



POPULAR ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2022



OAKLAND COMMUNITY COLLEGE®
Excellence *Empowered.*®

BLOOMFIELD HILLS, MICHIGAN



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A Letter from the Chancellor and Vice Chancellor for Administrative Services

Greetings:

It is our pleasure to present to you Oakland Community College's fifth-annual Popular Annual Financial Report (PAFR) for the year ended June 30, 2022.

The PAFR is meant to consolidate and condense crucial financial information contained in the College's Annual Comprehensive Financial Report (ACFR) in a more easy-to-read, user-friendly format. The Annual Comprehensive Financial Report is prepared in accordance with Generally Accepted Accounting Principles (GAAP) and was audited by Plante Moran, receiving an 'unmodified' opinion for fiscal year ending June 30, 2022. The PAFR is an unaudited report and includes information on the College finances, strategic plan, major capital plans and fast facts as well as statistical and historical information about the College. This report does not replace the ACFR, but includes important details relevant to the College's financial condition.

We believe transparency in financial reporting are essential to maintaining trust with our stakeholders, as such, the PAFR reflects the College's efforts to promote transparency. It is our hope that 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.

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 is the recipient of GFOA's 'Triple Crown' for its Certificate of Achievement for Excellence in Financial Reporting, Award for Outstanding Achievement in Popular Annual Financial Reports and the Distinguished Budget Presentation Award.

OCC, along with all the other colleges and universities across the nation, is facing tremendous challenges in regard to demographic declines, enrollment, teaching modalities and changing expectations as a result of the pandemic. We are fortunate to have a long-term strategic plan with goals to enhance our students' success. We are partnering with the State of Michigan and Oakland County with initiatives to increase graduation rates and have maintained a focus on the needs of our students and the community throughout.

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 both the ACFR 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

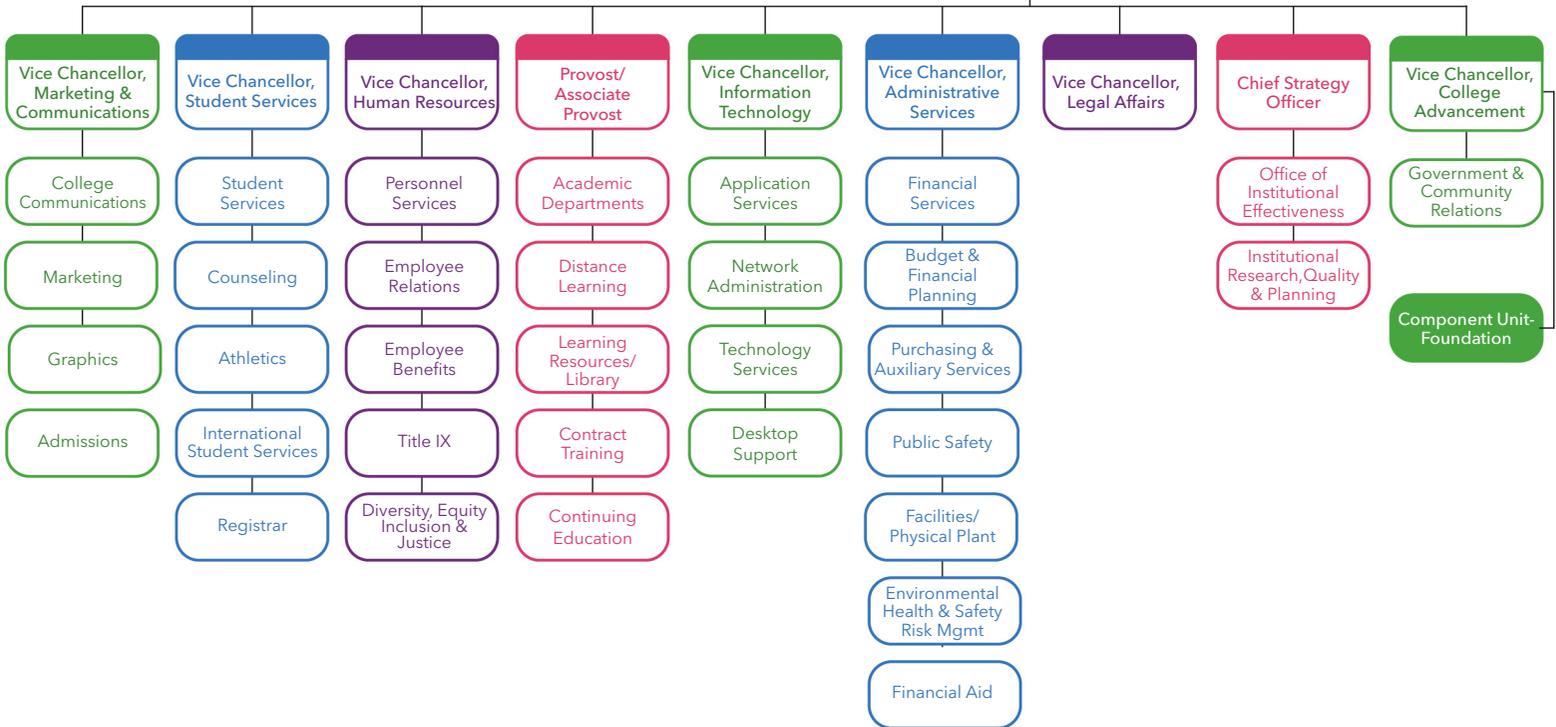


OAKLAND COMMUNITY COLLEGE®

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 nearly 100,000 degrees and certificates granted. As a comprehensive two-year institution of higher education, Oakland Community College offers more than 1,000 courses and nearly 100 programs in art, business, technology, health, science, humanities, public service and advanced manufacturing. The College provides high quality curriculum that meets the needs of the community while preparing individuals for high wage, high demand occupations, as well as providing pathways for students who wish to pursue advanced study at a four-year university. As one of the top transfer institutions in Michigan, students intending to transfer to four-year schools make up nearly half of OCC’s student body. To assist students who wish to pursue advanced study at a four-year institution, the College maintains 274 post-secondary program articulation agreements for 95 associate degrees and certificate programs with 17 post-secondary institutions. These agreements provide for the smooth transfer of course credits earned at OCC and avoids unnecessary repeating of courses at the four-year institution. As a result, students are able

to complete their advanced study in a more cost effective and timely manner.

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



\$103 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 2022: **283,797**
- ◆ Unduplicated head count: **22,359**
- ◆ **37.3%** male; **56.0%** female
- ◆ **76.3%** 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

- ◆ Business and Information Technology **24.2%**
- ◆ Communication, Arts, and Humanities **20.0%**
- ◆ Nursing and Health Professions **19.5%**
- ◆ Social Science **16.2%**
- ◆ Mathematics, Natural and Life Sciences **8.3%**
- ◆ Engineering, Manufacturing
and Industrial Technologies **7.3%**
- ◆ Public Services **4.3%**
- ◆ Learning Resources **0.3%**

Data Source: Office of Institutional Effectiveness, Live Data on September 29, 2022



2022 POINTS OF PRIDE

COLLEGE

College Academics & Student Services

- ◆ Accredited by the Higher Learning Commission of the North Central Association since 1971. Exceptionally noted by the HLC for college curriculum, assessment and processes
- ◆ Fifteen additional program accreditations in specialized fields including nursing, health sciences, EMIT and more
- ◆ One of Michigan's largest multi-campus community college and top transfer institution in the state offering nearly 100 degrees and certificates programs
- ◆ 100% online campus offers 16 online degree and certificate programs and 24/7 student services to assist students anytime/anywhere
- ◆ Opened new state-of-the-art Science and Computer Science building on the College's Auburn Hills' campus in August 2021
- ◆ Honored nearly 1,600 graduates at return to in-person Commencement in 2021
- ◆ Awarded Gold Status by Michigan Veterans Affairs Agency
- ◆ More than 80% of Winter 2022 semester students received HEERF financial aid award totaling \$8.3 million
- ◆ Awarded more than \$480,000 in scholarship dollars, the highest single-year total in the OCC Foundation's history

Programs

- ◆ Sign Language Interpreter program is first and only accredited program in Michigan, one of only four accredited associate degree programs nationwide
- ◆ Oakland Fire Academy is only nationally and internationally accredited program in Michigan
- ◆ Largest Police and Fire Academies in southeast Michigan
- ◆ Library Service and Technology online program is only program offered in four state Great Lakes region



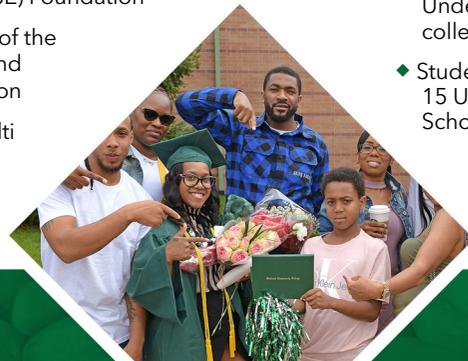
- ◆ Respiratory Therapy Program distinguished nationally for credentialing success by the Commission on Accreditation for Respiratory Care
- ◆ Women's Basketball team qualifies for 2021-22 National Junior College Athletic Association (NJCCA) Division II Tournament

Administration

- ◆ 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
- ◆ Perennial OCC Partnership with Detroit Institute of Arts' Inside|Out program featured 18 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
- ◆ Chosen as the National Coalition of Certification Centers (NC3)'s January 2022 School on the Rise. Top school in Michigan for awarding skill certifications through the National Coalition of Certification Centers (NC3). Automotive Servicing Program Lead, Claude Townsend, is the only nationally-certified NC3 master instructor at a Michigan community college
- ◆ National accreditation by the Automotive Service Education (ASE) Foundation
- ◆ Named Apprenticeship Educator of the Year by the Michigan Educators and Apprenticeship Training Association
- ◆ Lead college and fiduciary for multi college/agency collaboration expanding apprenticeships in southeast Michigan through a \$4 million federal grant



PEOPLE

Faculty/Staff & Students

- ◆ Art Faculty Tylonn Sawyer honored as Detroit contemporary artist with three-story affordable housing development named in his honor with his art featured on buildings
- ◆ Automotive Servicing Faculty Claude Townsend named 2022 Faculty of the Year Award by the Michigan Community college Association
- ◆ Communications Faculty Shelley Larson recognized by the Michigan Supreme Court for contributions as a mediator for the Community Dispute Resolution Program during the pandemic
- ◆ ESL Faculty Sarah Lemelin selected for Fulbright-Hays international seminar in Norway
- ◆ Librarian Faculty Darlene Johnson-Bignotti honored by Michigan Research Help Now cooperative for excellence in student reference assistance in Michigan
- ◆ Student Services Dean Jahquan Hawkins selected as a Michigan Chronicle 2021 Men of Excellence Honoree
- ◆ Student Services Dean Stacey Crews recognized as a Michigan Chronicle 2022 Women of Excellence Honoree
- ◆ Culinary Student Competition Team perennial winners at national American Culinary Federation competition
- ◆ Student Lakisha Duman presented at the International Undergraduate Philosophy Conference, the only community college student among field of university students
- ◆ Student Rosiland Townes awarded one of 15 U.S. State Department Critical Language Scholarships for the study of Arabic



STRATEGIC PLAN

The Strategic Planning Process

The narrative of strategic planning at Oakland Community College is one of evolution over the past 10 years. 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. In 2020, the College created the position of Chief Strategy Officer to continue the work of Six Disciplines and to provide a single dedicated unit responsible for the administration and execution of the College's strategies and actions. Along with these procedural improvements, OCC began intentionally aligning the philosophy of its planning processes and infrastructure to the Baldrige model while also using Lean Six Sigma methodologies as a framework for Continuous Quality Improvement (CQI).

Strategic planning is an ongoing endeavor at Oakland Community College with a continuously evolving set of stakeholders, actions, and planning. Throughout the year, there is a committee assigned to each of the College's strategic objectives. There is a duality of work occurring simultaneously but with clearly different focal points. At any point in time, these committees are actively deploying actions defined in the prior year's planning while engaging in planning for the upcoming fiscal year's actions. These committees

meet consistently throughout the year and manage their scope of work according to the process calendar outlined on the next page. Underneath each strategic objective committee are strategic action teams. These teams include an even broader set of subject matter and process experts. The strategic action teams are the deployment entity that manage the execution of the strategic actions defined at the objective level.

In fiscal year 2023, OCC will review and refresh its strategic plan. The updated plan will go into effect for fiscal year 2024. A new strategic project the college will advance in 2022-23 includes the creation of additional key performance indicators (KPIs) at the department/division level. The College is poised to grow and innovate in numerous ways during the coming years. Through a dedication to its mission and a continual use of data, research, and analysis to inform ongoing improvement, OCC has established structures, systems, and processes to strategically serve the community through access to quality education and pathways to future success in work and life.

Oakland Community College's Strategic Plan

The College's current Mission, Values, Vision, Strategic Directions, and Strategic Objectives are focused on achieving excellence in everything we do.

Mission

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

Values

Accessible - We welcome people of diverse backgrounds and abilities.

Excellent - We offer high quality and relevant educational experiences, and celebrate the accomplishments of our people.

Ethical - We act with respect, integrity, and kindness, and carefully steward the resources entrusted to us.

Vision

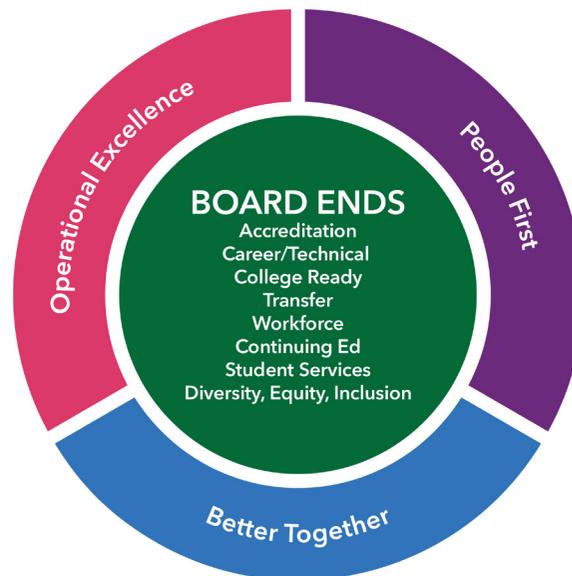
Excellence in all we do...

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

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

In service of OCC's Board Ends and strategic objectives, and as core measures of continuous improvement, the College has established several Key Performance Indicators (KPIs) to track and evaluate throughout the year.



KEY PERFORMANCE INDICATORS (KPIs) AND STRATEGIC OBJECTIVES

Institutional KPIs	Division(s)	Core Strategic Objective Alignment
Conversion rate Headcount enrollment Average enrolled credits	Marketing and Communications Student Services	SO1.1: Become a student-ready college, promoting agency, access, and success for all students
Course success Fall to Winter retention Fall to Fall persistence	Academics Student Services	SO1.2: Promote educational excellence, innovation, and support

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, 2021. This was the seventh 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, 2022 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, 2021. This is the fourth 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, 2022 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 five consecutive years, the College has received the GFOA's highest budget award. The latest recognition was received from the GFOA on September 23, 2022. On that date the College was presented with the Distinguished Budget Presentation Award for its June 30, 2023-2027 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 budget document currently being prepared for FY24-FY28 continues to conform to program requirements, and we will be 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

June 30, 2021

Christopher P. Morrell

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 balanced budget and four-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.

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.

On a quarterly basis, the Board of Trustees receive financial reports for the Operating and Capital Funds. The Operating report provides the annual budget as compared to year-to-date and prior year-to-date actual revenues and expenses, while the Capital report shows cumulative expenditures for the year on a project basis.

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 among 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.

Fiscal year 2022, like the two previous fiscal years, continued to be challenging as the College continued to deal with the lasting impact of the pandemic. In fall 2021, the College returned to in-person, on-campus instruction but also, it has greatly enhanced its online learning offerings to meet student demand and the College continues to utilize enhanced technology to provide student services and monitor financial operations.

For the past two years, 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 grants and other relief from the federal, state and local governments. 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. In fiscal year 2022, \$14.4 million in grants were awarded to students and \$10.9 million in grant funds were received for institutional expenses and lost revenues.

The pandemic is likely to affect the higher education sector for years to come – well after the public health crisis has passed. The most successful strategies to emerge will continue to be those that are nimble, strategic, scalable and safe – and in tune with the shifting behaviors, needs and expectations of students and we feel that Oakland Community College is well positioned financially and strategically to meet these on-going challenges.

FINANCIAL HIGHLIGHTS

The following is an overview of the College's financial operations for the fiscal year ended June 30, 2022. The information contained within this Popular Annual Financial Report is extracted from the financial information contained within the FY2022 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, 2022. 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 NET POSITION

(in millions)

ASSETS

Current Assets \$64.4

Non-current assets:

Long Term Investments \$338.9

Capital assets - non-depreciable \$18.1

Capital assets, net of depreciation \$126.6

▶ **Total assets** **\$548.0**

▶ Total Deferred outflows
of resources \$38.9

LIABILITIES

Current liabilities \$21.9

Non-current liabilities \$155.2

▶ **Total liabilities** **\$177.1**

▶ Total Deferred inflows of resources \$98.6

NET POSITION

Net investment in capital assets \$144.7

Restricted \$0.5

Unrestricted \$166.0

▶ **Total net position** **\$311.2**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

(in millions)

REVENUES

Operating revenues

Tuition and fees, net.....	\$26.2
Federal grants and contracts.....	\$3.3
State, local and non-governmental grants and contracts	\$1.0
Auxiliary and miscellaneous revenues	\$2.9
▶ Total operating revenues	\$33.4

Non-operating revenues

Pell grant revenue	\$14.2
Other federal revenue	\$28.7
Property taxes	\$95.8
State appropriations	\$27.5
State appropriations for UAAL	\$8.2
Investment income.....	\$5.8
Net realized and unrealized loss on investments	(\$28.9)
▶ Total non-operating revenues	\$151.3

▶ **Total revenues** **\$184.7**

EXPENSES

Instruction.....	\$46.4
Academic Support.....	\$20.4
Student Services.....	\$32.3
Institutional Support/ Public Services.....	\$18.4
Information Technology	\$10.6
Physical plant operations	\$14.8
Depreciation	\$16.9

▶ **Total expenses** **\$159.8**

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, 2022 and changes in net position for the year ended June 30, 2022. The College's Statement of Net Position at June 30, 2022, had assets of \$548.0 million, and liabilities of \$177.1 million.

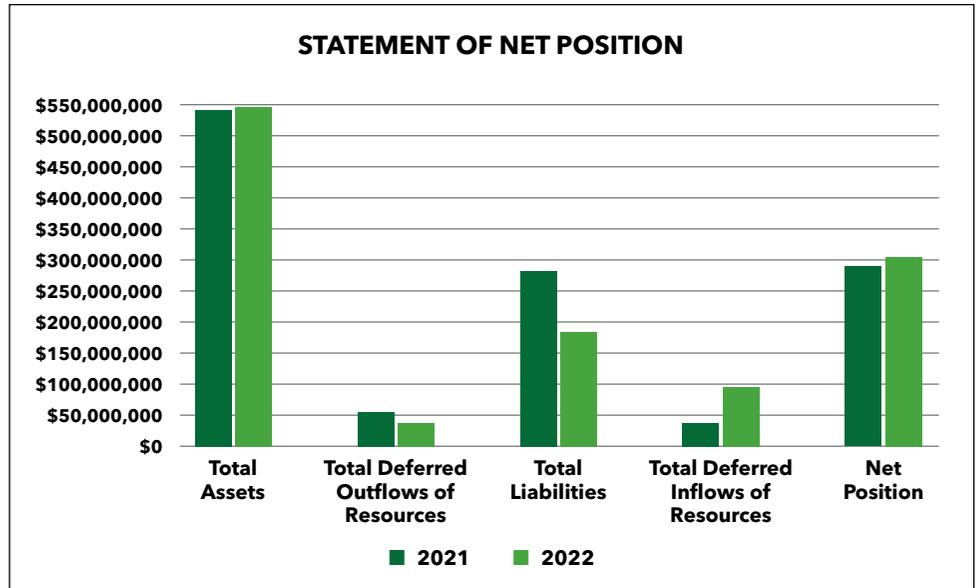
In 2015, the College implemented GASB 68 and recognized the College's share of the Michigan Public School Employees' Retirement System (MPSERS) unfunded net pension liability. The net pension liability at June 30, 2022 was \$143.9 million. In 2018, the College implemented GASB 75 and recognized the College's share of the MPSERS unfunded OPEB liability. The net OPEB liability at June 30, 2022 was \$9.0 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 \$144.7 million invested in capital assets, net of accumulated depreciation, at June 30, 2022. Additions to capital assets during 2022 included costs for building additions and renovation projects at various campus sites, equipment and technology purchases. Capital additions were \$18.8

million during 2022. In fiscal year 2022, the College paid its fifth and final payment on a 5-year installment purchase agreement for the purchase of computer hardware, software and maintenance. The College currently is debt-free as of June 30, 2022.

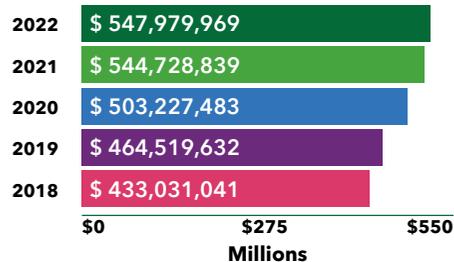
The College's revenues and other support exceeded expenses by \$24.9 million in 2022. This was primarily due to containing costs across all departments, an increase in property tax revenue as well as an increase in state appropriations and reduction in pension expense as a direct result of a decrease in net pension and OPEB liabilities at June 30, 2022. Current assets totaled \$64.4 million in 2022. 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 \$311.2 million as of June 30, 2022. 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.

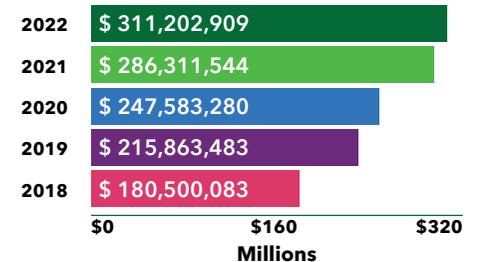


HISTORICAL INFORMATION

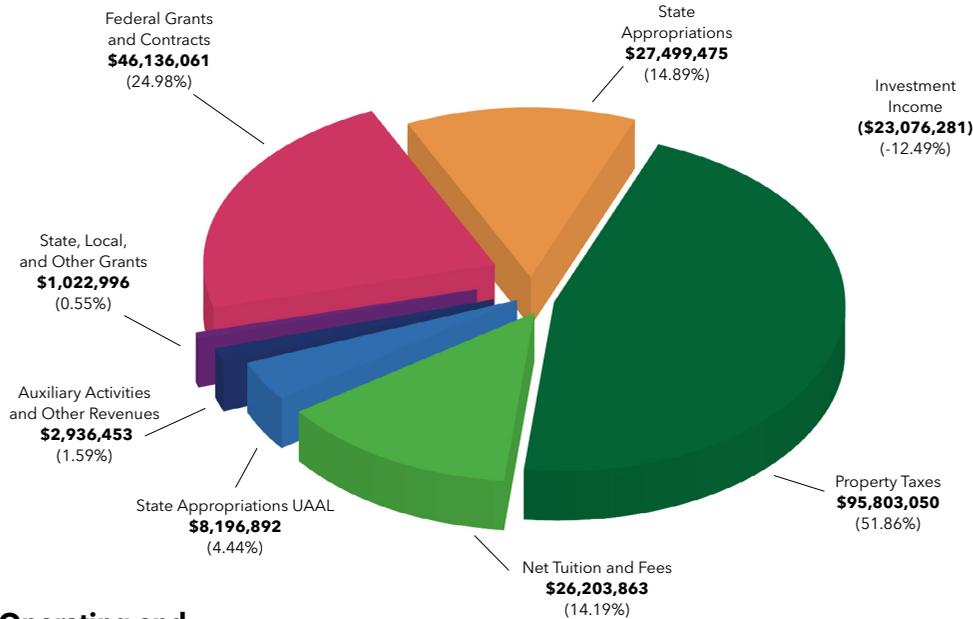
Total Assets



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) decreased by 12.9 percent for the year ended June 30, 2022. Gross tuition and fee revenue also decreased by 4.2 percent for fiscal year ended June 30, 2022. Contact hours decreased by 7.8 percent for fiscal year ended June 30, 2022. The contact hour tuition rates for both in-district and out-of-district tuition were increased by 3.0 percent for fiscal year 2022.

In 2022, total Federal grants and contracts revenue (operating) increased by 9.8 percent from 2021. Students receiving Pell in fiscal year 2022 increased so Pell revenue increased by 2.5 percent from 2021. Other federal grants for HEERF and CRF are recorded in non-operating revenues and increased by \$2.2 million to a total of \$28.6 million in 2022. 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, increased expenses related to the pandemic and lost revenues.

Auxiliary services and other miscellaneous revenue decreased by approximately 26.1 percent during fiscal year ending June 30, 2022. The decrease is primarily to outsourcing bookstore operations to a third-party provider in November 2021.

In 2022, state grants and contracts and other non-governmental grants revenue decreased by 2.3 percent from 2021 due to decreases in funding for several state and local programs and scholarships.

In 2022, there was an increase of \$2.6 million or 7.8 percent in total state appropriations from 2021. Personal property tax reimbursement from the state in the amount of \$2.5 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 \$8.8 million for 2022, resulting in \$8.2 million of revenue after consideration of GASB 68 and GASB 75 in 2022 as well as MPSERS related cash outlay and expenses of equal amounts.

In 2022, property taxes increased by \$3.0 million or 3.3 percent over 2021. These increases are a result of taxable values in Oakland County, Michigan continuing to increase.

In 2022, investment income decreased by 3.6 percent. Realized gains on investments were \$1.3 million in 2022. The College must comply with section 389.142 of the Michigan Community College Act of 1966, however, with the assistance of the College’s investment manager, the College periodically rebalances the investment portfolio to continually meet strategic investment objectives and maximize return. 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 2022, with interest rate increases, the unrealized losses were \$30.2 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 2022, the College received federal HEERF funding for student direct payments and institutional expenses of \$28.6, million. Also, the College received \$3.2 million in student financial aid for Future for Frontliners and Michigan ReConnect programs.

* From Oakland county’s annual report: <https://www.oakgov.com/mgtbud/fiscal/Documents/Oakland%20County%202021%20Comprehensive%20Annual%20Financial%20Report.pdf>

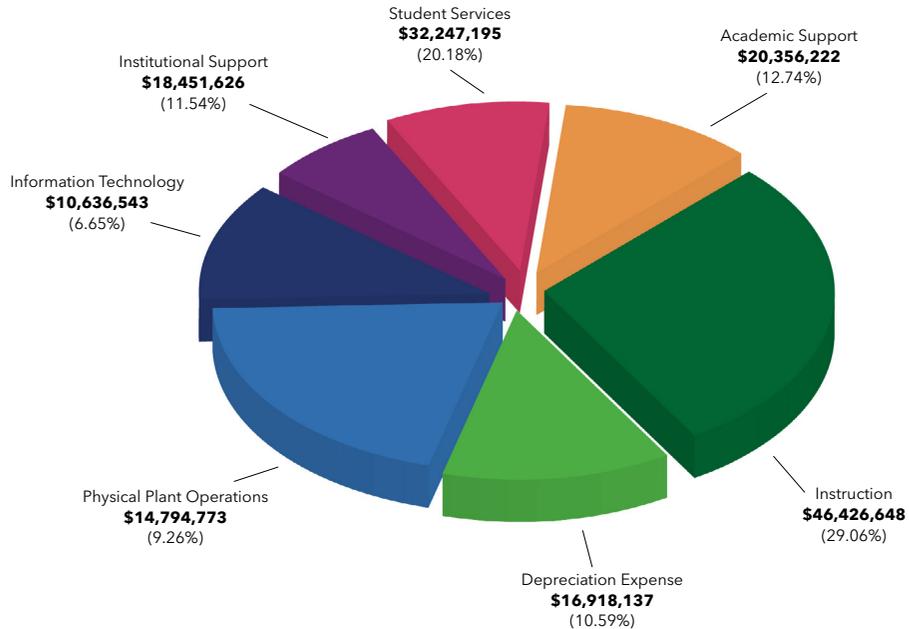
PROPERTY TAXES: WHERE DOES YOUR DOLLAR GO?*

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 \$.04.



Entity	Amount
School Districts/State Education	\$ 0.55
Cities, Villages, Townships	\$ 0.30
County Operating	\$ 0.09
Parks & Recreation/Zoo/Art/Huron Clinton	\$ 0.02
Oakland Community College	\$ 0.04
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 \$91.9 million of payroll-related expenses during the year ended June 30, 2022. This represents approximately 57.5 percent of the College's operating expenses. In 2022,

the decrease in total salaries and benefits is a result of the allocation of a reduction of pension and OPEB expense in accordance with GASB 68 and 75. The reduction of pension and OPEB expense is the result of market appreciation as of the plans year-end in September 2021. Without this required adjustment, total salaries and benefits would have increased in 2022 because of wage increases and benefit cost increases. The College anticipates that future payroll costs will reflect annual incremental increases. Salary expenses increased in 2022 from

2021 by 2.7 percent. Payroll taxes and related fringe benefits decreased by 46.4 percent from 2021 to 2022. The overall decrease in pension expense in 2022 of \$19.0 million was due to the decrease in liabilities for Pension and OPEB.

Instruction costs decreased by 15.3 percent in 2022, however, this is due primarily to the pension expense reduction mentioned above. Without the reduction due to pension expense, total instruction expenses in 2022 would have been in line with 2021 expenses. Over 52.0 percent of the pension expense reduction allocation related to the MPSEB liabilities is in the instruction category. Academic Support expenses decreased by less than 1.0 percent in 2022. Costs in Student Services increased by 17.8 percent in 2022 primarily related to purchases with HEERF grant funding. Institutional Support expenses decreased by 3.1 percent in 2022, also related to a reduction in pension expense mentioned above.

Information Technology expense decreased in 2022 from 2021 by 14.3, primarily because in the prior year they were higher than normal expenses due to contracted salaries and total expenses for software and hardware throughout the College to address the impact of COVID-19.

Physical Plant Operations had a modest increase of 2.2 percent in 2022. It is expected in 2023 that utility costs and other facility costs will increase due to inflation and the College will be monitoring these increases and make every effort to curtail them.

FACILITIES AND GROUNDS

Oakland Community College is a large, multi-campus, two-year institution of higher education, training and community enrichment located in Oakland County. OCC has five academic campuses and one administrative campus. There are over 500 acres of land, 70 buildings, approximately 400 classrooms and more than 2.1 million square feet of space. The estimated replacement value of the College buildings exceeds \$700 million and OCC has annual physical plant costs (including depreciation) of nearly \$32 million.

Facilities Department

The Facilities, Operations and Maintenance Department is a centralized organizational unit within the College and is responsible for the entire physical plant, including all geographic locations owned and operated by the college. Responsibilities include maintenance and cleaning of buildings and grounds, renovation of facilities and new construction. The primary purpose of this unit is to provide a safe, clean, inviting and engaging environment for students and staff that is conducive to teaching, learning and working.



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 OCC building is approximately 35 years old. In 1995, 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 2019. These funds have been used for their proposed purposes and are a critically important component of our capital budget. Facility projects funded through the Capital Fund include scheduled maintenance and several major building projects.

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 was last completed in August 2017 and is planned to occur in fiscal year 2022, is the starting point for future project planning. The comprehensive facility condition needs assessment was performed to

accomplish the following objectives:

- ◆ Provide a data base inventory of the college's facilities to allow for quick access to facilities information.
- ◆ Determine the condition of the buildings 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 the College 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 its facilities, which are the physical backbone of the college.

Based on the facility conditions needs report, we prioritized our major capital projects into the ten buildings with the highest deferred maintenance needs. The ten buildings, listed below are student utilized spaces that require attention in order to continue providing adequate instructional space for student learning and safety. The Auburn Hills C renovation and expansion project was completed in Fall 2021 and six of the other buildings are scheduled to be addressed within the next 5 years.

	Campus - Building	FCNI
1	Auburn Hills - E	0.41
2	Auburn Hills - C	0.40
3	Auburn Hills - A	0.39
4	Auburn Hills - D	0.38
5	Orchard Ridge - H	0.37
6	Orchard Ridge - L	0.37
7	Auburn Hills - T	0.35
8	Auburn Hills - F	0.34
9	Orchard Ridge - J	0.34
10	Orchard Ridge - F	0.32

In consideration of upgrading facilities to better serve faculty and students while reducing emergency repairs, maintenance and energy cost, the College has developed a Five-Year Capital Plan.

Utilizing the facility needs assessment report provided by the consultants, along with consideration for the programmatic needs of the College community, the capital projects have been prioritized. The Board of Trustees has agreed to set aside funds for the next five years for these projects. Each year, during the budget process the Board will approve the specific projects for the upcoming year's budget. The next capital projects will be strategically chosen based on overall student and community need during the budgeting process for that fiscal year.

MAJOR CAPITAL PROJECTS

The next major capital expansion includes the Royal Oak campus planning and construction of a new building at Royal Oak. Royal Oak E Building project was selected because of the need for updated, state-of-the-art Culinary spaces. The Culinary program is currently located at the Orchard Ridge campus. The aging building and equipment need replacement and the move to Royal Oak will provide an urban venue for the student operated restaurant and retail space. The construction of a new, state of the art Culinary Institute along Main Street in Royal Oak will provide updated facilities that will enable OCC to work collaboratively with the city to make Royal Oak a unique college town. The building will also include a central power plant to feed the HVAC and electrical needs of the entire campus. The goals for this building are to provide an aesthetically appealing urban campus and engage the community by providing dining experiences, cooking classes and a retail space for our student's work. The College is building to enhance the educational experience for students and faculty for another 50 years. Technology will be integrated into the building to support innovative teaching methods with demonstration classrooms. Natural lighting and windows will be used to provide inviting spaces and promote student collaboration and interaction. Accessibility, ADA regulations and inclusion issues will be thoughtfully considered and addressed throughout this

project. College staff, faculty and Board members have engaged with architects to design this state-of-the-art building as shown below. Ground breaking is planned to occur in the fall of 2022 with an anticipated completion in fall 2024.

The FY 2023 budget plans include renovation and expansion of Auburn Hills A Building, the home of Skilled Trades and Industrial Technology. The estimated cost for the renovation and expansion is projected to be about \$60 million. As we move forward with our Capital Plan to renovate and expand Auburn Hills Skilled Trades and Industrial Technology building (A Building) which was constructed in 1970, we applied for financial assistance from the State of Michigan's Capital Outlay program. This funding is available on an annual basis to community colleges and universities throughout the State. OCC's last Capital Outlay funding occurred in 1993 for Auburn Hills F Building. We scored number one of the Michigan Community College's in the application process and anticipate receiving \$15 million in State funding to assist with the cost of this important project. This investment is needed to bring the building up-to-date, modernizing classroom and integrated lab spaces, as well as providing new equipment for programmatic improvements in highly technical programs. Investing in an expansion will allow the skilled-trades area to grow and accommodate

programs such as Robotics, Electric Vehicles, Construction, Cyber-Physical Systems, Additive Manufacturing, Simulation and Mechatronics. As a part of the college's growing sustainability and reuse necessary modernizations and technologies initiatives, it is important to properly invest in the existing campus structures while also building the necessary modernizations and technologies.

The guiding, five-year roadmap for future facility projects has been developed with Year 1 projects included in the College's budget subject to board approval each spring. In the five-year roadmap, Years 2 through Year 5 represent preliminary planning, guiding the College and its architecture and construction partners through design and project development. The roadmap is reviewed annually and revised as necessary to meet the changing requirements of the College and the community. In general, the future roadmap for OCC's facilities is focused on flexible spaces that provide rich technology opportunities, active learning spaces and inviting meeting places. Oakland Community College's Capital Plan is an investment in the College, the community and our students.

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

	2022	2021*	2020	2019	2018
Faculty Full-Time	206	236	198	204	207
Faculty Part-Time	335	430	413	512	531
Total Faculty	541	666	611	716	738
Administrators	99	103	88	88	81
Support Full-Time	349	358	370	370	350
Support Part-Time	85	75	53	124	107
Total Support	434	433	423	494	457
Actual Total Employees Reported	1074	1202	1122	1298	1276
Total FTE	794	865	811	874	766

Notes:

Management occupations in IPEDS = administration and management (Teamsters) in this report

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

*2022 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
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	\$97.00	0.03	\$121.67	0.80
2021	\$99.00	0.02	\$124.26	0.80
2022	\$103.00	0.04	**	**

Out-of-District Tuition

ACADEMIC YEAR BEGINNING IN FALL	TUITION RATE	INCREASE (DECREASE) PERCENT	MICHIGAN COMMUNITY COLLEGE AVERAGE	PERCENT OF STATE AVERAGE
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	\$188.00	0.03	\$201.06	0.94
2021	\$192.00	0.02	\$203.21	0.94
2022	\$199.00	0.04	**	**

** Not yet available





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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.