$ 0.02
Oakland Community College	\$ 0.03
TOTAL	\$ 1.00

WHAT IS THE MONEY USED FOR?



Operating Expenses

Operating Expenses are the costs for the College to conduct the programs necessary to carry out the principal purposes of the College.

The primary operating expenses of the College are salaries, payroll taxes, and related fringe benefits. The College incurred \$108.6 million of payroll-related expenses during the year ended June 30, 2021. This represents

approximately 66.0 percent of the College's operating expenses during 2021.

Salary expenses have increased in 2021 from 2020 by 1.0 percent. Payroll taxes and related fringe benefits decreased by 6.2 percent from 2020 to 2021. In 2021, the UAAL state appropriations received were \$7.1 million, resulting in \$7.0 million of revenue after consideration of GASB 68 and GASB 75.

Instruction costs increased by less than

1.0 percent in 2021. Academic Support expenses increased by 2.2 percent in 2021. Costs in Student Services decreased by approximately 1.0 percent in 2021. Institutional Support expenses increased by 4.0 percent in 2021. There were moderate increases and decreases in all non-technology operations and expenses of the College.

Information Technology expense increased in 2021 from 2020 by 35.8 percent due to contracted salaries and total expenses for software and hardware throughout the College, primarily to address the impact of COVID-19.

Physical Plant Operations decreased by 19.9 percent in 2021. These decreases are a result of lower maintenance and repair expenses as well as a decrease in overall utility costs.

FACILITIES AND GROUNDS

Oakland Community College is a large, multi-campus, two-year institution of higher education located in Oakland County. The Oakland Community College physical plant is made up of five academic campuses and one administrative campus. There are 527 acres of land, 70 buildings and over 2.1 million square feet of space. The estimated value of the College buildings exceeds \$700 million and annual physical plant costs approximate \$25 million.



Budgeting for Facilities

As our facilities wear with age and heavy use, we must strategically plan to ensure we are meeting the needs and expectations of our students and community while at the same time, balancing the financial challenges currently present in higher education. The average building at OCC is approximately 33 years old.

Over 25 years ago, the taxpayers of Oakland County approved a .8 mill levy to provide additional financial resources to assist the College in building and maintaining facilities, offering new programs, and providing student scholarships. The millage was renewed by voter consent in 2002, 2010 and again in November 2020. These funds have been used for their proposed purposes and are a critical part of our capital budget.

Each year, the College budgets General Fund dollars to be transferred to the Plant Fund for capital and equipment needs. Recent capital projects funded through the Plant Fund include maintenance and replacement of large equipment and infrastructure including boilers at Orchard Ridge campus, roof replacement at Auburn Hills, and paving a various campuses. In addition, a major building project at for a new science building began over a year ago at Auburn Hills with completion in fall 2021.

With over 2 million square feet of building space, OCC maintains a large footprint. To assist in prioritizing facility needs, the College has employed a consulting firm to provide a comprehensive facility condition needs assessment. The assessment, which is done every 5 years and was last completed in August 2017 and will begin again in 2022 and is used as the starting point for future project planning. In addition to the report, the consultants also provide the College with an interactive database that is maintained by the College to monitor costs and track improvements and renovations.

The comprehensive facility condition needs assessment was performed to accomplish the following objectives:

- ◆ Provide an inventory of the College's facilities in a database format to be easily updated and maintained by OCC personnel and allow for quick access to facilities information.
- ◆ Determine the condition of the buildings and grounds at OCC and provide the data in a concise format, allowing quick determination of the current replacement value and condition of each facility.
- ◆ Determine a Facilities Condition Needs Index (FCNI) for each building, each campus and OCC as a whole. The FCNI is a benchmark index that rates the condition of existing college buildings and is used by facilities managers nationwide to quantify and prioritize

deferred maintenance projects for capital planning purposes.

- ◆ Assist OCC in meeting the goals of its Mission Statement through timely maintenance of the physical backbone of the College – the buildings of OCC.

Based on the report, we have prioritized our major capital projects into the ten buildings with the highest deferred maintenance needs. These ten buildings are all student-utilized spaces that require attention in order to continue providing adequate instructional space for student learning and safety.

MAJOR CAPITAL PROJECTS

In consideration of upgrading facilities and looking to better serve faculty and students while reducing emergency repairs, maintenance and energy cost, the College has developed a Rolling Five Year Capital Plan. This plan considers major capital planning on a college wide basis. The assessment of existing facilities showed the infrastructure components of many buildings have aged significantly. Despite ongoing maintenance and repair, which in most cases has extended the expected usable life beyond industry standards, OCC is currently faced with a large amount of deferred maintenance.

Utilizing the facility needs assessment report provided by the consultants, along with consideration for programmatic needs of the College community, we have prioritized the projects. The Board of Trustees has dedicated \$30 million a year for the next five years for these projects. Each year, during the budget process the Board will approve the specific project(s) for the following year's budget. During the FY 2019 budget process, Auburn Hills C-Building was selected as the top priority. The next four projects have funding approval and will be strategically chosen based on overall student and community need during the budgeting process for that fiscal year. Auburn Hills C-Building was selected because it is a highly used building on our Auburn Hills campus.

The building is the home of various

science and computer information system (CIS) classrooms. It is also a connector building for the Auburn Hills campus which is used by many students to travel from one side of campus to the other.

Auburn Hills C-Building was originally constructed as a second floor in 1970 and the first floor was added later. We have experienced water infiltration on the first floor, the second floor echoed as you walked on it and classrooms were out of date. OCC has a continued desire to be a leader in the science, technology, engineering, and mathematics (STEM) field as there continues to be a high demand for these students. As such, the science and CIS classroom space did not provide adequate learning spaces for students.

Construction began on the Auburn Hills C-Building early in fiscal year 2020. After a slight delay due to COVID-19 and the governor's executive stay-at-home order in March 2020, construction resumed and the newly renovated facility opened for classes in fall 2021. Additional work continues to wrap up the complete construction project and will be finalized in late 2021.

The renovation goals for this building were to provide an inviting facility, with state-of-the-art science and CIS classrooms and laboratories. The College created cutting edge spaces that will enhance the educational experience for students and faculty for the next 40 years.

Active learning classrooms were integrated into the plans to support innovative teaching methods with flexible work space. The renovated building also makes use of natural lighting and windows to provide inviting study spaces that will promote student collaboration and interaction. Accessibility, ADA regulations and inclusion issues were thoughtfully considered and addressed throughout the renovation project.

The next project that the College has begun is the relocation of its culinary arts program to the Royal Oak campus. The project is in the architectural drawing phase.

Although the roadmap for future projects has not been fully developed, it will be focused on the future, with flexible spaces that provide rich technological opportunities, active learning spaces and inviting study spaces. Oakland Community College's Capital Plan is an investment in the College, the community and the students.



DEMOGRAPHIC AND ECONOMIC INFORMATION

Full-time Equivalent Employees - Last Ten Fiscal Years (Unaudited)

	2021*	2020	2019	2018	2017
Faculty Full-Time	198	198	204	207	216
Faculty Part-Time	420	413	512	531	723
Total Faculty	618	611	716	738	939
Administrators	89	88	88	81	77
Support Full-Time	375	370	370	350	358
Support Part-Time	55	53	124	107	121
Total Support	430	423	494	457	479
Actual Total Employees Reported	1137	1122	1298	1276	1495
Total FTE	820	811	874	766	897

Notes:

Management occupations in IPEDS = administration in this report

All other non-instructional, non-management occupations = support in this report

*2021 figures are estimated – IPEDS data not yet complete

Source: IPEDS report – categories defined as instruction, management. All other categories listed under Support.

In-District Tuition

ACADEMIC YEAR BEGINNING IN FALL	TUITION RATE	INCREASE (DECREASE) PERCENT	MICHIGAN COMMUNITY COLLEGE AVERAGE	PERCENT OF STATE AVERAGE
2011	\$66.70	–	\$85.91	0.78
2012	\$71.40	0.07	\$90.03	0.79
2013	\$76.40	0.07	\$94.43	0.81
2014	\$82.00	0.07	\$98.13	0.84
2015	\$88.00	0.07	\$102.13	0.86
2016	\$88.00	–	\$106.10	0.83
2017	\$90.00	0.02	\$110.03	0.82
2018	\$92.00	0.02	\$114.07	0.81
2019	\$94.50	0.03	\$117.33	0.81
2020	\$94.50	0.03	\$117.33	0.81

Out-of-District Tuition

ACADEMIC YEAR BEGINNING IN FALL	TUITION RATE	INCREASE (DECREASE) PERCENT	MICHIGAN COMMUNITY COLLEGE AVERAGE	PERCENT OF STATE AVERAGE
2011	\$112.90	–	\$140.66	0.80
2012	\$125.20	0.11	\$148.12	0.85
2013	\$139.10	0.11	\$155.66	0.89
2014	\$154.00	0.11	\$161.78	0.95
2015	\$171.00	0.11	\$169.07	1.01
2016	\$171.00	–	\$176.58	0.97
2017	\$174.00	0.02	\$183.15	0.95
2018	\$178.00	0.02	\$189.78	0.94
2019	\$183.00	0.03	\$189.54	0.97
2020	\$183.00	0.03	\$195.43	0.94





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COLLEGE**[®]
Excellence *Empowered.*[®]

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Oakland Community College is accredited by the Higher Learning Commission (hlcommission.org), a regional accreditation agency recognized by the U.S. Department of Education.