

# POPULAR ANNUAL FINANCIAL REPORT

*Fiscal Year ended June 30, 2023*



Auburn Hills, Michigan



**OAKLAND  
COMMUNITY  
COLLEGE®**

# TABLE OF CONTENTS

- Letter from the Chancellor and CFO..... 3
- Board of Trustees..... 4
- Organizational Chart..... 5
- History, Overview and Fast Facts..... 6-7
- Points of Pride ..... 8-9
- Strategic Plan ..... 10-11
- Awards for Financial Reporting ..... 12
- Financial Planning and Financial Highlights ..... 13-17
- Where Does the Money Come From? ..... 18
- What is the Money Used For? ..... 19-20
- OCC Future Plan ..... 20
- Major Capital Projects/Facilities and Grounds ..... 21-23
- Demographic and Economic Information..... 23



## A Letter from the Chancellor and Vice Chancellor for Administrative Services

Dear Citizens and Taxpayers of Oakland County:

The financial services department is pleased to present Oakland Community College's (OCC) fiscal year 2023 Popular Annual Financial Report (PAFR) to the community. This report is intended to provide a summary of how the College's revenues were generated and spent as reported in OCC's audited Annual Comprehensive Financial Report. The Annual Comprehensive Financial Report is a more detailed and complete financial presentation prepared in accordance with Generally Accepted Accounting Principles (GAAP) and is audited by the College's independent external auditors, Plante Moran. The PAFR is an unaudited report and includes information on the College financial health and operations as well as the College's strategic plan, major capital plans, fast facts as well as statistical and historical information about the College in a more easy-to-read, user-friendly format. This report does not replace the ACFR but includes important details relevant to the College's financial condition.

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.

The last few years have shown how important it is to adapt quickly to changing conditions to ensure our commitment to student success and community advancement. A number of forces are currently shaping the future of higher education including job market factors, enrollment declines and student preferences. We continue to develop strategies, including a financial plan that responds to these emerging trends and aligns with the College's Mission, Values and Vision.

We are proud of this report and grateful for the support received from the College's Board of Trustees and the entire College community in developing this report. We hope the information presented in this PAFR further strengthens public confidence in Oakland Community College and helps to educate people about how their tax dollars are used to support the success of our students and communities. Electronic copies of the ACFR and PAFR are available at [oaklandcc.edu/about/transparency-at-occ](https://oaklandcc.edu/about/transparency-at-occ).

We invite you to share any questions, concerns or comments by contacting OCC at [cmkostiu@oaklandcc.edu](mailto:cmkostiu@oaklandcc.edu).

Sincerely,



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



Christina Kostiu, 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



**SHIRLEY J. BRYANT**  
Treasurer  
Elected: Since 2008



**EDWARD D. CALLAGHAN**  
Trustee  
Elected: Since 2022



**PAMALA M. DAVIS**  
Trustee  
Elected: Since 1994



**CHRISTINE M. O'SULLIVAN**  
Trustee  
Elected: Since 2012

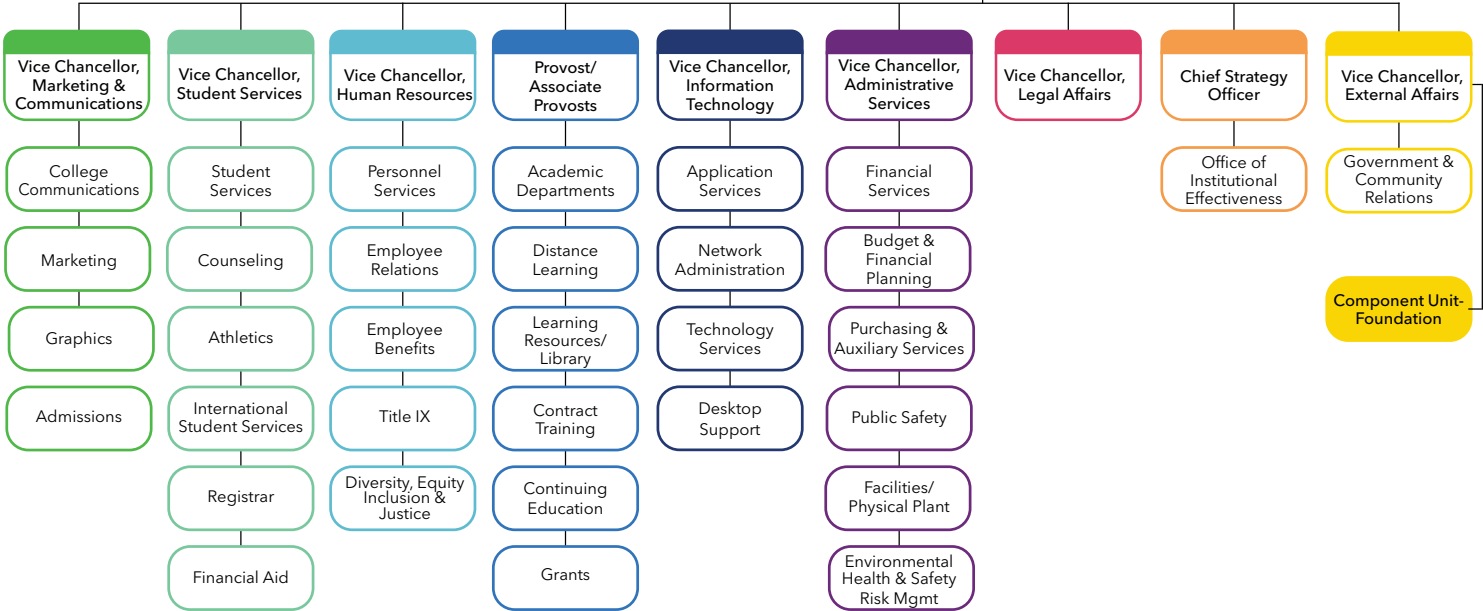


# OAKLAND COMMUNITY COLLEGE®

Oakland County 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 nearly 1,000 courses and approximately 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 currently has approximately 70 transfer-oriented agreements with more than 40 partnering institutions for 92 of the 101 OCC academic degree and certificate programs.

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, by providing students who desire to continue their educational pursuit with information and resources. This will empower them to navigate the often-challenging seas of transfer, thus improving the student experience. Efforts to create transfer opportunities and enhance awareness remains steadfast. Ongoing communication throughout the year to all regionally accredited four-year colleges and universities in the state (44) has developed and/or enhance transfer opportunities, awareness and institutional relationships, demonstrating OCC’s commitment to exploring, developing and enhancing transfer partnerships.

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



**\$107** 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 2023: **286,203.5**
- ◆ Unduplicated head count: **21,910**
- ◆ **36.5%** male; **54.3%** female
- ◆ **78.8%** are part-time students

## FACILITIES

### by the numbers

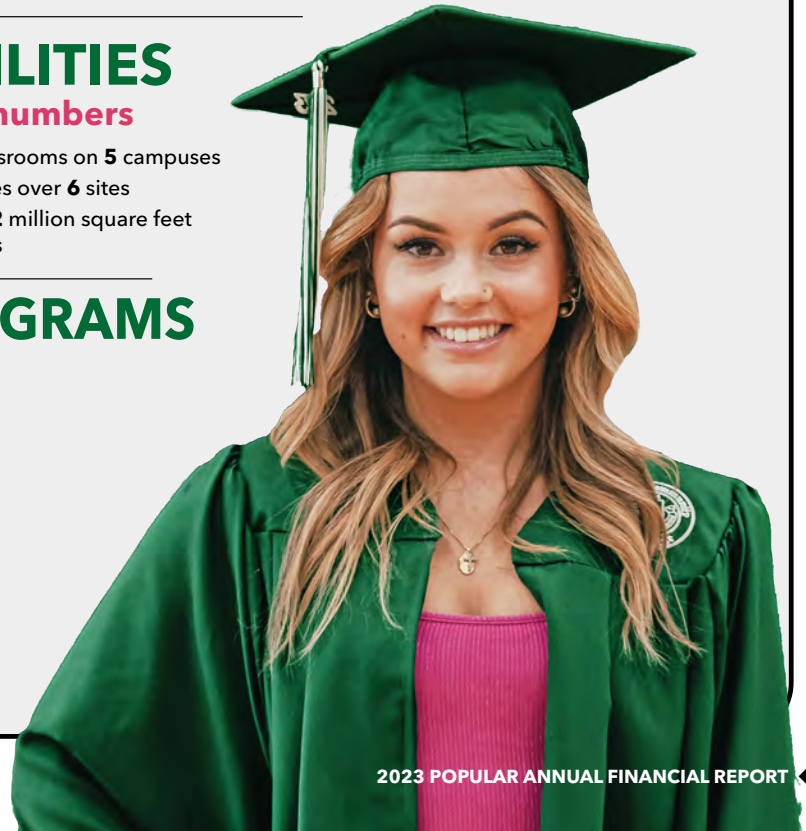
- ◆ **400+** classrooms on **5** campuses
- ◆ **500+** acres over **6** sites
- ◆ Nearly **2.2** million square feet in facilities

## MOST POPULAR PROGRAMS

### by the numbers

- ◆ Business and Information Technology **24.5%**
- ◆ Communication, Arts, and Humanities **20.6%**
- ◆ Nursing and Health Professions **17.7%**
- ◆ Social Science **17.6%**
- ◆ Mathematics, Natural and Life Sciences **7.6%**
- ◆ Engineering, Manufacturing and Industrial Technologies **7.1%**
- ◆ Public Services **4.5%**
- ◆ Learning Resources **0.4%**

Data Source: Office of Institutional Effectiveness, Live Data on September 29, 2023



# 2023 POINTS OF PRIDE

## Enhancing the Student Experience

- ◆ One of Michigan's largest multi-campus community colleges and top transfer institution in the state with nearly 100 degrees and certificates programs, including 18 online degree programs
- ◆ Broke ground on 78,000 square-foot addition on the College's Royal Oak campus to house its award-winning Culinary Studies Institute.
- ◆ Faculty adopted Open Education Resources for their classes, saving students more than \$1 million since Winter 2020.
- ◆ The OCC Foundation received its largest one-time donation: a bequest of approximately \$1.1 million from the trusts of late sisters Joan and Margaret Hinkle that is expected to produce approximately \$55,000 annual scholarship funds for OCC students, in perpetuity.
- ◆ The OCC Foundation awarded more than \$500,000 to students via scholarships and emergency assistance funding.
- ◆ Honored more than 1,600 graduates at the 57th annual commencement.
- ◆ OCC's Science department acquired a technologically advanced 3D visualization system which allows for exploration and learning of human anatomy. OCC is the only community college in Metro Detroit using this state-of-the-art system.

- ◆ Sixteen area students signed "Letters of Intent" to commit to pursue a degree or certificate in one of OCC's technical or public services programs at a "National Signing Day" event sponsored by the National Coalition of Certification Centers (NC3).

## Academic Program Excellence

- ◆ Library Service and Technology Online Program is the only program offered in Michigan.
- ◆ Nursing program earned renewed continued accreditation from the Accreditation Commission for Education in Nursing (ACEN) through 2030.
- ◆ Michigan's largest regional Police and Fire Academies, and the state's only regional K-9 and 911 Dispatch Academies.
- ◆ Respiratory Therapy Program recognized nationally with the Distinguished Registered Respiratory Therapist Credentialing Success Award by the Commission on Accreditation for Respiratory Care.
- ◆ Sign Language Interpreter Program is the first and only accredited program in Michigan—and one of only four accredited associate degree programs nationwide.

## Partnerships and Degree Pathways

- ◆ Metro-Detroit Regional Vehicle Cybersecurity Institute educational partner to expand and enhance cybersecurity engineering degrees.
- ◆ Maritime Technology - Engineering Officer transfer pathway established with Northwestern Michigan College's Great Lakes Maritime Academy for bachelor of science degree.
- ◆ Pre-engineering transfer agreement with Lawrence Technological University (LTU) making it easier for OCC graduates to complete a bachelor's degree in various engineering disciplines at LTU.



- ◆ Welding transfer agreement with Iron Workers Local 25 Training Center that enables journey iron workers to apply their education and training experience and be awarded 32 academic credits towards a degree at OCC.
- ◆ Transfer Pathway agreement with Wayne State University simplifying transferring credits for OCC students with greater access and removing barriers to four-year degree attainment.
- ◆ Perennial partnership with the Detroit Institute of Arts' Inside|Out program featuring 17 high-quality masterpiece reproductions on all campuses.

### Economics & Employability

- ◆ Economic and Workforce Development is a leader in business and industry providing over \$6.5 million in contract training and Michigan New Jobs Training programs to more than 20 companies.
- ◆ U.S. Department of Labor Apprenticeship Ambassador.
- ◆ National accreditation by the Automotive Service Education (ASE) Foundation.
- ◆ Top school in Michigan for awarding skill certifications through the National Coalition of Certification Centers (NC3).
- ◆ Lead college and fiduciary for multi college/agency collaboration expanding apprenticeships in southeast Michigan through a \$4 million federal grant.

### Administration

- ◆ Award of Excellence for the Annual Comprehensive Financial Report Financial Award of Excellence, one of only two community colleges in Michigan to receive this distinction.
- ◆ Award for Outstanding Achievement for the Popular Annual Financial Report

### People of OCC: Faculty, Staff & Students

- ◆ Emergency Medical Services faculty member Sarah Pile received the National Institute for Staff and Organizational Development Excellence Award.
- ◆ OCC Surgical Technology graduate Mariel Matthews named one of 31 national scholarship recipients, and the only one in Metro-Detroit, by the Foundation for Surgical Technology.
- ◆ Student Engagement Coordinator and Phi Theta Kappa (PTK) Honor Society Advisor, Heidi Renton, received the prestigious National PTK Paragon Award.
- ◆ Automobile Servicing Instructor Claude Townsend was distinguished among 28 peer institutions with the Outstanding Faculty Award by the Michigan Community College Association.
- ◆ HVACR Faculty member Robert Featherstone became one of only three Michigan Certified Master Heating, Ventilation, Air Conditioning and Refrigeration (HVACR) educators.
- ◆ Welding Faculty member Cameron Berrier was the recipient of the Annual Educator Award for Detroit Section of the American Welding Society.
- ◆ Purchasing and Auxiliary Services professional Sandra Harrold-Foster was selected OCC's 2023 Diversity Champion.



# STRATEGIC PLAN

## Strategic Planning and Stewardship

Strategic planning at Oakland Community College (OCC) is an inclusive model that actively engages volunteers from across the enterprise. The College recognizes that only through the direct engagement and contribution of those actors closest to our core functions can the organization create meaningful, high-impact, and pragmatic strategy. OCC understands that one of the biggest threats to a strategic planning process is an environment without accountability. Too often, the creation of the plan becomes the primary output for strategic planning. To ensure a plan focused on creating and sustaining action, OCC's Executive Council (EC), consisting of the Chief College Officers, serves as the Strategic Plan Steering Committee. In this role, the team provides direction, coaching, support, and counsel to the teams creating and deploying action across the College. Within the strategic plan process, the Steering Committee assures that the College is following a cyclical and intentional process of planning, deployment, and evaluation. The Steering Committee views the strategic plan function as a live document, rather than a document on the shelf. It ensures that the College lives and models a regular, intentional, and cyclical process of continuous quality improvement.

## Strategic Planning Process

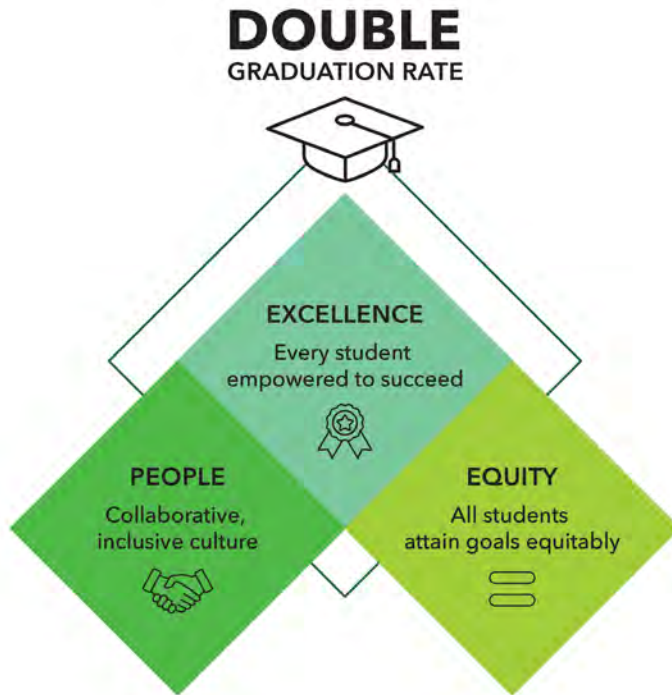
Strategic planning is an ongoing endeavor at Oakland Community College with a continuously evolving set of stakeholders, actions, and planning. Throughout the year, there is a committee assigned to each of the College's strategic objectives. These committees meet consistently throughout the year and 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. Each year, OCC's strategic plan engages in an independent external audit with Strategic In/Sight Partners (formerly Six Disciplines) ([www.strategicinsightpartners.com](http://www.strategicinsightpartners.com)), focused on continual growth in strategic processes, advancement, and inclusivity. In 2023, a strategic planning survey was also implemented to gauge the awareness and engagement of stakeholders across every functional area of the College. In fiscal year 2023, OCC has reviewed and refreshed its strategic plan. The updated plan goes into effect for fiscal year 2024. A substantial portion of this updated plan focuses on grant-funded innovation through OCC's partnership with the Detroit Drives Degrees Community College Collaborative (D3C3). In fiscal year 2024, the College also plans to launch the creation of additional

key performance indicators (KPIs) at the department/division level as shown in the 2023-2024 Strategic Action Goals table.

## Primary Institutional Goal

In 2023, OCC launched a primary institutional goal to double graduation. This key focal point can help the organization align activities and resources toward achieving significant improvement on this critical indicator of success in realizing OCC's mission. This focus also helps evaluate progress across the strategic directions and objectives in relation to student completion. In 2023, OCC began to disseminate "badge buddies" including strategic planning highlights to all OCC employees, to help keep college goals accessible for all.

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

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 (in October, February, and June) and track continuous process improvements related to strategic key performance indicators, culminating in an annual report (in August).

# 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, 2022. This was the eighth 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, 2023 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, 2022. This is the fifth 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, 2023 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 submitted to the GFOA for FY24-FY28 continues to conform to program requirements, and we are hoping to hear from the GFOA in the near future

regarding our submission. 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, 2022

A handwritten signature in cursive script that reads "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.

For the past several 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). In total the College received \$55.6 million for institutional expenditure and \$21.9 million for student awards. This funding has expired and was fully expended as we begin the next fiscal year but the College is well-positioned and in excellent financial health to continue to be nimble, strategic, scalable and safe - and in tune with the shifting behaviors, needs and expectations of students.

It is no secret higher education is, at all levels, entering a period of significant change. Across the country-and here at home-colleges and universities are facing declining enrollments, job market factors and changes in student preferences, driving the need for change. Our commitment to students is unwavering as we continue to focus on their success. There is opportunity in this but we must courageously change to get there.



# FINANCIAL HIGHLIGHTS

The following is an overview of the College's financial operations for the fiscal year ended June 30, 2023. The information contained within this Popular Annual Financial Report is extracted from the financial information contained within the FY2023 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](http://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, 2023. 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 .....	\$116.9
<b>Non-current assets:</b>	
Long Term Investments .....	\$316.8
Capital assets - non-depreciable .....	\$19.5
Capital assets, net of depreciation .....	\$123.9
Subscription based IT arrangements .....	\$8.3
<b>▶ Total assets .....</b>	<b>\$585.4</b>
▶ Total Deferred outflows of resources .....	\$76.8

### LIABILITIES

Current liabilities .....	\$28.0
Non-current liabilities .....	\$230.6
<b>▶ Total liabilities .....</b>	<b>\$258.6</b>
▶ Total Deferred inflows of resources .....	\$55.7

### NET POSITION

Net investment in capital assets .....	\$143.4
Restricted .....	\$0.4
Unrestricted .....	\$204.2
<b>▶ Total net position .....</b>	<b>\$348.0</b>

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

(in millions)

### REVENUES

#### Operating revenues

Tuition and fees, net.....	\$28.6
Federal grants and contracts.....	\$4.2
State, local and non-governmental grants and contracts .....	\$2.9
Auxiliary and miscellaneous revenues .....	\$1.0
▶ Total operating revenues .....	\$36.7

#### Non-operating revenues

Pell grant revenue .....	\$16.3
Other federal revenue .....	\$6.4
Property taxes .....	\$99.9
State appropriations .....	\$27.6
State appropriations for UAAL .....	\$8.8
Investment income.....	\$10.5
Net realized and unrealized loss on investments .....	(\$9.3)
▶ Total non-operating revenues .....	\$160.2

▶ **Total revenues** ..... **\$196.9**

### EXPENSES

Instruction.....	\$50.7
Academic Support.....	\$21.3
Student Services.....	\$21.3
Institutional Support/ Public Services.....	\$22.0
Information Technology .....	\$10.2
Physical plant operations .....	\$15.6
Amortization .....	\$3.1
Depreciation .....	\$16.5

▶ **Total expenses** ..... **\$160.7**

## 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, 2023 and changes in net position for the year ended June 30, 2023. The College's Statement of Net Position at June 30, 2023, had assets of \$585.4 million, and liabilities of \$258.6 million.

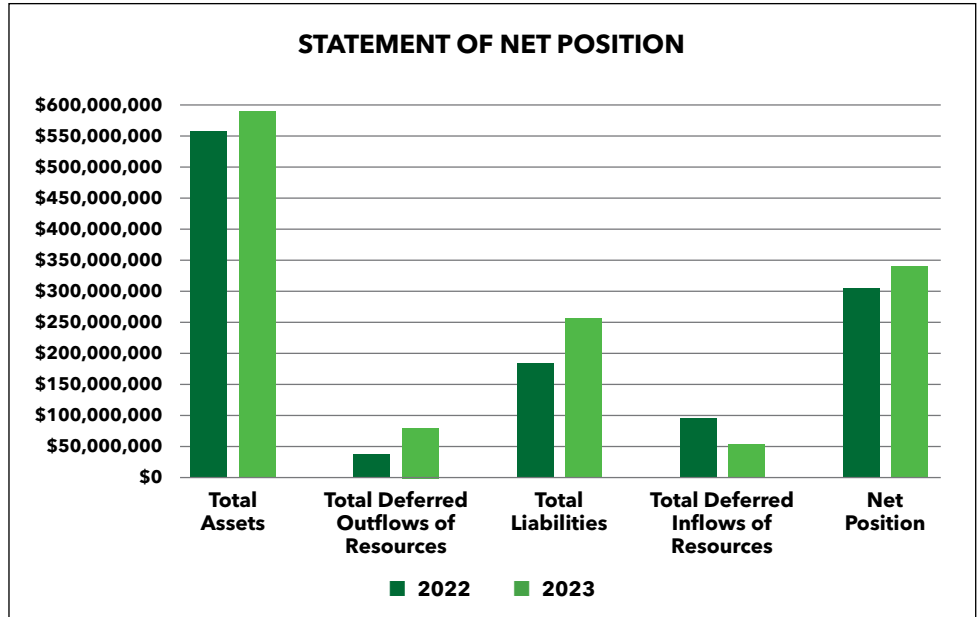
In 2015, the College implemented GASB 68 and recognized the College's share of the Michigan Public School Employees' Retirement System (MPSERS) unfunded net pension liability. The net pension liability at June 30, 2023 was \$211.5 million. In 2018, the College implemented GASB 75 and recognized the College's share of the MPSERS unfunded OPEB liability. The net OPEB liability at June 30, 2023 was \$11.8 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 \$143.4 million invested in capital assets, net of accumulated depreciation of \$344.8 million at June 30, 2023. Additions to capital assets during 2023 included costs for building additions and renovation projects at various campus sites, equipment and technology purchases. Capital additions were \$15.2 million during 2023. In fiscal year 2023, with the adoption of GASB 96, Subscription based IT arrangements, the College recognized

\$3.1 million in amortization expense and has \$8.3 million SBITAs, net of accumulated amortization with an associated liability of \$5.6 million as of June 30, 2023.

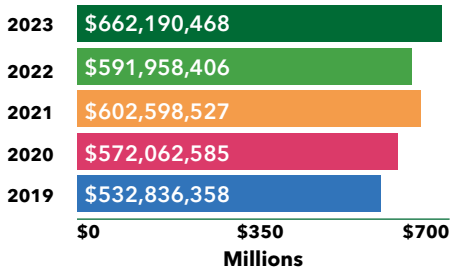
The College's revenues and other support exceeded expenses by \$36.2 million in 2023. This was primarily due to containing costs across all departments, an increase in property tax revenue as well as an increase in state appropriations and a significant increase in investment income. Current assets totaled \$116.9 million in 2023. 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 \$348.0 million as of June 30, 2023. 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.

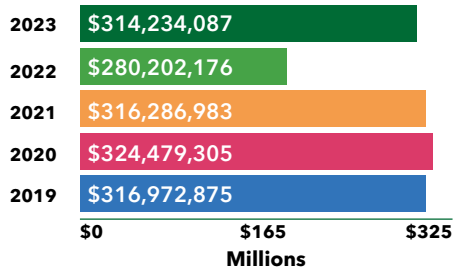


## HISTORICAL INFORMATION

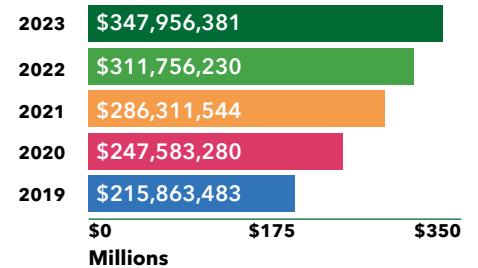
### Total Assets/Deferred Outflows



### Total Liabilities/Deferred Inflows



### Total Net Position



## 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.



School Districts/State Education	\$ 0.53
Cities, Villages, Townships	\$ 0.32
County Operating	\$ 0.10
Parks & Recreation/Zoo/Art/Huron Clinton	\$ 0.02
Oakland Community College	<b>\$ 0.03</b>
<b>TOTAL</b>	<b>\$ 1.00</b>

## 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) increased by 1.4 percent for the year ended June 30, 2023. Gross tuition and fee revenue also increased by 4.4 percent for fiscal year ended June 30, 2023. Contact hours remained stable with a slight increase of .9 percent for fiscal year ended June 30, 2023. The contact hour rates for both in-district and out-of-district tuition were increased by 4.0 percent for fiscal year 2023.

\* From Oakland county's annual report:  
<https://www.oakgov.com/home/showpublisheddocument/17202/638183617392700000>

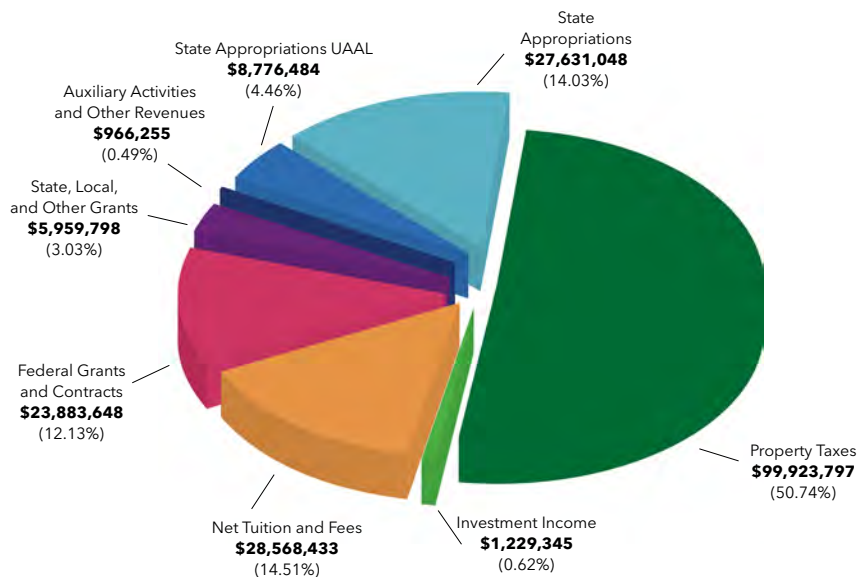
In 2023, total Federal grants and contracts revenue (operating) increased by 12.2 percent from 2022. Students receiving Pell in fiscal year 2023 increased so Pell revenue increased by 14.7 percent from 2022. Other federal grants for HEERF are recorded in non-operating revenues and decreased by \$22.3 million in 2023 as the HEERF grant expired. These federal grants had been used in the past few years 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 88.0 percent during fiscal year ending June 30, 2023. The decrease is primarily to outsourcing bookstore operations to a third-party provider in November 2021.

In 2023, state grants and contracts and other non-governmental grants revenue increased by 8.4 percent from 2021 due to increases in funding for several state and local programs and scholarships.

In 2023, there was an increase of \$711,000 or 2.0 percent in total state appropriations from 2022. 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.

# WHERE DOES THE MONEY COME FROM?



This resulted in a state appropriation for UAAL of \$14.6 million for 2023, resulting in \$8.8 million of revenue after consideration of GASB 68 and GASB 75 in 2023 as well as MPSERS related cash outlay and expenses of equal amounts.

In 2023, property taxes increased by \$4.1 million or 4.3 percent over 2022. These increases are a result of taxable values in Oakland County, Michigan continuing to increase.

In 2023, investment income increased by 80.7 percent. Realized losses on investments were \$1.3 million in 2023.

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.

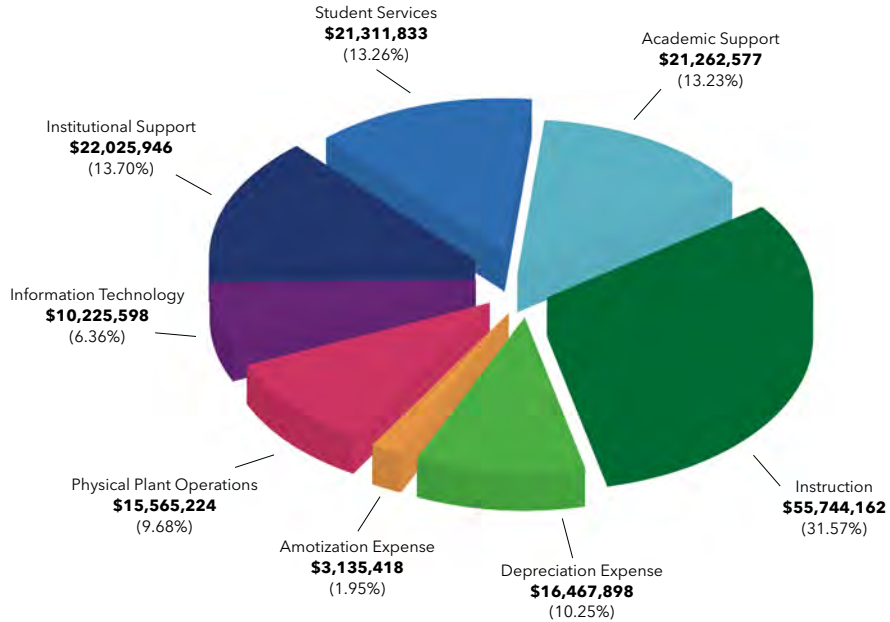
Unrealized gains and losses are primarily a result of market fluctuations in interest rates due to economic conditions in

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 2023, with interest rate increases, the unrealized losses were \$7.9 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 2023, the College received federal HEERF funding for student direct payments and institutional expenses of \$3.3 million. Also, the College received \$3.0 million in student financial aid for Future for Frontliners and Michigan ReConnect programs.



# 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 \$103.7 million of payroll-related expenses during the year ended June 30, 2023. This represents approximately 64.5 percent of the College's operating expenses. In 2023, the increase in total salaries and benefits is a result of increases in salaries

and wage rates across all employee groups. In addition, the College early adopted GASB 101, Compensated absences, which updates the recognition and measurement guidance for compensated absences under a unified model, and this resulted in an increase in benefit costs. The College anticipates that future payroll costs will reflect annual incremental increases.

Salary expenses increased in 2023 from 2022 by 2.2 percent. Payroll taxes and related fringe benefits increased by 47.9 percent from 2022 to 2023. This increase is related to pension expense, other benefits and the increased liability for

leave time that is related to the adoption of GASB 101 as mentioned above.

Instruction costs increased by 9.3 percent in 2023, primarily due to increased salaries and benefits. Academic Support expenses remained stable increasing by less than 5.0 percent. Overall expenses in Student Services decreased by 33.9 percent in 2023. This decrease is related to the expiration of HEERF grant that funded student awards in 2022 that were expensed under Student Services. Institutional Support expenses increased by 19.4 percent in 2023, related to the increased in salaries and benefits.

Information Technology expense decreased slightly in 2023 from 2022 by less than 4.0 percent. The decrease was related to reduced software and hardware improvements paid for with the HEERF grant in 2022.

Physical Plant Operations had a modest increase of 5.2 percent in 2023. It is expected in 2024 that utility costs and other facility costs will continue to increase due to inflation and the College will be monitoring these increases and make every effort to curtail them.

During the year ended June 30, 2023, the College adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. As a result, the statement(s) of net position now includes subscription liabilities for the present value of payments expected to be made and intangible

## OCC FUTURE PLAN

right-to-use subscription assets for SBITAs as well as annual amortization expense and interest expense included in Physical Plant Operations.

Operating Expenses are projected to rise in the coming fiscal year by approximately 8%, due in part to rising prices for goods and services. Efforts were made in the FY24 budget to manage these expenses by promoting linkage to strategic objectives. We strive for fiscally responsible planning for our immediate and future needs and this goal has never wavered. We continue to exercise fiscal prudence, to maintain a healthy financial condition, and continue to have minimal debt while maintaining our commitment to academic excellence.

OCC remains committed to effective budgetary planning and sound financial management as it pursues excellence in teaching and focuses on student success and community need. After several years of dealing with the COVID-19 pandemic and its lingering effects, the College and other educational institutions in the U.S. are faced with even more challenges including economic factors like record inflations, enrollment declines, less college-aged students, and increased competition for students. The College continues to react decisively and plan for the future to continue providing quality educational resources to students and the community.

Higher education is entering a period of significant change, and we are taking steps to adapt and thrive. In order to continue to deliver on our long-standing commitment to access, inclusion, equity, innovation and collaboration, we must adapt to changing realities by moving resources to meet student needs.

Transformation across academic programs, support services and educational spaces will ensure we can further enhance the student experience, increase student success and be responsive to our community, while improving financial operations.

In order to create more vibrancy and energy across the college for our students, we need to reduce our footprint and focus activity in fewer spaces. Students and community members will experience us as one college, with both on-campus and online experiences, rather than just a collection of individual campuses.

The core of the work we do remains the same, but it is clear that how we do it must change. As we continue to focus on student success and shift to becoming a student-ready college, OCC will continue to smooth the path for our students. The changes we make will enhance the student experience by:

- ◆ Increasing student retention and graduation rates
- ◆ Making student services more convenient
- ◆ Consolidating buildings and learning

spaces to create more vibrant, well-maintained and safer, state-of-the-art teaching spaces

These and other strategic decisions in our future plan will allow us to provide our students with a consistent high-quality experience – and ensure that we remain the college of choice, the partner of choice and the employer of choice for decades to come.

The One OCC future plan identifies changes to academic spaces and the overall college footprint across the County in order to deliver on our long-standing commitment to access, inclusion, equity, innovation and collaboration to meet student needs.

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. This plan considers major capital planning on a college-wide basis. Because OCC is faced with a large deferred maintenance need, the College utilizes the facility needs assessment report provided by consultants in 2022, along with consideration for the programmatic needs of the College community to prioritize capital projects.

## Major Capital Projects

The Board of Trustees has agreed to set aside funds for the next five years for these projects. The 2020 and 2021 budgets identified a new building on the Royal Oak campus as a priority, and the 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 a venue for the student operated restaurant and retail space. The construction of a new, 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 current power plant will be removed providing a more aesthetically pleasing view from Main Street. The goals for this building are to provide an appealing urban campus and engage the community by providing dining experiences, cooking classes and a retail space for our student's work. 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 building. Ground breaking occurred in the fall of 2022 and completion is expected in fall 2025.

Career opportunity growth is widely expected in health care in the coming years. To make health care education more convenient for students and invest in

these growing programs, Health Sciences will be concentrated on one campus. The Health Sciences programs will move from the Highland Lakes and Southfield campuses to the Orchard Ridge campus. Orchard Ridge campus buildings will be renovated into state-of-the-art learning spaces. The Highland Lakes campus in Waterford is planned to close by fall 2026. OCC is working closely with local officials to ensure the property continues

to benefit the people of Waterford. The Southfield campus will continue to offer general education classes.

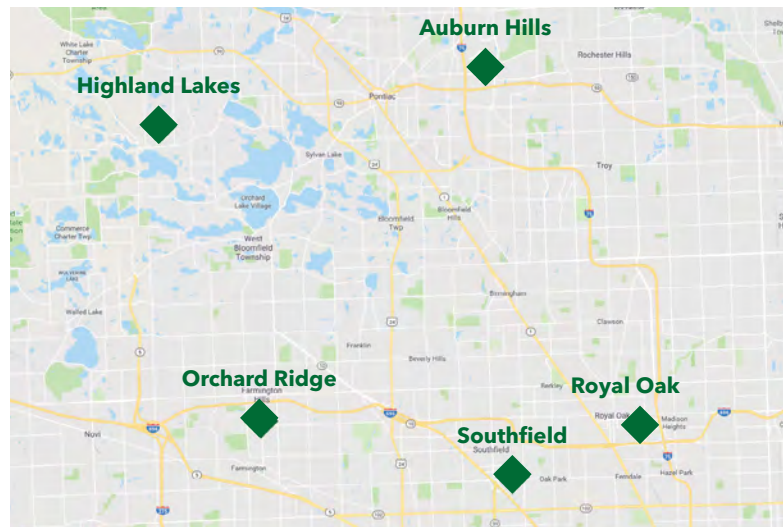
The combining of the health science programs onto the Orchard Ridge campus is budgeted for about \$80 million and is planned to be on the building H footprint. This location allows for parking and a front facing entrance for visitors utilizing the dental hygiene program services. The project is in the planning and design phase. Once construction begins, completion is expected by fall of 2026.

The timing of our Capital Plan to renovate and expand Auburn Hills Skilled Trades and Industrial Technology building (A Building) which was constructed in 1970, has shifted pending the availability of financial assistance from the State of Michigan's Capital Outlay program. This funding has historically been 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. While we scored number one of the Michigan Community College's in the application process, the State did not appropriate any capital outlay funding for fiscal year 2023. We submitted another application for fiscal year 2024 totaling \$25 million in State funding to assist with the cost of this important project we understand aligns with the State's priorities for more skilled trades workers. 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 initiatives, it is important to properly invest in the existing campus structures while also building the necessary modernizations and technologies. With the Auburn Hills

A building timing change, we moved up the timing for the Auburn Hills CREST (Combined Regional Emergency Services Training) center expansion, dividing the projects into two phases with Phase I estimated to cost \$23 million and included in the fiscal year 2024 and 2025 budgets. and included in the fiscal year 2024 budget. The CREST expansion includes:

- ◆ Building a new firearms range, two new classrooms and additional office space, which is Phase I
- ◆ Addition of an indoor tactical training building on the northern side of the CREST facility during Phase II.



*Current campus placement throughout Oakland County*

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 May 2023. 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.

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.

## 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 currently has five academic campuses across Oakland County. There are over 500 acres of land, more than 65 buildings, approximately 400 classrooms and over \$2 million square feet of space. The estimated replacement value of the College buildings exceeds \$730 million and the annual cost to operate the physical plant is approximately \$15 million.

# DEMOGRAPHIC AND ECONOMIC INFORMATION

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

	2023*	2022	2021	2020	2019
Faculty Full-Time	208	204	236	198	204
Faculty Part-Time	334	354	430	413	512
<b>Total Faculty</b>	<b>542</b>	<b>538</b>	<b>666</b>	<b>611</b>	<b>716</b>
<b>Administrators</b>	<b>103</b>	<b>99</b>	<b>103</b>	<b>88</b>	<b>88</b>
Support Full-Time	375	373	358	370	370
Support Part-Time	155	152	75	53	124
<b>Total Support</b>	<b>530</b>	<b>525</b>	<b>433</b>	<b>423</b>	<b>494</b>
<b>Actual Total Employees Reported</b>	<b>1175</b>	<b>1162</b>	<b>1202</b>	<b>1122</b>	<b>1298</b>
<b>Total FTE</b>	<b>848</b>	<b>838</b>	<b>865</b>	<b>811</b>	<b>874</b>

### Notes:

Management occupations in IPEDS = administration and management (Teamsters) in this report  
 All other non-instructional, non-management occupations = support in this report  
 \*2023 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
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	\$127.88	0.81
2023	\$107.00	0.04	\$132.53	0.81

## Out-of-District Tuition

ACADEMIC YEAR BEGINNING IN FALL	TUITION RATE	INCREASE (DECREASE) PERCENT	MICHIGAN COMMUNITY COLLEGE AVERAGE	PERCENT OF STATE AVERAGE
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	\$208.78	0.95
2023	\$205.00	0.03	\$216.38	0.95





OAKLAND  
COMMUNITY  
COLLEGE®



[oaklandcc.edu](http://oaklandcc.edu)

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