

OAKLAND COMMUNITY COLLEGE

Comprehensive Annual Financial Report

FISCAL YEARS

*Ending June 30, 2020
and June 30, 2019*

PETER PROVENZANO, CPA, CGMA
Chancellor

ROBERTA REMIAS, CPA
*Vice Chancellor for
Administrative Services*

SHARON CONVERSE, MBA
Controller

Bloomfield Hills, Michigan

Oakland Community College

Bloomfield Hills, Michigan

Comprehensive Annual Financial Report Fiscal Years Ended June 30, 2020 and June 30, 2019

Prepared by:

Department of Financial Services

**OAKLAND COMMUNITY COLLEGE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FISCAL YEARS ENDED JUNE 30, 2020 AND JUNE 30, 2019**

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Introductory Section



OAKLAND COMMUNITY COLLEGE
Excellence *Empowered.*

October 8, 2020

Members of the Board of Trustees, and
Citizens of Oakland Community College District

The Comprehensive Annual Financial Report (CAFR) of Oakland Community College for the fiscal years ended June 30, 2020 and June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the net position and changes in net position of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities in relation to its mission have been included.

Plante & Moran, Certified Public Accountants, have issued an unmodified opinion on Oakland Community College's financial statements for the years ended June 30, 2020 and 2019. The independent auditor's report is located at the front of the financial section of this document.

The Management Discussion and Analysis (MD&A) immediately follows the independent auditor's report. The MD&A provides a narrative introduction, overview, and analysis of the basic financial statements and a detailed discussion of the College's fiscal year 2020 financial performance, as well as comparisons to fiscal year 2019 and 2018. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The last quarter of 2020 was a challenging one due to the pandemic. The governor's stay-at-home orders on March 24th had the College quickly transitioning all classes to remote learning and only essential operations being performed on our campuses. Our faculty and staff responded immediately by utilizing our technology resources to transition to a remote environment, providing continuation of student instruction, student services and all business and accounting operations.

We strive for fiscally responsible planning for our immediate and future needs and during the pandemic this goal did not change. We continue to exercise fiscal prudence, to maintain a healthy financial condition, and have minimal debt while maintaining our commitment to academic excellence. This report consists of management's representations concerning finances of the College. To provide a reasonable basis for making these representations, the College maintains an internal control framework designed both to protect the College's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the College's financial statements. The College's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. To the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The College has a five year budget and financial forecast, which guides and assists in planning for a sustainable future. These forecasts are integrated into the College's academic planning to support student success and institutional growth. The College feels it is also important to budget and forecast information for the College's non-operating funds. Proactively planning for designated reserves and capital infrastructure outlays will enable the College to meet its financial obligations, as well as continue to maintain our facilities across five campuses and our administrative district office for decades to come. The College has in place a financial reserve policy that was adopted by the Board of Trustees and is meant to ensure financial sustainability for future years, while addressing the operating and capital needs of the College.

Despite the pandemic, the College remains focused on student success and community need while maintaining a financially sustainable organization. Since OCC opened its doors, we have provided education to more than one million students. As the largest higher education institution in Oakland County, we have a profound impact on our community. We are encouraged by the continued dedication of our faculty, administrators, staff and the Board of Trustees to make Oakland Community College a great place of higher education. OCC is committed to empowering student success and advancing our community.

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

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

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

MISSION

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

HOW THE COLLEGE SUPPORTS ITS MISSION/STRATEGIC PLANNING

Over the past few years, the College's mission and values have been revised to become more action oriented and reflect the vision of the College's leadership. The Strategic Planning committee (SPC), consists of members of the Chancellor's Executive Council as well the Chair of the Academic Senate and other directors across all areas of the College. This committee continues to enhance the clarity and focus of the overall strategic plan. The purpose of this cross-college, expanded group is to build upon the strong foundation that already exists within the strategic plan by adding a longer-term planning dimension.

The SPC reviews key data trends across the College, discusses improvements to the strategic planning process and brainstorms and prioritizes the most important focus areas for Oakland Community College over the next few years.

As strategic planning has matured at OCC, the overall strategy and focus has been enhanced to ensure effective processes for running the college (present) and advancing the college (future).

The College's three values highlight the most important concepts of the overall value statements. These values provide further understanding of how the College supports the mission and the individual needs of students and the community. The three values are as follows:

- **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.

In addition to values, the College has a clear vision that focuses on who we want to be, what we intend to do and what we will have to do to achieve our mission and values. The SPC's goal is ensure that the College's vision aligns with best practices at community colleges and fosters enthusiasm. The vision statements seek to provide clarity and inspiration for the future while providing a framework for the overall strategic plan.

OCC's vision is - Excellence in all we do...

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

Framework for Strategic Plan

Over five years ago, the College began working with a consulting firm to participate in a strategic planning process. This initially improved the College's long-range planning and overall approach to strategy development, deployment and execution. The renewed mission, value statements, and vision and strategic objectives are all results of this systematic approach to planning for the College's future.

Under the leadership of the College's Chief Strategy Officer, OCC continues to focus its attention on strategic planning and developing Strategic Directions.



The College's initial Strategic Directions are as follows:

Strategic Direction 1: Optimize educational offerings and opportunities to meet the needs of the community.

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

Strategic Direction 2: Improve Institutional Culture & Climate.

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

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 by cutting costs throughout the College and focusing on efficiencies. In addition, the College prepares a five-year Budget and Financial Forecast each year to plan and meet shortfalls head-on by looking at all sources of income and expenses across all funds within the College.

The College has a board-approved financial reserve policy to ensure sustainability for the future. The financial reserve policy addresses maintaining adequate funds (3 months minimum) of College operations as well as reasonably projecting cash flow, income and expenses. As the financial report shows, the College continues to contain costs, address non-general fund deficits through designated transfers, and plan for future capital needs.

Oakland Community College makes every effort to keep tuition affordable with modest inflationary increases annually. The College charges students by 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. Over the past several years, there have been minimal tuition rate increases, and the College's In-District rate and overall fees remain among the lowest of the 28 Michigan community colleges. OCC's Board of Trustees and executive leadership remains committed to offering affordable education to all students.

With gross tuition and fees accounting for approximately a third of the College's revenue when compared to state appropriations and property taxes, and few viable options available to diversify revenue sources, the College finds itself with the challenge of balancing decreasing enrollment with increasing costs and decreasing revenue. As mentioned earlier, the College has addressed these shortfalls and balanced the budget by cutting costs and focusing on operational efficiencies throughout the institution.

LOCAL ECONOMY

While OCC primarily serves Oakland County, the College recognizes their graduates may live and be employed in nearby counties. Therefore, the College examines data from a seven-county region: Oakland, Genesee, Lapeer, Livingston, Macomb, Washtenaw, and Wayne Counties. Like the rest of the state, Oakland and nearby counties experienced a recession beginning in 2008. In the years following the recession, Oakland County has returned to unemployment rates seen pre-recession. Oakland County's future is bright. Employment as well as housing starts, are up. In addition, Oakland County's per capita personal income (PCI) is the highest in any county in Michigan and higher than the state and national average.

More specifically related to available occupations and college programming within this region, the College believes there to be approximately 269,967 projected annual job openings across all occupations and education levels. When OCC considers the occupations most likely to need a two-year post-secondary education, there are approximately 92,483 job openings projected each year for the next five years in our region.

OCC currently offers programs with the potential to fill approximately 14,764 job openings in the region. For these occupations, the average wage is \$24.98 hour.

The ten occupations supported by OCC programs (based on the number of projected job openings) include:

1. Registered Nurses
2. Medical Assistants
3. General and Operations Managers
4. Medical Secretaries
5. Cooks, Restaurant
6. Bookkeeping, Accounting, and Auditing Clerks
7. Accountants and Auditors
8. Computer User Support Specialists
9. Automotive Service Technicians and Mechanics
10. Management Analysts

Sources: Economic Modeling Specialist International; Oakland County Economic Outlook 2020-2025; OCC Institutional Effectiveness 2020

Prospects for the Future

Although it is difficult to predict the immediate future without consideration of the impact COVID-19 will have on the economy, looking to the future and over the next three years, Oakland County predicts sustained job growth and an economy approaching full employment. Despite the continued uncertainties surrounding the pandemic, we still see approximately 15,000 job openings in the county relating to programs OCC offers, the College is well positioned to provide training to meet these employment needs.

OCC believes the top priorities for meeting community needs include the following 10 programs:

1. General Accounting Certificate
2. International Commerce
3. Culinary Arts
4. Library Services & Technology Associate and Certificate of Achievement
5. Technological Sciences
6. Welding Certificate
7. Dental Hygiene
8. Automotive Servicing Associate and Certificate
9. Fire Fighter Technology
10. Collision Auto Repair Certificates

Source: OCC Institutional Effectiveness 2020

Accreditation

Oakland Community College has been regionally accredited by The Higher Learning Commission of the North Central Association (website www.ncahlc.org) since 1971. The most recent reaffirmation of Accreditation was in the Academic Year 2018/2019. The next reaffirmation of Accreditation will be in 2028/2029.

Numerous programs have individual accreditations, memberships or approval by state agencies and/or national associations or organizations. Programs with individual accreditations as of fall 2020 are included below:

	Program Title / Code	Predominant Accrediting Agency	Accreditation Status	Reaffirmation Date
1	Police Academy (CRJ.OPA.CA)	State of Michigan - Michigan Commission on Law Enforcement Standards	Accredited / Approved	Annual Process*
2	Culinary Arts (CUL.AASX)	Primary: American Culinary Federation (Secondary: National Restaurant Association)	Accredited / Approved	Oct 2020
3	Dental Hygiene (DHY.AASX)	American Dental Association Commission on Dental Accreditation	Accredited / Approved	2020
4	Diagnostic Medical Sonography (DMS.AASX)	Commission on Accreditation of Allied Health Education Programs	Accredited / Approved	2025

5	Emergency Medical Services (EMS.AAS)	Primary: Committee on Accreditation for the EMS Professions (CoAEMPS) (Secondary: Michigan Department of Health and Human Services)	Accredited / Approved	2022
6	EMT (EMS.EMT.CA)	Primary: Committee on Accreditation for the EMS Professions (CoAEMPS) (Secondary: Michigan Department of Health and Human Services)	Accredited / Approved	2022
7	Paramedic Certificate (EMS.PAR.CT)	Primary: Committee on Accreditation for the EMS Professions (CoAEMPS) (Secondary: Michigan Department of Health and Human Services)	Accredited / Approved	2022
8	Fire Academy (FFT.CA)	Primary: Pro Board Fire Service Professional Qualifications System (Secondary: State of Michigan - Michigan Fire Fighters Training Council)	Accredited / Approved	Annual Process*
9	Medical Assisting (MDA.AAS)	Commission on Accreditation of Allied Health Education Programs	Accredited / Approved	2021
10	Medical Assisting Certificate (MDA.CT)	Commission on Accreditation of Allied Health Education Programs	Accredited / Approved	2021
11	NUR Transitional LPN from LPN to AND (NUR.TPN.AAS)	Primary: Accreditation Commission for Education in Nursing (Secondary: Michigan Board of Nursing)	Accredited / Approved	2022
12	Paralegal (PLG.AAS)	Primary: American Bar Association (Secondary: American Association for Paralegal Education (AAfPE))	Accredited / Approved	2022
13	Paralegal Post Baccalaureate Professional Certificate (PLG.CT)	Primary: American Bar Association (Secondary: American Association for Paralegal Education (AAfPE))	Accredited / Approved	2022
14	Radiologic Technology (Extended) (RAL.AASX)	The Joint Review Committee on Education in Radiologic Technology	Accredited / Approved	2024 (with 2020 interim report)
15	Respiratory Therapy (RSP.AASX)	The Commission on Accreditation for Respiratory Care (CoARC)	Accredited / Approved	2020
16	Sign Language Interpreter (SLI.AAS)	Commission on Collegiate Interpreter Education	Accredited / Approved	2025
17	Surgical Technology (SUR.AASX)	Commission on Accreditation of Allied Health Education Programs	Accredited / Approved	2023

Data Source: Office of Institutional Effectiveness, September 2020

OTHER INFORMATION

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Oakland Community College for its comprehensive annual financial report (CAFR) for the fiscal year ending June 30 for the past five years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, Oakland Community College received an Award for Outstanding Achievement in Popular Annual Financial Reporting from the GFOA for its Popular Annual Financial Report for the fiscal years ended June 30, 2019 and June 30, 2018.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, the contents of which conform to the 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 that our current report 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.

The College submitted its Budget and Financial Forecast for Fiscal Years 2019-2023 to the GFOA for consideration of the Award for Best Practices in Community College Budgeting. In order to receive this award, budget processes are evaluated based on a number of criteria that focus on optimizing student achievement within available resources. In March 2020, the GFOA presented the College with the Award for Best Practices in Community College Budgeting for the initial submission. The College has continued its involvement in this valuable program with annual applications for the 2020-2024 and the 2021-2025 budget years and is awaiting notification of those awards. The continued participation in this program represents the College's support of best practices in community college budgeting and a commitment to continued budget process excellence.

Independent Audit

State statutes require an annual audit by independent certified public accountants. The accounting firm of Plante & Moran, PLLC was selected by the College's Board of Trustees. The auditor's report on the financial statements and schedules is included in the financial section of this report.

Acknowledgments

The timely preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the financial services department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

Respectfully submitted,



Peter Provenzano, Jr., CPA, CGMA
Chancellor



Roberta Remias, CPA
Vice Chancellor
Administrative Services



Sharon Converse, MBA
Controller
Financial Services

OAKLAND COMMUNITY COLLEGE

PRINCIPAL OFFICIALS

Year Ended June 30, 2020

Board of Trustees

<u>Trustee Name</u>	<u>Position</u>	<u>Term Expiration</u>
John McCulloch	Chairperson	2020
Pamala Davis	Vice Chairperson	2024
Pamela Jackson	Secretary	2022
Susan Anderson	Treasurer	2022
Kathleen Bertolini	Trustee	2022
Shirley Bryant	Trustee	2020
Christine O'Sullivan	Trustee	2024

Chancellor's Executive Council

Peter Provenzano, Jr., Chancellor
Karen Bathanti, Vice Chancellor for Human Resources
Jennifer Berne, Provost
Eileen Husband, Vice Chancellor for Legal Affairs
Daniel Jenuwine, Vice Chancellor for College Advancement
Robert Montgomery, Vice Chancellor for Information Technologies
Joseph Petrosky, Associate Provost
Lori Przymusinski, Vice Chancellor for Student Services
Roberta Remias, Vice Chancellor for Administrative Services
Elizabeth Schnell, Vice Chancellor for Marketing & Communications
Stephen Simpson, Chief Strategy Officer

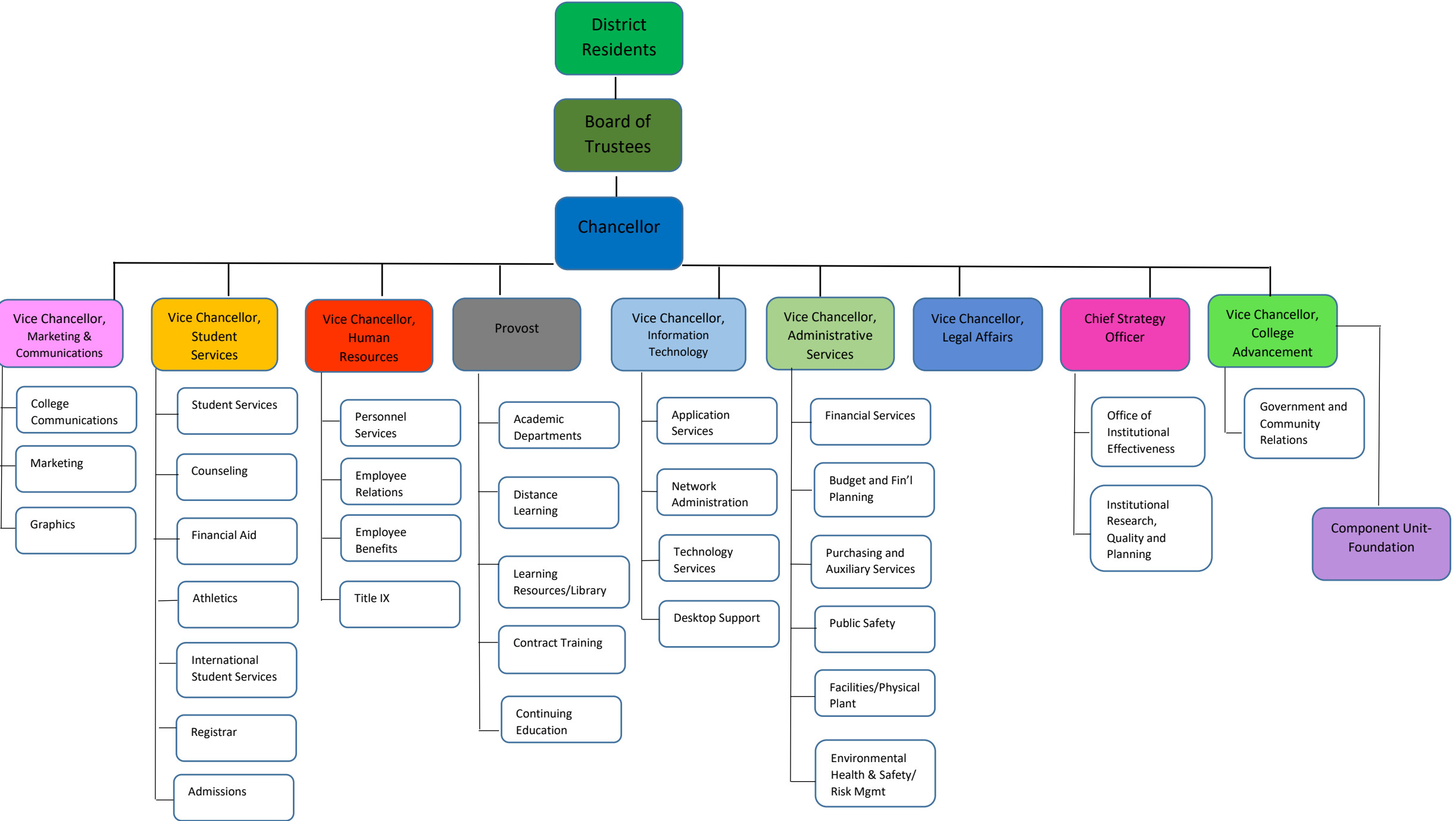
OFFICIALS ISSUING REPORT

Roberta Remias	Vice Chancellor for Administrative Services
Sharon Converse	Controller

DEPARTMENT ISSUING REPORT

Financial Services

Oakland Community College
Bloomfield Hills, Michigan





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Oakland Community College

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO



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, 2019

Christopher P. Morrill

Executive Director/CEO

Financial Section



OAKLAND COMMUNITY COLLEGE
Excellence *Empowered.*

Independent Auditor's Report

To the Board of Trustees
Oakland Community College

Report on the Financial Statements

We have audited the accompanying financial statements of Oakland Community College (the "College") and its discretely presented component unit as of and for the years ended June 30, 2020 and 2019 and the related notes to the financial statements, which collectively comprise Oakland Community College's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement. The discretely presented component unit was not audited under *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Oakland Community College as of June 30, 2020 and 2019 and the respective changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, the COVID-19 pandemic has impacted the operations of the College. Our opinion is not modified with respect to this matter.

To the Board of Trustees
Oakland Community College

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the College's proportionate share of net pension liability, the schedule of the College's pension contributions, the schedule of the College's proportionate share of net OPEB liability, and the schedule of the College's OPEB contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Oakland Community College's basic financial statements. The other supplemental information, as identified in the table of contents, and introductory section and statistical section schedules are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The other supplemental information, as identified in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information, as identified in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2020 on our consideration of Oakland Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oakland Community College's internal control over financial reporting and compliance.



October 9, 2020

OAKLAND COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of *Oakland Community College's* (the "College") financial statements provides an overview of the College's financial position at June 30, 2020, 2019 and 2018 and its financial activities for the three years ended June 30, 2020. Management has prepared the financial statements and related footnote disclosures in conjunction with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the College's management.

Use of this Report

This annual financial report includes the report of independent auditors, this management's discussion and analysis, the basic financial statements, which consist of the statement of net position, the statement of revenue, expenses, and changes in net position, the statement of cash flows, and notes to the financial statements. Following the basic financial statements and footnotes are three supplementary schedules: the GASB 68 and GASB 75 required supplemental information, the combining statement of net position and the combining statement of revenue, expenses, and changes in net position as of and for the years ended June 30, 2020 and June 30, 2019.

Financial Highlights

The financial statements report information on the College as a whole. These statements report the College's financial position as of June 30, 2020 and 2019 and changes in net position for the years ended June 30, 2020 and 2019. The College's Statement of Net Position at June 30, 2020 and 2019, had assets of \$503.2 million and \$464.5 million, respectively, and liabilities of \$277.0 million and \$265.3 million, respectively. The College has recognized its share of the Michigan Public School Employees' Retirement System (MPSERS) unfunded net pension liability. The net pension liability at June 30, 2020 and June 30, 2019, was \$206.5 million and \$192.3 million, respectively. 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, 2020 and June 30, 2019 was \$43.9 million and \$49.3 million, respectively. 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's revenues and other support exceeded expenses by \$31.7 million, \$35.4 million and \$25.3 million in 2020, 2019 and 2018, respectively. This was primarily due to cost cutting measures across all departments and increased property tax and investment revenue. Current assets totaled \$55.5 million, \$70.3 million and \$82.9 million in 2020, 2019 and 2018. The fluctuations in current assets from 2018 to 2020 were primarily the result of changes in the College's investment policy and portfolio. These changes were initiated by the College's investment provider. See further discussion of investments in this MD&A under non-operating revenues. 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 \$247.6 million as of June 30, 2020, \$215.9 million as of June 30, 2019 and \$180.5 million as of June 30, 2018. Net position for the year ended June 30, 2018 reflects a restatement of beginning net position of \$60,352,059 related to the implementation of GASB 75.

OAKLAND COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Statement of Net Position and Statement of Revenue, Expenses, & Changes in Net Position

The following is a comparative analysis of key components of the statements of net position as of June 30:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
ASSETS			
Current assets	\$ 55,466,477	\$ 70,334,758	\$ 82,915,860
Long-term investments	320,254,663	263,997,720	210,133,703
Capital assets	127,506,343	130,187,154	139,981,477
Total assets	\$ 503,227,483	\$ 464,519,632	\$ 433,031,041
Deferred Outflows of Resources	\$ 68,835,102	\$ 68,316,726	\$ 37,869,858
LIABILITIES			
Current liabilities	\$ 23,241,662	\$ 20,251,220	\$ 21,192,502
Long-term debt obligations	973,888	1,922,347	2,846,040
Net Pension Liability	206,528,014	192,275,400	173,497,992
Net OPEB Liability	43,948,736	49,256,724	59,515,812
Compensated absences	2,331,859	1,595,929	1,371,885
Total liabilities	\$ 277,024,159	\$ 265,301,620	\$ 258,424,231
Deferred Inflows of Resources	\$ 47,455,146	\$ 51,671,255	\$ 31,976,585
Net position			
Net investment in capital assets	\$ 125,583,996	\$ 127,341,114	\$ 136,235,864
Restricted:			
Expendable scholarships	409,032	1,294,852	1,165,711
Unrestricted	121,590,252	87,227,517	43,098,508
Total net position	\$ 247,583,280	\$ 215,863,483	\$ 180,500,083

Although unrestricted net position is not subject to externally imposed restrictions, virtually all of the College's unrestricted net position is designated for the purposes to fulfill its 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. See Note 1 for further information about the College's unrestricted net position and its designations.

OAKLAND COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a comparative analysis of key components of the statements of revenue, expenses, and change in net position for the years ended June 30:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating revenues			
Tuition and fees, net	\$ 29,771,347	\$ 29,884,796	\$ 30,814,265
Federal grants and contracts	3,009,624	3,132,531	3,106,858
State and local grants and contracts	929,845	943,234	5,896,053
Nongovernmental grants and contracts	494,366	728,247	647,391
Auxiliary activities	4,280,615	4,754,949	5,559,961
Miscellaneous	769,077	814,703	912,336
Total operating revenues	39,254,874	40,258,460	46,936,864
Less operating expenses	165,065,047	155,232,070	156,954,676
Operating loss	(125,810,173)	(114,973,610)	(110,017,812)
Non-operating revenues			
Pell grant revenue	14,584,483	15,472,861	18,147,150
CARES grant revenue	1,704,999	-	-
State appropriations	23,345,507	24,972,066	24,715,817
State appropriations for UAAL	7,065,991	6,733,962	8,966,836
Property tax levy	89,630,341	86,092,187	82,889,739
Investment income	8,400,571	7,795,609	4,585,290
Net unrealized and realized Gain (loss) on investments	12,798,078	9,270,325	(4,035,545)
Net non-operating revenues	157,529,970	150,337,010	135,269,287
Increase in net position	\$ 31,719,797	\$ 35,363,400	\$ 25,251,475
Net position - beginning of year	215,863,483	180,500,083	215,600,667
Adjustment for change in accounting principle	-	-	(60,352,059)
Net Position, beginning of year, as restated	\$ 215,863,483	\$ 180,500,083	\$ 155,248,608
Net position - end of year	\$ 247,583,280	\$ 215,863,483	\$ 180,500,083

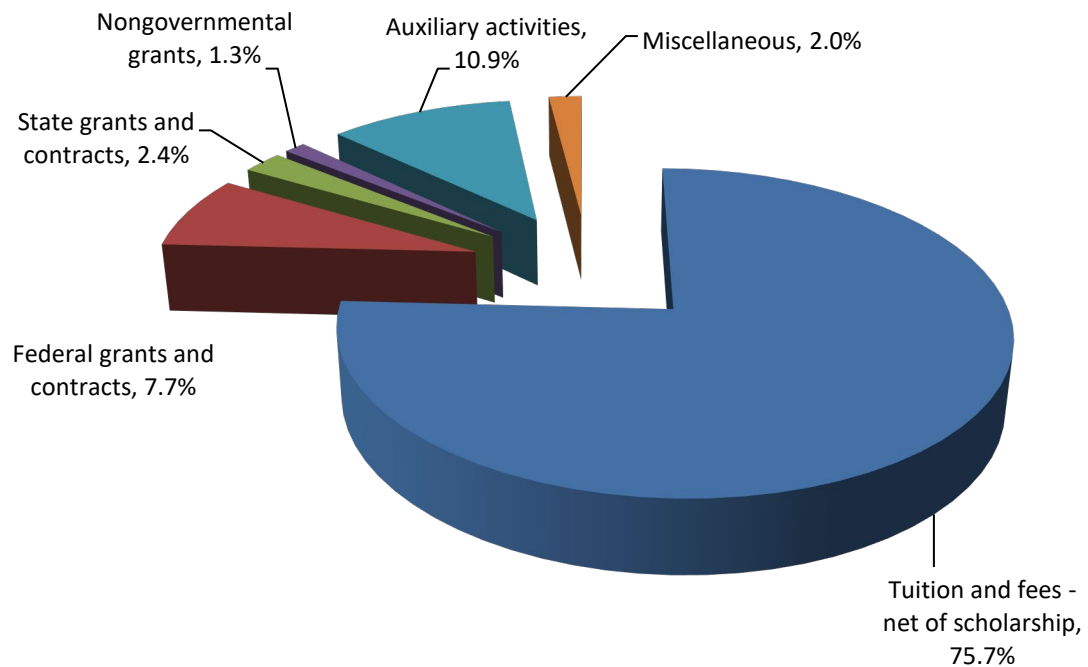
OAKLAND COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS

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. Operating revenues consisted of the following during the years ended June 30:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tuition and fees - net	\$ 29,771,347	\$ 29,884,796	\$ 30,814,265
Federal grants and contracts	3,009,624	3,132,531	3,106,858
State grants and contracts	929,845	943,234	5,896,053
Nongovernmental grants	494,366	728,247	647,391
Auxiliary activities	4,280,615	4,754,949	5,559,961
Miscellaneous	<u>769,077</u>	<u>814,703</u>	<u>912,336</u>
Total operating revenues	<u>\$ 39,254,874</u>	<u>\$ 40,258,460</u>	<u>\$ 46,936,864</u>

The following is a graphic illustration of operating revenues for fiscal year 2020:



OAKLAND COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Net student tuition and fee revenue (after scholarship allowance) remained stable for the year ended June 30, 2020, decreased approximately 3.0 percent for the year ended June 30, 2019 and decreased approximately 6.9 percent for the year ended June 30, 2018. Gross tuition and fee revenue also remained stable for fiscal year ended June 30, 2020 decreasing by less than 1 percent. Gross tuition and fee revenue decreased by 5.9 percent and 4.7 percent due to continued enrollment declines for fiscal years ended June 30, 2019 and 2018, respectively. Contact hours decreased by 3.3 percent, 6.6 percent and 14.0 percent for fiscal years ended June 30, 2020, 2019 and 2018, respectively. The contact hour declines are partially offset by tuition rate increases.
- In 2020, Federal grants and contracts decreased by 3.9 percent from 2019. The decrease is due to decreases in several grants including Federal Work study, National Science Foundation, Department of Labor, and Michigan Works. The CARES funding that the College received in 2020 is considered Non-operating revenues and is addressed below. In 2019, Federal grants and contracts increased by less than 1 percent from 2018 and decreased in 2018 8.2 percent over 2017. This modest increase and 8.2 percent decrease are due to reduced receipts for several federal programs including federal work study. Decreased enrollment affected the federal grant programs.
- Auxiliary services revenue decreased by approximately 10.0 percent, 14.5 percent and 16.1 percent during the years ended June 30, 2020, 2019 and 2018. The decreases are primarily due to a decrease in textbook sales resulting from declining enrollment and students purchasing their textbooks from other sources as well as the availability of Open Educational Resources (OER). The impact of COVID and the mandatory stay-at-home orders also impacted the sales at the College's bookstores. To help offset future declines of textbook sales, the bookstores offer a textbook rental program and have established competitive pricing. In addition, the bookstores have continued to cut costs and streamline operations in order to maintain their profit margin.
- In 2020, state and local grants decreased 1.4 percent from 2019. In 2019, state and local grants decreased by approximately \$5.0 million due to the one-time state grant received in 2018 from the state's Community College Skilled Trade Equipment program grant (CCSTEP) for equipment. In 2018, state and local grants increased by 4.5 million as a result of the receipt of this grant. The purpose of the 2018 CCSTEP grant was to provide Michigan Community Colleges funding through the skilled trades equipment program to ensure they can deliver educational programs in high-wage, high-skill, and high-demand occupations.
- In 2020, non-governmental grants decreased by 32.1 percent from 2019. This decrease is due to fewer local grants and fewer foundation scholarships transferred to the College. Non-governmental grants increased by 12.5 percent and 13.4 in 2019 and 2018, due to an increase in scholarship programs.
- In 2020, miscellaneous revenues decreased by 5.6 percent from 2019. In 2019, miscellaneous revenues decreased by 10.7 percent from 2018. In 2018, miscellaneous revenues increased by 13.4 percent over the previous fiscal year due to facilities rentals and the sale of obsolete equipment and furniture.

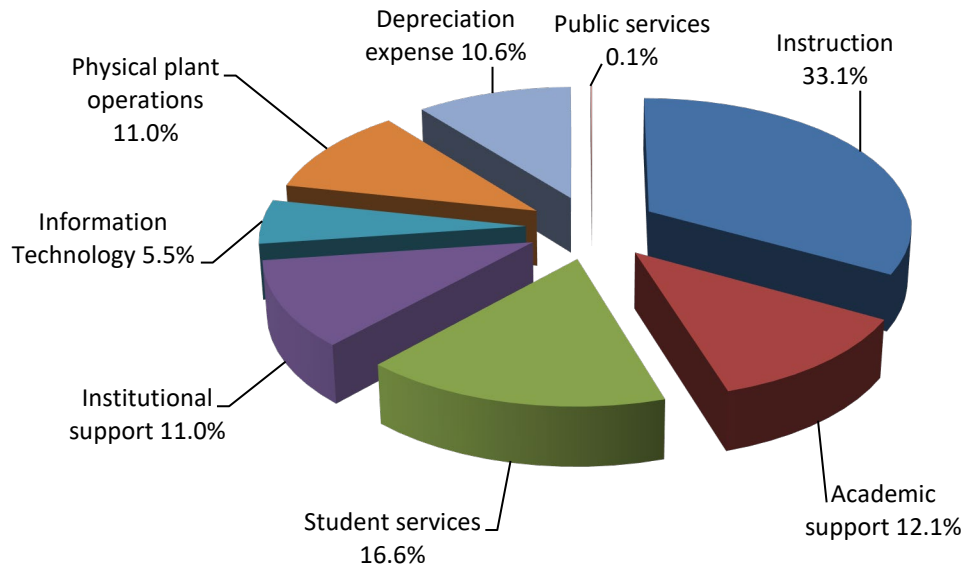
OAKLAND COMMUNITY COLLEGE
MANAGEMENT’S DISCUSSION AND ANALYSIS

Operating Expenses

Operating expenses are the costs for the College to conduct the programs necessary to carry out the primary purposes of the College. The operating expenses for the years ended June 30 consisted of the following:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Instruction	\$ 54,576,897	\$ 51,497,349	\$ 51,555,305
Academic support	19,942,660	18,986,536	22,672,313
Student services	27,618,481	26,052,331	28,075,505
Institutional support	18,083,722	15,665,786	16,177,115
Information Technology	9,145,353	7,919,911	7,156,628
Physical plant operations	18,076,615	17,693,042	14,525,312
Depreciation expense	17,443,042	17,253,448	16,674,558
Public services	<u>178,277</u>	<u>163,667</u>	<u>117,940</u>
Total operating expenses	<u>\$ 165,065,047</u>	<u>\$ 155,232,070</u>	<u>\$ 156,954,676</u>

The following is a graphic illustration of total operating expenses for the year ended June 30, 2020:



The primary operating expenses of the College are salaries, payroll taxes, and related fringe benefits. The College incurred \$110.5 million, \$101.5 million, and \$101.5 million of payroll-related expenses during the years ended June 30, 2020, 2019, and 2018 respectively. This represents approximately 67.0 percent of the College's operating expenses during 2020, 65.4 percent during 2019 and 64.7 percent in 2018. The past two years of decreases in payroll-related expenses were the result of the elimination of positions and the delay in hiring replacements for other vacant positions. The increase in 2020 is a result of fewer eliminated positions than in the past two years and step movement and lump sum increases for employees.

OAKLAND COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

Payroll taxes and related fringe benefits increased by 23.7 percent from 2019 to 2020 due to an increase in salary expense but primarily due to increased retirement expenses recorded for the increased pension and OPEB liabilities at year end. Payroll taxes and related fringe benefits were fairly stable from 2018 to 2019 with a 1.6 percent increase coinciding with then slight increase in salaries and wages. In 2020, the UAAL state appropriations received were \$7.0 million, resulting in \$7.1 million of revenue after consideration of GASB 68 and GASB 75. In 2019, the UAAL state appropriations received were \$7.1 million, resulting in \$6.7 million of revenue after consideration of GASB 68 and GASB 75. In 2018, the UAAL state appropriations received were \$8.2 million, resulting in \$9.0 million of revenue after consideration of GASB 68 and GASB 75.

Instruction expenses increased by 6.0 percent from 2019 to 2020 due to salary/step increases and related benefit costs. Instruction expenses increased less than 1.0 percent and 3.1 percent in 2019 and 2018, respectively, as a result of declining enrollment and new full-time faculty hired at lower steps replacing faculty that have retired. Expenditures in Academic Support increased by 5.0 percent due primarily to salaries and related benefit costs. Academic Support expenses decreased by 16.3 percent in 2019 due to reduced purchases of supplies and equipment compared to 2018. In 2018, Academic Support expenses decreased by 3.0 percent. Expenditures in Student Services increased by 6.0 percent in 2020 due to salaries and benefits as well as expenditures related to the CARES act funding. In 2019, expenditures in Student Services decreased by 7.2 percent due to a number of factors including reduced salary expenses, a decrease in scholarship expenditures and cost of goods sold decreases in the bookstore. Student service expenses remained relatively the same in 2018 when compared to 2017 and decreased by .4 percent. In 2020, Institutional Support expenses increased by 15.4 percent due to salaries and related benefits, millage expense and insurance costs. In 2019, Institutional Support expenses decreased by 3.2 percent. Institutional Support expenses were relatively flat in 2018 as compared to 2017 increasing by 1.6 percent. For 2020 and 2019, Information Technology expenses increased by 15.5 percent and 10.7 percent, respectively. These increases are a result of increased software and hardware costs as well as contracted services, salaries and benefits. Information Technology expenses decreased slightly in 2018 from 2017 by 1.6 percent. Physical Plant Operation expenses increased slightly by 2.2 percent in 2020. Physical Plant Operation expenses increased by 21.8 percent in 2019 due to a decrease in capitalized assets over 2018 which was the year in which the majority of the CCSTEP grant equipment was purchased and capitalized. Physical Plant Operation expenses decreased by 16.6 percent in 2018. These reductions are due to cost cutting measures and lower utility costs.

Non-operating Revenues (Expenses)

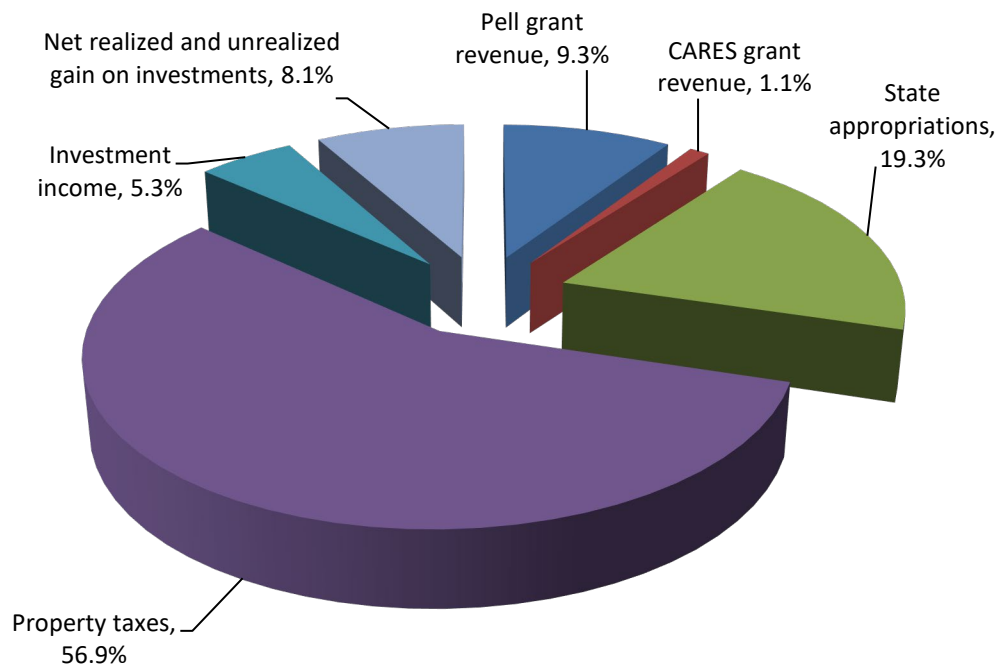
Non-operating revenues are all revenue sources that are not a result of College operations. They consist primarily of state appropriations, Pell grant revenue, CARES act revenue, property tax revenue, interest income and realized and unrealized gains and losses.

OAKLAND COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS

Non-operating revenues for the years ended June 30 consisted of the following:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Non-operating revenues (expenses)			
Pell grant revenue	\$ 14,584,483	\$ 15,472,861	\$ 18,147,150
CARES grant revenue	1,704,999	-	-
State appropriations	23,345,507	24,972,066	24,715,817
State appropriations for UAAL	7,065,991	6,733,962	8,966,836
Property taxes	89,630,341	86,092,187	82,889,739
Investment income	8,400,571	7,795,609	4,585,290
Net realized and unrealized gain (loss) on investments	12,798,078	9,270,325	(4,035,545)
Total non-operating revenues	<u>\$ 157,529,970</u>	<u>\$ 150,337,010</u>	<u>\$ 135,269,287</u>

The following is a graphic illustration of non-operating revenues by source for fiscal year 2020:



Over the past several years, Pell grant revenue has decreased due to the decline in enrollment and the number of student awards. In 2020, Pell revenue decreased by 5.7 percent from 2019. In 2019, Pell revenue decreased by 14.7 percent from 2018. In 2018, Pell revenue increased slightly by 4.1 percent. For 2020, the College received federal CARES funding for student direct payments and institutional expenses of \$1.7 million.

OAKLAND COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

In 2020, there was a decrease of \$1.3 million or 4.1 percent in state appropriations from 2019. Initially state appropriations including UAAL payments for fiscal year 2020 were forecasted to be approximately 3.5 percent higher than 2019. However, a state executive order in July 2020 cut state appropriations by 11 percent or \$2.5 million. These funds will be replaced with Coronavirus Relief Funds (CRF) in the same amount but will be recognized to the extent of qualified expenses in fiscal year 2021. In 2019, there was a decrease of \$2.0 million or 5.9 percent in state appropriations. There was an increase of \$2.7 million or 8.8 percent in state appropriations during 2018. Personal property tax reimbursement from the state in the amount of \$2.1 million, \$2.1 million, \$2.3 million for 2020, 2019, and 2018, respectively, 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 \$7.0 million, \$7.1 million and \$8.2 for 2020, 2019 and 2018, respectively, resulting in \$7.1 million, \$6.7 million and \$9.0 million of revenue after consideration of GASB 68 and GASB 75 in 2020, 2019 and 2018, as well as MPSERS related cash outlay and expenses of equal amounts.

In 2020, property taxes increased by \$3.5 million over 2019. In 2019, property taxes increased by \$3.3 million over 2018. In 2018, property taxes increased by \$2.1 million over 2017. These increases are a result of taxable values in Oakland County, Michigan continuing to increase.

As the economy grew stronger and interest rates increased, investment income increased by 7.8 percent, 70.0 percent and 40.2 percent during 2020, 2019 and 2018, respectively. Realized gains on investments were \$1.6 million in 2020. Realized losses on investments were \$1.1 million and \$1.1 million in 2019 and 2018, respectively, as a result of rebalancing and investment changes. With the assistance of the PFM Group, the College's investment manager, the College periodically rebalances the investment portfolio to continually meet strategic investment objectives. This results in year-over-year changes to the types and maturities of investments in the College's portfolio. See Note 2 to the financial statements for further information.

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 2020 and 2019, with interest rate decreases, the unrealized gains were \$11.2 million and \$10.3 million, respectively. In 2018, as a result of interest rate increases, the portfolio value declined and unrealized losses were \$4.0 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.

OAKLAND COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Cash Flows

Another method to assess the financial health of the College is to look at the statement of cash flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of an entity during a period. The statement of cash flows also helps assess:

- An entity's ability to generate net cash flows from operations
- Its ability to meet its obligations as they come due, and
- Its needs for external financing

Following is a comparative analysis of the cash flows of the College for the years ended June 30:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Cash provided by (used in):			
Operating activities	\$(100,049,716)	\$(100,489,329)	\$(99,129,784)
Noncapital financing activities	138,609,574	133,211,261	134,812,564
Capital and related financing activities	(15,726,238)	(8,371,763)	(11,918,873)
Investing activities	(26,728,496)	(28,808,819)	(18,900,723)
Net change	(3,894,876)	(4,458,290)	4,863,184
Cash and cash equivalents - beginning of year	36,208,294	40,666,584	35,803,400
Cash and cash equivalents - end of year	\$ 32,313,418	\$ 36,208,294	\$ 40,666,584

Net cash used in operating activities totaled \$100.0 million for 2020. This was financed by \$138.6 million of net cash flows from noncapital financing activities such as property taxes and state appropriations. Net cash used in capital and related financing activities totaled \$15.7 million during 2020. This consists of approximately \$14.8 million of capital additions, as well as a payment of \$924,000 towards long term obligations for an installment purchase agreement. Net cash used by investing activities totaled \$26.7 million. This consists of \$146.2 million of proceeds from the sale and maturities of investments, purchases of investments of \$181.4 million, and an offset by interest received during 2020 of approximately \$8.5 million. The net result of all cash flows is a decrease in cash and cash equivalents of \$3.9 million for 2020.

Net cash used in operating activities totaled \$100.5 million for 2019. This was financed by \$133.2 million of net cash flows from noncapital financing activities such as property taxes and state appropriations. Net cash used in capital and related financing activities totaled \$8.4 million during 2019. This consists of approximately \$7.5 million of capital additions, as well as a payment of \$900,000 towards long term obligations for an installment purchase agreement. Net cash used by investing activities totaled \$28.8 million. This consists of \$162.6 million of proceeds from the sale and maturities of investments, purchases of investments of \$197.7 million, and an offset by interest received during 2019 of approximately \$6.4 million. The net result of all cash flows is a decrease in cash and cash equivalents of \$4.5 million for 2019.

Net cash used in operating activities totaled \$99.1 million for 2018. This was financed by \$134.8 million of net cash flows from noncapital financing activities such as property taxes and state appropriations. Net

OAKLAND COMMUNITY COLLEGE
MANAGEMENT’S DISCUSSION AND ANALYSIS

cash used in capital and related financing activities totaled \$11.9 million during 2018. This consists of approximately \$14.9 million of capital additions, \$839,000 of debt principal and interest payments as well as an increase \$3.7 million in long term obligations for an installment purchase agreement. Net cash used by investing activities totaled \$18.9 million. This consists of \$213.9 million of proceeds from the sale and maturities of investments, purchases of investments of \$238.0 million, and an offset by interest received during 2018 of approximately \$5.2 million. The net result of all cash flows is an increase in cash and cash equivalents of \$4.9 million for 2018.

Capital Asset and Debt Administration

Capital Assets

The College had \$127.5 million and \$130.1 million invested in capital assets, net of accumulated depreciation of \$298.1 million and \$281.2 million at June 30, 2020 and 2019, respectively. Depreciation charges approximated \$17.4 and \$17.3 million for the years ended June 30, 2020 and 2019, respectively.

	2020	2019	2018
Capital assets:			
Land and land improvements	\$ 32,749,100	\$ 31,747,908	\$ 29,176,815
Infrastructure	22,219,779	22,219,779	22,202,000
Buildings and improvements	298,314,725	297,023,661	292,222,426
Furniture, fixtures, and equipment	51,093,599	49,269,788	46,926,315
Library materials	9,122,166	9,247,142	9,344,345
Construction in progress	12,082,200	1,832,441	4,412,071
Accumulated depreciation	(298,075,226)	(281,153,565)	(264,302,494)
Total capital assets	\$ 127,506,343	\$ 130,187,154	\$ 139,981,478

Additions to capital assets during 2020, 2019, and 2018 included costs for both internal and external maintenance and renovation projects at various campus sites. Capital additions were \$14.8 million, \$7.5 million, and \$14.9 million during years 2020, 2019, and 2018, respectively. The College began a large capital project on the Auburn Hills campus in 2020 and there was an increase of \$10.2 million in Construction in progress. The building is scheduled for completion in August 2021. Additional information on the College’s capital assets can be found in Note 3 of the Notes to Financial Statements.

OAKLAND COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

The College had no long-term bonds outstanding in 2020, 2019 and 2018. The College last bond debt repayment was made in 2018. In 2018, the College entered into a 5-year installment purchase agreement with Key Government Finance for the purchase of computer hardware, software and maintenance. The College has made installment payments of \$1 million each year in 2020, 2019 and 2018, respectively. The remaining payments of principal and interest total \$2.0 million to be paid in December over the next two years. More detailed information about the College's long-term liabilities is presented in the Note 5 of the Notes to Financial Statements.

Required Supplementary Information

With the implementation of GASB 68 and GASB 75, the College is required to prepare certain schedules regarding the MPERS and OPEB liabilities, covered payroll and contributions. The required supplementary information includes a Schedule of College's Proportionate Share of Net Pension Liability and a Schedule of College Contributions.

Other Supplementary Information

Following the basic financial statements, the footnotes and required supplementary information are two comparative supplemental schedules, the Combining Statement of Net Position and Combining Statement of Revenue, Expenses and Changes in Net Position for years ended June 30, 2020 and 2019, respectively. The various funds presented on these statements are for internal purposes only. Though the Governmental Accounting Standards Board does not require this information for a fair and complete presentation, the statements do provide additional information regarding the various funds and activities of the College not disclosed in the basic statements.

The General Fund is the chief operating fund of the College, and had a net position of \$55.3 million, \$46.2 million and \$37.2 million excluding the GASB 68 and GASB 75 liabilities at June 30, 2020, 2019 and 2018, respectively. This is an increase of \$9.1 million from 2019 to 2020, an increase of \$9.0 million from 2018 to 2019 and an increase of \$3.8 million from 2017 to 2018.

The designated fund related to the GASB 68 pension liability and GASB 75 OPEB liability had a deficit net position of \$229.1 million, \$224.9 million and \$227.1 million as of June 30, 2020, 2019 and 2018, respectively. This fund is displayed separately on the Combining Statement of Net Position. Other funds of the College including the Designated Fund, Auxiliary Services Fund, Restricted Fund, Student Loan Fund, Endowment and Similar Funds, and Plant Funds comprise the remaining overall net position for a combined College total of \$247.6 million, \$215.9 million and \$180.5 million in 2020, 2019 and 2018, respectively.

The Designated Fund's net position is designated for various instructional programs, including workforce development, future retirement costs, and rising health care costs. See Note 4 for a more detailed description of retirement liability. The Auxiliary Fund's net position is designated for various capital improvements and future operations at the College's bookstores. The Plant Fund is unrestricted and is designated for various capital projects.

OAKLAND COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors that will affect the Future

The economic position of the College is closely tied to that of Oakland County and the State of Michigan as it relates to property tax revenues and state appropriations. Oakland County's property tax values stabilized in 2016 and began to increase in the years since then but current rates still result in property tax revenues lower than their peak nine years ago.

Student enrollment has been decreasing over the past several years, a factor closely related to the improvement in the economy and lower unemployment. Student contact hours were 326,095 for fiscal year 2020, 337,096 for fiscal year 2019, and 360,831 for fiscal year 2018. In 2018, 2019 and 2020, the Board of Trustees approved a 2 percent increase in the In-district and Out of District tuition rates. The College charges students by billable contact hour, a methodology approved by the Board of Trustees beginning with fall 2016. When this methodology was implemented, the Board of Trustees also eliminated the Out of State/International tuition rate and now these students are billed at Out of District rates.

State appropriations are expected to be stable for the next fiscal year but future year declines may be inevitable depending on the length of economic disruption due to the Coronavirus pandemic.

Payroll and related expenses represent approximately 67.0 percent, 65.4 percent and 64.7 percent of the total operating expenses reported on the June 30, 2020, 2019, and 2018 statement of revenue, expenses, and changes in net position. The College anticipates that payroll costs will reflect annual incremental increases. The College anticipates an increase in benefit costs as a result of the increase in the mandatory hard cap dollar amount that public employers are required to fund toward employee health benefits and the increased contribution requirements for MPERS.

At this time, the future economic impact of the Coronavirus pandemic remains uncertain. The College has reacted swiftly and decisively to continue providing quality educational resources to students. We continue to increase on-line and remote offerings but are hopeful for a solution that will allow us to fully return to our campuses in the coming year.

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OAKLAND COMMUNITY COLLEGE

STATEMENTS OF NET POSITION

JUNE 30

	College		Component Unit - Foundation	
	2020	2019	2020	2019
ASSETS				
Current assets				
Cash and cash equivalents	\$ 32,313,418	\$ 36,208,294	\$ 703,032	\$ 420,686
Accrued interest	1,380,999	1,108,381	-	-
Short-term investments	8,788,774	17,391,190	6,494,680	6,427,585
Property taxes receivable - net of allowance	144,330	63,145	-	-
State appropriations receivable	3,028,260	5,387,698	-	-
Federal and state grants receivable	2,328,704	1,448,032	-	-
Accounts receivable - net of allowance	1,197,498	1,809,221	134,633	80,585
Inventories	1,405,071	1,432,514	-	-
Prepaid expenses and other assets	4,879,423	5,486,283	-	-
Total current assets	55,466,477	70,334,758	7,332,345	6,928,856
Long-term investments	320,254,663	263,997,720	-	-
Capital assets – non-depreciable	22,297,789	11,381,620	-	-
Capital assets – depreciable, net	105,208,554	118,805,534	-	-
Total assets	\$ 503,227,483	\$ 464,519,632	\$ 7,332,345	\$ 6,928,856
Deferred outflows of resources	\$ 68,835,102	\$ 68,316,726	\$ -	\$ -
LIABILITIES				
Current liabilities				
Current portion of long-term debt obligations	948,459	923,693	\$ -	\$ -
Accounts payable	8,319,605	5,760,698	305,348	262,440
Accrued interest payable	27,918	41,332	-	-
Accrued payrolls, vacation, and other compensation	7,529,383	7,968,347	-	-
Unearned revenue	3,050,002	2,247,905	-	-
Deposits held for others	3,366,295	3,309,245	-	-
Total current liabilities	23,241,662	20,251,220	-	-
Long-term debt obligations - net	973,888	1,922,347	-	-
Net pension liability	206,528,014	192,275,400	-	-
Net OPEB liability	43,948,736	49,256,724	-	-
Compensated absences - net of current portion	2,331,859	1,595,927	-	-
Total liabilities	\$ 277,024,159	\$ 265,301,620	\$ -	\$ -
Deferred inflows of resources	\$ 47,455,146	\$ 51,671,255	\$ -	\$ -
NET POSITION				
Net investment in capital assets	\$ 125,583,996	\$ 127,341,114	\$ -	\$ -
Restricted:				
Nonexpendable endowments	-	-	2,347,896	2,138,657
Expendable scholarships and grants	409,032	1,294,852	1,247,049	1,295,023
Unrestricted	121,590,252	87,227,517	3,432,052	3,232,736
Total net position	\$ 247,583,280	\$ 215,863,483	\$ 7,026,997	\$ 6,666,416

The accompanying notes are an integral part of these financial statements.

OAKLAND COMMUNITY COLLEGE

STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

YEARS ENDED JUNE 30

	College		Component Unit - Foundation	
	2020	2019	2020	2019
Operating revenues				
Tuition and fees - net of scholarship allowance of \$11,298,738 in 2020 and \$11,281,888 in 2019	\$ 29,771,347	\$ 29,884,796	\$ -	\$ -
Federal grants and contracts	3,009,624	3,132,531	-	-
State and local grants and contracts	929,845	943,234	-	-
Nongovernmental grants and contracts	494,366	728,247	-	-
Auxiliary activities	4,280,615	4,754,949	-	-
Miscellaneous	769,077	814,703	-	-
Total operating revenues	39,254,874	40,258,460	-	-
Operating expenses				
Instruction	54,576,897	51,497,349	-	-
Academic support	19,942,660	18,986,536	-	-
Student services	27,618,481	26,052,331	-	-
Institutional Support	18,083,722	15,665,786	355,883	301,024
Information Technology	9,145,353	7,919,911	-	-
Physical plant operations	18,076,615	17,693,042	-	-
Depreciation	17,443,042	17,253,448	-	-
Public services	178,277	163,667	-	-
Total operating expenses	165,065,047	155,232,070	355,883	301,024
Operating loss	(125,810,173)	(114,973,610)	(355,883)	(301,024)
Non-operating revenues (expenses)				
Pell grant revenue	14,584,483	15,472,861	-	-
CARES grant revenue	1,704,999	-	-	-
State appropriations	23,345,507	24,972,066	-	-
State appropriations for UAAL	7,065,991	6,733,962	-	-
Property taxes	89,630,341	86,092,187	-	-
Gifts	-	-	744,367	518,358
Investment income	8,400,571	7,795,609	251,978	245,317
Net realized and unrealized gain (loss) on investments	12,798,078	9,270,325	(279,881)	39,522
Net non-operating revenues	157,529,970	150,337,010	716,464	803,197
Increase in net position	31,719,797	35,363,400	360,581	502,173
Net position - beginning of year	215,863,483	180,500,083	6,666,416	6,164,243
Net position - end of year	\$ 247,583,280	\$ 215,863,483	\$ 7,026,997	\$ 6,666,416

The accompanying notes are an integral part of these financial statements.

OAKLAND COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30

	2020	2019
Cash flows from operating activities		
Tuition and fees	\$ 31,185,167	\$ 29,493,686
Grants and contracts	3,553,163	4,955,144
Payments to suppliers	(72,165,814)	(74,217,582)
Payments to employees	(67,671,924)	(66,290,229)
Auxiliary enterprise charges	5,049,692	5,569,652
	(100,049,716)	(100,489,329)
Cash flows from noncapital financing activities		
Pell and CARES grant revenue	16,289,482	15,472,861
Direct loan receipts	10,171,195	10,423,105
Direct loan disbursements	(10,171,195)	(10,423,105)
Property taxes	89,549,156	86,150,403
State appropriations	32,770,936	31,587,997
	138,609,574	133,211,261
Cash flows from capital and related financing activities		
Purchase of capital assets	(14,789,131)	(7,459,124)
Principal paid on capital debt	(923,693)	(899,574)
Interest accrued (paid) on capital debt	(13,414)	(13,065)
	(15,726,238)	(8,371,763)
Cash flows from investing activities		
Purchase of investments	(181,392,918)	(197,748,433)
Interest on investments	8,491,354	6,364,794
Proceeds from sales and maturities of investments	146,173,068	162,575,180
	(26,728,496)	(28,808,459)
Net cash used in investing activities		
	(26,728,496)	(28,808,459)
Net increase (decrease) in cash and cash equivalents	\$ (3,894,876)	\$ (4,458,290)
Cash and cash equivalents - beginning of year	36,208,294	40,666,584
	\$ 32,313,418	\$ 36,208,294
Cash and cash equivalents - end of year		
	\$ 32,313,418	\$ 36,208,294
Significant Noncash Transactions		
Unrealized gain on investments at fiscal year-end	\$ 11,213,486	\$ 10,335,305

The accompanying notes are an integral part of these financial statements.

OAKLAND COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30

Reconciliation of Operating Loss to Net Cash Used in Operating Activities

	2020	2019
Operating loss	\$ (125,810,173)	\$ (114,973,610)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	17,443,042	17,253,448
Loss on disposal of capital assets	26,900	-
Provision for uncollectible receivables	804,603	814,433
Changes in operating assets and liabilities which (used) provided cash		
Accounts receivable	(192,880)	(668,902)
Federal and state grants receivable	(800,672)	151,132
Inventories	27,443	211,512
Prepaid assets and other current assets	606,860	(315,172)
Accounts payable	2,558,907	(1,380,523)
Accrued payroll and other compensation	296,966	805,359
Deposits held for others	57,050	383,513
Unearned revenue	802,097	(536,641)
Deferred outflows of resources	(518,376)	(30,446,868)
Deferred inflows of resources	(4,216,109)	19,694,670
Pension and OPEB Liability	8,944,626	8,518,320
Net cash used in operating activities	\$ (100,049,716)	\$ (100,489,329)

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity –

Oakland Community College (the "College") is a Michigan community college whose financial statements have been prepared in accordance with the accounting principles as prescribed by the Governmental Accounting Standards Board and as outlined in the *State of Michigan Manual for Uniform Financial Reporting - Michigan Public Community Colleges, 2001*.

The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational or financial relationships with the College. Based on application of the criteria, the College has one component unit. A component unit is a separate legal entity that is included in the College's reporting entity because of the significance of its operational financial relationships with the College.

The Oakland Community College Foundation (the "Foundation") is discretely reported as part of the College's reporting entity (although it is legally separate and governed by its own Board of Directors) because its sole purpose is to provide support to the College. Audited financial statements of the Foundation may be obtained by contacting Oakland Community College Foundation, 2480 Opdyke Road, Bloomfield Hills, Michigan 48304-2266.

Basis of Accounting – Oakland Community College

The financial statements of the College have been prepared using an economic resources management focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred.

Basis of Accounting - Component Unit

The Foundation is a nonprofit organization that reports under the provisions of Accounting Standards Codification ("ASC") Topic 958, *Not-for-Profit Entities*. As such, certain revenue recognition criteria and presentation features are different from Governmental Accounting Standards Board ("GASB") revenue recognition and presentation features. The Foundation financial statements are prepared in accordance with generally accepted accounting principles as prescribed by the Financial Accounting Standards Board ("FASB"). With the exception of necessary presentation adjustments, no modifications have been made to the Foundation's financial information in the College's financial report for these differences.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Impact of COVID-19 pandemic

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic, now known as COVID-19. In response to the COVID-19 pandemic, governments have taken preventative or protective actions, such as temporary closures of non-essential businesses and “shelter-at-home” guidelines for individuals. As a result, the global economy has been negatively affected, and the College's operations were also impacted.

Due to the “shelter-at-home” guidelines beginning in March 2020 and extending until June 2020, the College shifted to a remote online learning environment and had minimal employees on campus performing essential operations. The College canceled all on-campus events, continuing education courses, conferences and rentals until the “shelter-at-home” guidelines were reduced or removed, which resulted in lost revenues for the College for the year ended June 30, 2020. Contract employees and some full and part-time regular employees were furloughed.

To offset the financial impact to students and the losses incurred by the College due to the disruption caused by COVID-19, the College received grants and other relief primarily from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The College was allocated Higher Education Emergency Relief Fund (HEERF) grants totaling \$7.5 million, of which 50 percent was required to be given directly to students. For the year ended June 30, 2020, the College recognized HEERF grant revenue totaling \$1.7 million.

In addition, the College is also receiving in fiscal year 2021 \$2.5 million other federal emergency relief in the form of Coronavirus Relief Funds (CRF) funds passed through by the state of Michigan to offset the loss of 11 percent of state appropriations in 2020.

The severity of the continued impact due to COVID-19 on the College’s financial condition, results of operations or cash flows will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the College's community, all of which are uncertain and cannot be predicted.

Significant Accounting Policies

Significant accounting policies followed by Oakland Community College are described below to enhance the usefulness of the financial statements to the reader:

Cash and Cash Equivalents - Cash and cash equivalents consist of all deposit accounts and highly liquid investments with an initial maturity of three months or less.

Accounts Receivable - Accounts receivable are recorded net of allowance for uncollectible amounts of approximately \$1.2 million and \$1.8 million as of June 30, 2020 and 2019, respectively. The allowance for doubtful accounts is established using a general valuation

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

allowance based on historical loss experience, including experience with Title IV returns. All amounts deemed to be uncollectible are charged against the allowance in the period that determination is made.

Investments - Investments are stated at fair value, based on quoted market prices or other observable inputs and may not be indicative of net realizable value or reflective of future fair value.

Risks and Uncertainties - The College invests in various instruments which are exposed to risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statement of net position.

Inventories – Inventories held for resale are stated at the lower of cost or market.

Capital Assets - Capital assets consist of property and equipment that are stated at cost, or, in the case of donated property, at acquisition value on the date the gift was received. Depreciation is provided for property and equipment on a straight-line basis over the estimated useful lives of the assets. Expenditures for property and equipment greater than \$5,000 are capitalized. The useful lives of the capital assets range from 5-40 years and are listed by category of capital asset in footnote 3.

Unearned Revenue - Revenue received prior to year-end that relates to the next fiscal period is recorded as unearned revenue. Unearned revenue at June 30, 2020 includes \$3.0 million of tuition for the 2020 summer term, which began on May 11, 2020 and ended on August 25, 2020. Unearned revenue at June 30, 2019 includes \$2.2 million of tuition for the 2019 summer term, which began on May 6, 2019 and ended on August 19, 2019. Grants received prior to qualifying expenditures are also included in unearned revenue.

Compensated Absences – Compensated absences included in the accompanying statement of net position represent the accumulated liability of the College for the amount of earned vacation and sick time that are required to be paid out to certain employees based on College policy and existing union contracts.

Revenue Recognition - Revenue from state appropriations are recognized in accordance with the accounting method described in the *Manual for Uniform Financial Reporting - Michigan Public Community Colleges, 2001*, which provides that state appropriations are recorded as revenue in the period for which such amounts are appropriated. Student tuition and related revenues and expenses of an academic semester are reported in the fiscal year in which the program is conducted.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Operating revenues of the College consist of tuition and fees, certain grants and contracts, and sales and services of educational activities. Transactions related to capital and financing activities, noncapital financing activities, investing activities, state appropriations, property taxes, and Federal Pell grants and other federal grants, i.e. CARES, are components of non-operating and other revenues. For financial reporting purposes, restricted resources are deemed to be utilized first when both restricted and unrestricted resources are available to satisfy an expense.

Property taxes are recorded as revenue when received, which approximates the amounts when levied. Property taxes are levied on December 1 based on taxable values as of the preceding December 31. The taxes, which are collected and remitted to the College by municipalities within the College district boundaries, are collected through February 28. Uncollected real property taxes of the College are turned over to the counties in which the district is located for subsequent collection. The College is subsequently paid 100 percent of delinquent real property taxes through the counties' tax revolving funds. These payments are usually received within three to five months after the delinquency date.

During the years ended June 30, 2020 and 2019, 1.5303 and 1.5431, respectively of tax per \$1,000 of taxable property value in the College taxing district was levied for general operating purposes on all property. Total operating property tax revenue was \$89.6 million and \$86.1 million for the years ended June 30, 2020 and 2019, respectively.

Scholarship Allowance - Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowance in the statement of revenues, expenses, and changes in net position. Scholarship allowance is the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs, are recorded as either operating or non-operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship allowance.

Expenses - Operating expenses include the costs of services, administrative expenses, and depreciation on capital assets. All expenses not meeting this definition are reported as non-operating expenses.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. MPERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expense when due and payable in accordance with the benefit terms. Related plan investments are reported at fair value.

Other Postemployment Benefit Costs - For purposes of measuring the net other postemployment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the MPERS and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. MPERS uses the economic resources measurement focus and the full accrual basis of accounting. For this purpose, MPERS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Deferred Outflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then.

The College reports deferred outflows of resources for certain pension related and OPEB-related amounts, such as change in expected and actual experience, changes in assumptions, and certain contributions made to the plan subsequent to the measurement date. More detailed information can be found in Note 4.

Deferred Inflows of Resources - In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

The College reports deferred inflows of resources for certain pension related and OPEB-related amounts, such as the difference between projected and actual earnings of the plan's investments. More detailed information can be found in Note 4.

Use of Estimates - The process of preparing financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Actual results may differ from estimated amounts.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Net Position - GASB No. 34 establishes standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following net position categories.

Unrestricted Net Position - Unrestricted net position represents net position that is not subject to externally imposed restrictions. In fiscal year 2020 and 2019 the College's unrestricted net position is comprised of the following:

	<u>2020</u>	<u>2019</u>
Designated for future capital outlay and major maintenance	\$ 191,482,875	\$ 161,553,751
Designated for quasi-endowment	19,701,751	18,381,955
Designated for auxiliary activities, net	5,023,365	7,088,248
Designated for instructional programs (designated fund)	3,178,780	2,851,478
Designated for future retirement contributions (designated fund)	71,044,480	71,044,480
Designated for future health, property, casualty insurance (designated fund)	5,000,000	5,000,000
Designated for unfunded pension and OPEB liabilities	(229,096,794)	(224,886,653)
Unrestricted and unallocated net position	55,255,795	46,194,258
	<u><u>\$ 121,590,252</u></u>	<u><u>\$ 87,227,517</u></u>

The College has had a Financial Reserves and Designated Funds Policy since 2015 when the Board approved the policy in order to meet cash flow requirements, maintain a strong credit rating, and allow for flexibility to respond to changes in the economic environment. With the policy, the College shall maintain financial designations for operating funds of not less than three months of operating expenditures of the total combined funds based on annual audited expenditures for the past three years.

Additionally, funds are designated for retirement fund, quasi-endowment, and health and property casualty fund. The current balances in the unrestricted and designated funds listed above meet the requirements of this policy.

Net Investment In Capital Assets - Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Restricted Net Position –

- **Nonexpendable** - Net position subject to externally imposed constraints that they be maintained permanently by the College. Nonexpendable net position includes corpus portion (historical value) of gifts to the College's permanent endowment funds and certain investment earnings stipulated by the donor to be reinvested permanently.
- **Expendable** – Net position whose use by the College is subject to externally imposed constraints that can be fulfilled by actions of the College pursuant to those constraints or that expire by the passage of time.

2. CASH AND INVESTMENTS

Deposits - State law limits the College to invest in demand accounts, negotiable certificates of deposit, saving accounts, or other interest-earning deposit accounts of banks that are members of the Federal Deposit Insurance Corporation (FDIC). \$500,000 and \$500,000 of cash and certificates of deposit was covered by FDIC insurance and \$35.2 million and \$38.9 million of cash and certificates of deposit was not covered by FDIC insurance at June 30, 2020 and 2019, respectively. In addition, commercial paper in the amount \$17.2 million as of June 30, 2019, are included as short term investments and are not subject to FDIC insurance provisions.

Investments - Investment policies as set forth by the Board of Trustees also authorize the College to invest in bonds, bills, or notes of the United States or of an agency of instrumentality of the United States or obligations of the State of Michigan. Funds may also be invested in commercial paper that is supported by an irrevocable letter of credit issued by a bank that is a member of the FDIC and commercial paper of corporations located in Michigan. The aforementioned investment policy is in accordance with State of Michigan law.

The Board of Trustees has authorized PFM Group to make investment decisions in accordance with policies set forth by the Board of Trustees.

Fair Value Measurements - The College categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The College's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The College has the following recurring fair value measurements as of June 30, 2020 and 2019:

	2020	Quoted Prices in Active Markets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Investments by fair value level				
Debt Securities				
U.S. Treasury securities	\$ 142,420,096	\$ -	\$ 142,420,096	\$ -
Tax-Exempt Municipal Bonds	3,137,761	-	3,137,761	-
Federal Agency Mortgage-Backed Securities	68,606,195	-	68,606,195	-
Federal Agency Collateralized Mortgage Obligations	78,805,194	-	78,805,194	-
Federal Agency Bonds/Notes	29,314,751	-	29,314,751	-
Total investments by fair value level	\$ 322,283,997	\$ -	\$ 322,283,997	\$ -
Investments at cost				
Certificates of deposit	759,440			
Michigan Liquid Asset Fund Plus-TERM	6,000,000			
Total Investments	\$ 329,043,437			

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

	2019	Quoted Prices in Active Markets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Investments by fair value level				
Debt Securities				
U.S. Treasury securities	\$ 116,323,516	\$ -	\$ 116,323,516	\$ -
Tax-Exempt Municipal Bonds	-	-	-	-
Federal Agency Mortgage-Backed Securities	53,329,717	-	53,329,717	-
Federal Agency Collateralized Mortgage Obligations	64,422,851	-	64,422,851	-
Federal Agency Bonds/Notes	29,379,006	-	29,379,006	-
Total investments by fair value level	\$ 263,455,090	\$ -	\$ 263,455,090	\$ -
Investments at cost				
Certificates of deposit	765,680			
Commercial paper	17,168,140			
Total Investments	\$ 281,388,910			

The fair value of the U.S. Treasury securities, tax-exempt municipal bonds, and federal government agency securities at June 30, 2020 and 2019 was determined primarily based on level 2 inputs. The College estimates the fair value of these investments using other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

The College did not have any Level 1 or Level 3 investments as of June 30, 2020 and June 30, 2019.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

The College's cash and investments are included on the statements of net position under the following classifications as of June 30:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 32,313,418	\$ 36,208,294
Short-term investments	8,788,774	17,391,190
Long-term investments	<u>320,254,663</u>	<u>263,997,720</u>
Total	<u>\$ 361,356,855</u>	<u>\$ 317,597,204</u>

The amounts are categorized as follows at June 30:

	<u>2020</u>	<u>2019</u>
Bank deposits (checking, savings, cash sweep accounts)	\$ 32,313,418	\$ 36,208,294
Investments	<u>329,043,437</u>	<u>281,388,910</u>
Total	<u>\$ 361,356,855</u>	<u>\$ 317,597,204</u>

Interest Rate Risk - The College's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the College, with the assistance of PFM, monitors market conditions and forecasts as well as cash flow needs to optimize the maturity of its investments.

Credit Risk - The College is authorized by Michigan Public Act 331 of 1966, as amended through 2012, and by resolution of the Board of Trustees to invest funds in bonds, bills and notes of the United States or obligations of the State of Michigan, mutual funds and investment pools that are composed of authorized investments, bankers acceptances, commercial paper rated prime by at least one of the standard rating services, negotiable certificates of deposits and certain repurchase agreements. The College has no investment policy that would further limit its investment choices.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

The College fixed income investments by credit rating and maturity at June 30, 2020 and 2019 were as follows:

2020	Credit Quality Rating	Fair Value	Less Than One Year	1-5 Years	More than 5 Years
U.S. Treasury securities	AA+/Aaa	\$142,420,096	\$ -	\$136,441,424	\$ 5,978,672
Tax-Exempt Municipal Bonds	AA+/Aaa	3,137,761	-	3,137,761	-
Federal Agency Mortgage-Backed Securities	AA+/Aaa	68,606,195	-	724,104	67,882,091
Federal Agency Collateralized Mortgage Obligations	AA+/Aaa	78,805,194	-	27,957,642	50,847,552
Federal Agency Bonds/Notes	AA+/Aaa	29,314,751	2,824,728	26,490,023	-
Certificates of deposit	A+/Aa1	759,440	-	759,440	-
Michigan Liquid Asset Fund Plus-TERM	AAAm/NR	6,000,000	6,000,000	-	-
Total		<u>\$329,043,437</u>	<u>\$8,824,728</u>	<u>\$195,510,394</u>	<u>\$124,708,315</u>

2019	Credit Quality Rating	Fair Value	Less Than One Year	1-5 Years	More than 5 Years
U.S. Treasury securities	AA+/Aaa	\$116,323,516	\$209,565	\$80,728,523	\$ 35,385,428
Federal Agency Mortgage-Backed Securities	AA+/Aaa	53,329,717	-	1,303,027	52,026,690
Federal Agency Collateralized Mortgage Obligations	AA+/Aaa	64,422,851	14,074	19,698,623	44,710,154
Federal Agency Bonds/Notes	AA+/Aaa	29,379,006	-	26,706,546	2,672,460
Certificates of deposit	A+/Aa1	765,680	-	765,680	-
Commercial paper	A-1/A-1+/P-1	17,168,140	17,168,140	-	-
Total		<u>\$281,388,910</u>	<u>\$17,391,779</u>	<u>\$129,202,399</u>	<u>\$134,794,732</u>

* Treasury, Federal Mortgage Obligation and Federal Agency bonds are subject to monthly, quarterly, or semiannual interest and/ or principal payments. The maturities are based on the stated date of the last principal and interest payment. These investments may be callable and have interest rates ranging from .5 percent to 6.75 percent in 2020 and 1.25 percent to 6.75 percent in 2019.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Custodial Credit Risk - All of the College's investments are in the name of the College or, as applicable, the investments are in trust accounts with each financial institution from which they were purchased.

Concentration of Credit Risk – Other than government securities, the amount of funds invested in one financial institution shall not exceed 5% of the total investment portfolio of the College. In the event there is a merger/acquisition of two or more financial institutions in which the College's funds are invested, the College will require a one-year (1-year) period of time within which to divest funds from its accounts, such that the total amount of funds invested in one financial institution does not exceed 5 percent.

More than five percent of the College's investments at June 30, 2020 and 2019 were invested as follows:

<u>Issuer</u>	<u>2020</u>	<u>2019</u>
Federal Home Loan Mortgage Corporation	19%	21%
Federal National Mortgage Association	21%	20%
U.S. Treasury	44%	41%

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance		Disposals/	Balance	Useful Life
	<u>July 1, 2019</u>	<u>Additions</u>	<u>Transfers</u>	<u>June 30, 2020</u>	<u>Years</u>
Capital assets - non-depreciable					
Land	\$ 9,549,179	\$ 666,410	\$ -	\$ 10,215,589	
Construction in progress	<u>1,832,441</u>	<u>11,965,974</u>	<u>(1,716,215)</u>	<u>12,082,200</u>	
Total capital assets – non-depreciable	<u>\$ 11,381,620</u>	<u>\$ 12,632,384</u>	<u>\$ (1,716,215)</u>	<u>\$ 22,297,789</u>	
Capital assets - depreciable					
Land improvements	\$ 22,198,729	\$ -	\$ 334,782	\$ 22,533,511	5-25
Buildings and improvements	297,023,661	-	1,291,064	298,314,725	5-40
Furniture, fixtures and equipment	49,269,788	2,006,866	(183,055)	51,093,599	5-20
Library materials	9,247,142	149,878	(274,854)	9,122,166	15
Infrastructure	<u>22,219,779</u>	<u>-</u>	<u>-</u>	<u>22,219,779</u>	10-25
Total capital assets - depreciable	<u>\$ 399,959,099</u>	<u>\$ 2,156,744</u>	<u>\$ 1,167,937</u>	<u>\$ 403,283,780</u>	
Less accumulated depreciation					
Land improvements	\$ 13,833,460	\$ 851,100	\$ -	\$ 14,684,560	
Buildings and improvements	203,269,507	12,354,567	-	215,624,074	
Furniture, fixtures and equipment	36,853,694	3,526,919	(246,526)	40,134,087	
Library materials	7,587,745	212,321	(274,855)	7,525,211	
Infrastructure	<u>19,609,159</u>	<u>498,135</u>	<u>-</u>	<u>20,107,294</u>	
Total accumulated depreciation	<u>\$ 281,153,565</u>	<u>\$ 17,443,042</u>	<u>\$ (521,381)</u>	<u>\$ 298,075,226</u>	
Total capital assets – depreciable, net	<u>\$ 118,805,534</u>			<u>\$ 105,208,554</u>	
Net capital assets	<u>\$ 130,187,154</u>			<u>\$ 127,506,343</u>	

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NOTES TO FINANCIAL STATEMENTS

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Useful Life</u> <u>Years</u>
Capital assets - non-depreciable					
Land	\$ 9,549,179	\$ -	\$ -	\$ 9,549,179	
Construction in progress	<u>4,412,071</u>	<u>4,810,477</u>	<u>(7,390,107)</u>	<u>1,832,441</u>	
Total capital assets – non-depreciable	<u>\$ 13,961,250</u>	<u>\$ 4,810,478</u>	<u>\$ (7,390,107)</u>	<u>\$ 11,381,620</u>	
Capital assets - depreciable					
Land improvements	\$ 19,627,636	\$ -	\$ 2,571,093	\$ 22,198,729	5-25
Buildings and improvements	292,222,426	-	4,801,235	297,023,661	5-40
Furniture, fixtures and equipment	46,926,315	2,453,502	(110,029)	49,269,788	5-20
Library materials	9,344,345	195,144	(292,347)	9,247,142	15
Infrastructure	<u>22,202,000</u>	<u>-</u>	<u>17,779</u>	<u>22,219,779</u>	10-25
Total capital assets - depreciable	<u>\$ 390,322,722</u>	<u>\$ 2,648,646</u>	<u>\$ 6,987,731</u>	<u>\$ 399,959,099</u>	
Less accumulated depreciation					
Land improvements	\$ 13,133,239	\$ 700,221	\$ -	\$ 13,833,460	
Buildings and improvements	190,822,562	12,446,945	-	203,269,507	
Furniture, fixtures and equipment	33,571,033	3,392,690	(110,029)	36,853,694	
Library materials	7,674,752	205,339	(292,347)	7,587,745	
Infrastructure	<u>19,100,908</u>	<u>508,251</u>	<u>-</u>	<u>19,609,159</u>	
Total accumulated depreciation	<u>\$ 264,302,494</u>	<u>\$ 17,253,446</u>	<u>\$ (402,376)</u>	<u>\$ 281,153,565</u>	
Total capital assets – depreciable, net	<u>\$ 126,020,228</u>			<u>\$ 118,805,534</u>	
Net capital assets	<u>\$ 139,981,478</u>			<u>\$ 130,187,154</u>	

OAKLAND COMMUNITY COLLEGE

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4. RETIREMENT PLANS

Defined Benefit Pension and OPEB Plans

Plan Description – The College participates in the Michigan Public School Employees’ Retirement System (MPERS or the “System”), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers substantially all employees of the College. Certain College employees also receive defined contribution retirement and healthcare benefits through the System. The System provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The System also provides post-employment health care benefits to retirees and beneficiaries who elect to receive those benefits.

The Michigan Public School Employees’ Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the pension and post-employment healthcare plans. That report is available on the web at <http://www.michigan.gov/orsschools>, or by writing to the Office of Retirement System (ORS) at 7150 Harris Drive, P.O. Box 30171, Lansing MI 48909.

Contributions – Public Act 300 of 1980, as amended, required the College to contribute amounts necessary to finance the coverage of pension benefits of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature. Under these provisions, each College’s contribution is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability.

Under the OPEB plan, retirees electing this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent, or 20 percent for those not Medicare eligible, of the monthly premium amount for the health, dental, and vision coverage at the time of receiving the benefits. The MPERS board of trustees annually sets the employer contribution rate to fund the benefits. Participating employers are required to contribute at that rate.

Under Public Act 300 of 2012, members were given the choice between continuing the 3 percent contribution to the retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3 percent contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2 percent employee contribution into their 457 account as of their transition date, earning them a 2 percent employer match into a 401(k) account. Members who selected this option stop paying the 3 percent contribution to the retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

The College’s contributions are determined based on employee elections. There are multiple benefit different pension and healthcare benefit options included in the plan available to employees based on date of hire and the elections available at that time. Contribution rates are adjusted annually by the ORS.

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The range of rates is as follows:

	Pension	OPEB
October 1, 2017 – January 31, 2018	13.54% - 17.89%	7.42% - 7.67%
February 1, 2018 – September 30, 2018	13.54% - 19.74%	7.42% - 7.67%
October 1, 2018 – September 30, 2019	13.39% - 19.59%	7.57% - 7.93%
October 1, 2019 – September 30, 2020	13.39% - 19.59%	7.57% - 8.09%

Depending on the plan selected, member pension contributions range from 0 percent up to 7.0 percent of gross wages. For certain plan members, a 4 percent employer contribution to the defined contribution pension plan is required. In addition, for certain plan members, a 3 percent employer match is provided to the defined contribution pension plan.

The College's required and actual pension contributions to the plan for the years ended June 30, 2020 and 2019 were \$17.3 million and \$16.8 million, respectively, which include the College's contributions required for those members with defined contribution benefit. The College's required and actual pension contributions include an allocation of \$7.0 and \$7.1 in revenue received from the State of Michigan, and remitted to the System, to fund the MPSERS unfunded actuarial accrued liability (UAAL) stabilization rate for the year ended June 30, 2020 and 2019, respectively.

The College's required and actual OPEB contributions to the plan for the year ended June 30, 2020 and 2019 were \$4.5 million and \$4.3 million, respectively, which include the College's contributions required for those members with a defined contribution benefit. There was no allocation of revenue received from the State of Michigan, and remitted to the System, to fund the MPSERS unfunded actuarial accrued liability (UAAL) stabilization rate for OPEB in 2020 or 2019.

Benefits Provided – Benefit provisions of the defined benefit (DB) pension plan and the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit pension plan and the postemployment healthcare plan.

Depending on the plan option selected, member retirement benefits are calculated as final average compensation times years of service times a pension factor ranging from 1.25 percent to 1.50 percent. The requirements to retire range from attaining the age of 46 to 60 with years of service ranging from 5 to 30 years, depending on when the employee became a member. Early retirement is computed in the same manner as a regular pension, but is permanently reduced 0.50 percent for each full and partial month between the pension effective date and the date the member will attain age 60. There is no mandatory retirement age.

Depending on the member's date of hire, MPSERS offers the option of participating in the Defined Contribution (DC) plan that provides a 50 percent employer match (up to 3 percent of salary) on employee contributions.

Members are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as

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retirement benefits but are payable immediately without an actuarial reduction. The disability benefits plus authorized outside earnings are limited to 100 percent of the participant's final average compensation with an increase of 2 percent each year thereafter.

Benefits may transfer to a beneficiary upon death, and are determined in the same manner as retirement benefits, but with an actuarial reduction.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3 percent. For some members that do not receive an annual increase, they are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions.

MPSERS provides medical, prescription drug, dental, and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by MPSERS with the balance deducted from the monthly pension of each retiree healthcare recipient. Depending on the member's date of hire, this subsidized portion ranges from 80 percent to the maximum allowed by the statute.

Net Pension Liability – At June 30, 2020 and 2019, the College reported a liability of \$206.5 million and \$192.3 million, respectively, for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2019 and 2018, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2018 and September 30, 2017, which used update procedures to roll forward the estimated liability to September 30, 2019 and September 30, 2018. The College's proportion of the net pension liability was based on a projection of its long-term share of contributions to the MPSERS pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2019 and September 30, 2018, the College's proportion was 0.62364 and 0.63960 percent, respectively.

Net OPEB Liability – At June 30, 2020, the College reported a liability of \$43.9 million for its proportionate share of the net OPEB liability. The net OPEB liability for fiscal year 2020 was measured as of September 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2018, which used updated procedures to roll forward the estimated liability to September 30, 2019. At June 30, 2019, the College reported a liability of \$49.3 million for its proportionate share of the net OPEB liability. The net OPEB liability for fiscal year 2019 was measured as of September 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2017, which used updated procedures to roll forward the estimated liability to September 30, 2018. The College's proportion of the net OPEB liability was based on a projection of its long term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2019 and September 30, 2018, the College's proportion was 0.61229 and 0.61966 percent, respectively.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension - For the year ended June 30, 2020 and 2019, the College recognized pension expense of \$24.8 million and \$17.4 million, respectively, inclusive of payments to fund the MPSERS UAAL stabilization rate. At June 30, 2020 and 2019, the College reported deferred inflows of resources related to pensions net of deferred outflows of resources from the following sources:

	2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 925,724	\$ 861,202
Changes of Assumptions	40,438,330	-
Net difference between projected and actual earnings on pension plan investments	-	6,618,872
Changes in proportion and differences between Reporting Unit contributions and proportionate share of contributions	109,127	12,215,579
Reporting Unit contributions subsequent to the measurement date	14,610,362	-
Total	<u>\$ 56,083,543</u>	<u>\$ 19,695,653</u>

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

	2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 892,194	\$ 1,397,232
Changes of Assumptions	44,530,824	-
Net difference between projected and actual earnings on pension plan investments	-	13,146,750
Changes in proportion and differences between Reporting Unit contributions and proportionate share of contributions	284,940	14,930,757
Reporting Unit contributions subsequent to the measurement date	14,237,864	-
Total	\$ 59,945,822	\$ 29,474,739

The \$6,950,580 and \$7,065,991 reported as deferred inflows of resources resulting from the pension portion of state aid payments received pursuant to Section 201(5) of the State School Aid Act (PA 94 of 1979), will be recognized as state appropriations revenue for the years ended June 30, 2021 and 2020, respectively. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ 7,956,565
2022	6,502,583
2023	5,033,456
2024	2,284,924
2025	-
Thereafter	-
Total	\$ 21,777,528

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year.

In addition, the College had deferred outflows of resources related to revenue in support of pension payments made subsequent to the measurement date totaling \$14.6 million and \$14.2 million at June 30, 2020 and 2019, respectively.

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NOTES TO FINANCIAL STATEMENTS

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2020 and 2019, the College recognized OPEB expense of \$89,000 and \$1.5 million, respectively.

At June 30, 2020 and 2019, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 16,126,034
Changes of Assumptions	9,522,801	-
Net difference between projected and actual earnings on pension plan investments	-	764,290
Changes in proportion and differences between Reporting Unit contributions and proportionate share of contributions	12,425	3,918,589
Reporting Unit contributions subsequent to the measurement date	<u>3,216,333</u>	<u>-</u>
Total	<u>\$ 12,751,559</u>	<u>\$ 20,808,913</u>
	2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 9,167,942
Changes of Assumptions	5,216,312	-
Net difference between projected and actual earnings on pension plan investments	-	1,893,054
Changes in proportion and differences between Reporting Unit contributions and proportionate share of contributions	17,447	4,069,529
Reporting Unit contributions subsequent to the measurement date	<u>3,137,145</u>	<u>-</u>
Total	<u>\$ 8,370,904</u>	<u>\$ 15,130,525</u>

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NOTES TO FINANCIAL STATEMENTS

There were no funds reported as deferred inflows of resources resulting from the OPEB portion of state aid payments received pursuant to Section 201 (5) of the State School Aid Act (PA 94 of 1979), that will be recognized as state appropriations revenue for the years ended June 30, 2021 and 2020, respectively. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (note that employer contributions subsequent to the measurement date will reduce the net OPEB liability and therefore will not be included in future pension expense):

Year Ending June 30	Amount
2021	\$ (3,081,012)
2022	(3,081,012)
2023	(2,701,895)
2024	(1,759,664)
2025	(650,104)
Thereafter	-
Total	\$ (11,273,687)

Actuarial Assumptions – The total pension liability and total OPEB liability as of September 30, 2019 and September 30, 2018, was based on the results of an actuarial valuation date of September 30, 2018 and September 30, 2017, respectively, and rolled forward. The total pension and OPEB liabilities was determined using the following actuarial assumptions:

Actuarial cost method		Entry Age normal cost actuarial cost method
Investment rate of return- Pension	2019 6.00% - 6.80% 2018 6.00% - 7.05%	Net of investment expenses based on the groups
Investment rate of return - OPEB	2019 6.95% 2018 7.15%	Net of investment expenses based on the groups
Salary increases	2019 2.75% - 11.55% 2018 2.75% - 11.55%	Including wage inflation of 2.75% (2019) and 2.75% (2018)
Healthcare Cost Trend Rate	2019 7.50% 2018 7.50%	Year 1, graded to 3.50% (2019) and 3.00% (2018) in year 12
Mortality basis		RP-2014 Male and Female Employee Annuitant Mortality tables, scaled 100% (retirees: 82% male and 78% females) and adjusted for mortality improvements using projection scale MP2017 from 2006
Cost of living pension adjustments	3.00%	Annual non-compounded for MIP members

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Assumption changes as a result of an experience study for the periods 2007 to 2012 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2014 valuation.

Discount Rate – The discount rate used to measure the total pension liability was 6.00-6.80 percent and 6.00-7.05 percent as of September 30, 2019 and 2018, respectively, depending on the plan option. The discount rate used to measure the total OPEB liability was 6.95 percent and 7.15 percent as of September 30, 2019 and 2018, respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates.

Based on those assumptions, the pension plan's fiduciary net position and the OPEB plan's fiduciary net position were projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on pension plan and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension liability and total OPEB liability.

The long-term expected rate of return on pension plan and OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following tables for 2019 and 2018, respectively:

	2020	
	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity Pools	28.0%	5.5%
Alternative Investment Pools	18.0%	8.6%
International Equity Pools	16.0%	7.3%
Fixed Income Pools	10.5%	1.2%
Real Estate & Infrastructure Pools	10.0%	4.2%
Absolute Return Pools	15.5%	5.4%
Short Term Investment Pools	2.0%	0.8%
Total	100.0%	

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	2019	
	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity Pools	28.0%	5.7%
Alternative Investment Pools	18.0%	9.2%
International Equity Pools	16.0%	7.2%
Fixed Income Pools	10.5%	0.5%
Real Estate & Infrastructure Pools	10.0%	3.9%
Absolute Return Pools	15.5%	5.2%
Short Term Investment Pools	2.0%	0.0%
Total	100.0%	

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of the College, calculated using the discount rate depending on the plan option, as well as what the College’s net pension liability would be if it were calculated using a discount rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

	2020		
	<u>1.00 percent decrease</u> <u>(5-5.8 percent)</u>	<u>Current Discount Rate</u> <u>(6-6.8 percent)</u>	<u>1.00 percent increase</u> <u>(7-7.8 percent)</u>
Net Pension Liability	\$ 268,499,630	\$ 206,528,014	\$ 155,151,409

	2019		
	<u>1.00 percent decrease</u> <u>(5-6.05 percent)</u>	<u>Current Discount Rate</u> <u>(6-7.05 percent)</u>	<u>1.00 percent increase</u> <u>(7-8.05 percent)</u>
Net Pension Liability	\$ 252,442,749	\$ 192,275,400	\$ 142,286,113

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Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the net OPEB liability of the College, calculated using the current discount rate. The following also reflects what the College's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>2020</u>		
	<u>1.00 percent decrease</u> <u>(5.95 percent)</u>	<u>Current Discount Rate</u> <u>(6.95 percent)</u>	<u>1.00 percent increase</u> <u>(7.95 percent)</u>
Net OPEB Liability	\$ 53,909,729	\$ 43,948,736	\$ 35,584,269

	<u>2019</u>		
	<u>1.00 percent decrease</u> <u>(6.15 percent)</u>	<u>Current Discount Rate</u> <u>(7.15 percent)</u>	<u>1.00 percent increase</u> <u>(8.15 percent)</u>
Net OPEB Liability	\$ 59,131,696	\$ 49,256,724	\$ 40,950,667

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following presents the net OPEB liability of the College, calculated using the current healthcare cost trend rate. The following also reflects what the College's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>2020</u>		
	<u>1.00 percent decrease</u> <u>(6.5 percent)</u>	<u>Current Healthcare Cost</u> <u>Trend Rate</u> <u>(7.5 percent)</u>	<u>1.00 percent increase</u> <u>(8.5 percent)</u>
Net OPEB Liability	\$ 35,229,652	\$ 43,948,736	\$ 53,908,547

	<u>2019</u>		
	<u>1.00 percent decrease</u> <u>(6.5 percent)</u>	<u>Current Healthcare Cost</u> <u>Trend Rate</u> <u>(7.5 percent)</u>	<u>1.00 percent increase</u> <u>(8.5 percent)</u>
Net OPEB Liability	\$ 40,513,113	\$ 49,256,724	\$ 59,287,432

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Pension plan and OPEB Plan fiduciary net position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued MPSERS financial report.

Payable to the Pension Plan and OPEB Plan – At June 30, 2020, the College reported a payable of \$1.5 million and approximately \$80,000 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2020. At June 30, 2019, the College reported a payable of \$1.9 million and approximately \$315,000 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2019.

Defined Contribution Plan

Existing professional MPSERS members and new professional employees of the College may elect to participate in an optional retirement program (ORP) in lieu of participating in the MPSERS plan. The ORP plan is a defined contribution plan affiliated with the Teachers Insurance and Annuity Association and the College Retirement Equities Fund (TIAA-CREF). Under the ORP, the percentage contributed by the College is 11 percent for the years ended June 30, 2020 and 2019. The payroll for the College's employees covered by the optional plan was \$13.1 million and \$12.5 million for fiscal years ended 2020 and 2019, respectively. College contributions were made in the amount required by the plan and totaled approximately \$1.4 million and \$1.4 million for fiscal years 2020 and 2019, respectively. Under the member investment plan, employees may contribute 4% of gross wages in addition to the College's contribution.

In addition to the MPSERS and ORP plans, the College also offers deferred compensation plans to all of its full-time and part-time employees (excluding student workers) under Sections 403(b) and 457(b) of the U.S. Internal Revenue Code. The College does not contribute to these plans but employees may make elective deferrals up to amounts allowable by current tax law.

5. LONG-TERM LIABILITIES

In 2018, the College entered into a five-year tax-exempt installment purchase agreement with Key Government Finance, Inc. for the purchase of computer hardware, software and maintenance. The total amount of the agreement is \$5 million with annual payments of principal and interest due in December 2018-2021. There have been three installments on the agreement paid annually in December of 2019, 2018 and 2017 in the amounts of \$999,999, \$999,756 and \$999,999, respectively. Future payments are as follows:

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Payment due	Principal	Interest	Installment Payment
12/13/2020	948,459	51,541	1,000,000
12/13/2021	973,888	26,111	999,999
	\$ 1,922,347	\$ 77,652	\$ 1,999,999

The College's debt and other long-term liabilities consist of the following as of June 30, 2020 and 2019:

2020

	<u>Interest Rate</u>	<u>July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2020</u>	<u>Due in One Year</u>
Long-term obligations:						
Key Government Finance – VDI computer equipment, software, maintenance	2.6487%	\$ 2,846,040	\$ -	\$ 923,693	\$ 1,922,347	\$ 948,459
Compensated absences		2,127,906	1,130,219	148,979	3,109,146	777,286
Total		\$ 4,973,946	\$ 1,130,219	\$ 1,072,672	\$ 5,031,493	\$ 1,725,745

2019

	<u>Interest Rate</u>	<u>July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2019</u>	<u>Due in One Year</u>
Long-term obligations:						
Key Government Finance – VDI computer equipment, software, maintenance	2.6487%	\$ 3,745,614	\$ -	\$ 899,574	\$ 2,846,040	\$ 923,693
Compensated absences		1,829,179	359,530	60,803	2,127,906	531,976
Total		\$ 5,574,793	\$ 359,530	\$ 960,377	\$ 4,973,946	\$ 1,455,669

6. RISK MANAGEMENT

The College is exposed to various risks of loss related to property loss, torts, errors and omissions, and workers' compensation as well as medical benefits provided to employees. The College has purchased commercial insurance for medical benefits and workers' compensation claims and participates in the Michigan Community College Risk Management Authority risk pool for claims related to all other types of claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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NOTES TO FINANCIAL STATEMENTS

The Michigan Community College Risk Management Authority risk pool program operates as a claims servicing pool for amounts up to member retention limits, and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums are paid annually to the Authority which the Authority uses to pay claims up to the retention limits, the ultimate liability for those claims remains with the College.

7. SELF-INSURANCE

The College is currently self-insured for dental, short term disability, and worker's compensation. Effective January 1, 2019 the College's vision plan is premium based.

Effective January 1, 2019, the College's primary healthcare provider for all groups is Western Michigan Health Insurance Pool (WMHIP). Previously, all groups had healthcare with MESSA, Michigan Education Special Services Association.

Changes in self-insured employee benefit liabilities during 2020, 2019, and 2018 were as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 726,410	\$ 1,064,148	\$ 1,031,101
Claims incurred and changes in estimates	904,026	853,671	1,061,921
Claim and premium payments	(943,609)	(1,191,409)	(1,028,874)
Balance, end of year	<u>\$ 686,827</u>	<u>\$ 726,410</u>	<u>\$ 1,064,148</u>

8. COMMITMENTS AND CONTINGENCIES

In the normal course of its activities, the College is a party to various legal actions. It is the opinion of College officials that potential claims in excess of insurance coverage resulting from the pending litigation would not have a material effect on the financial statements.

In addition to the discharge of current liabilities, at June 30, 2020 and 2019, respectively, the College has commitments to complete existing contracts in the amount of approximately \$797,842 and \$0, related principally to renovations of campus buildings and facilities.

9. FEDERAL DIRECT LENDING PROGRAM

The College distributed \$10.2 million and \$10.4 million for student loans through the U.S. Department of Education federal direct lending program for the years ended June 30, 2020 and 2019, respectively. These distributions and related funding source are not included as revenues or expenses in the accompanying financial statements.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

10. TAX ABATEMENTS

The College receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions, Personal Property Tax Relief in Distressed Communities (PA 328 of 1998) and Brownfield Redevelopment Agreements granted by cities and townships within Oakland County that impact the College. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities; PA 328 allows distressed communities to abate personal property tax on new investments; Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties.

For the fiscal year ended June 30, 2020 and June 30, 2019, the College's property tax revenues were reduced by \$839,000 and \$793,000, respectively, under these programs.

There are no abatements made by the College.

11. OAKLAND COMMUNITY COLLEGE FOUNDATION

Oakland Community College Foundation is a separate legal entity established as a 501(c)(3) corporation to accept, collect, hold, and invest donations made for the promotion of educational and cultural activities at and on behalf of the College. The net position of the component unit is restricted for those purposes.

These assets and all activity of the Foundation are reported as a discretely presented component unit in the College's financial statements. The stated value of the net position of the Foundation totaled \$7.0 million and \$6.7 million for the years ended June 30, 2020 and 2019, respectively.

Donor-restricted net assets contain donor-imposed restrictions that permit the Foundation to use or expend the assets as specified.

Restricted – expendable scholarships and grant net position is available for the following purposes at June 30:

	<u>2020</u>	<u>2019</u>
Scholarships	\$ 1,034,375	\$ 1,117,311
Educational Development Programs	94,787	97,127
Time-restricted pledges for scholarships	<u>134,663</u>	<u>80,585</u>
Restricted-expendable net position	<u>\$ 1,263,825</u>	<u>\$ 1,295,023</u>

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Restricted – non expendable endowment net position contains donor-imposed restrictions that stipulate the resources be maintained permanently, but permit the Foundation to use or expend part or all of the income derived from the donated assets for specified purposes. Investment earnings available for distribution are recorded as temporarily restricted net position, as the donors have imposed purpose restrictions on the earnings. Permanently restricted net position consists of endowments invested in perpetuity, the income from which is restricted by donors for future scholarships to students enrolled at Oakland Community College.

Non-expendable endowments total \$2.3 million and \$2.1 million at June 30, 2020 and 2019, respectively.

For the year ending June 30, 2020, the Foundation's investments total \$6.6 million and are comprised of \$2.1 million in bond funds, \$3.0 million in equities, \$1.3 million in exchange traded funds and \$158,000 of money market funds. For the year ending June 30, 2019, the Foundation's investments total \$6.4 million and are comprised of \$1.8 million in bond funds, \$4.0 million in equities and \$575,000 of exchange traded funds. All investments are stated at fair value based on quoted market prices for active markets using Level 1 inputs.

The College provides personnel support, supplies, and equipment to the Foundation.

12. UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2017, the GASB issued Statement No. 87, Leases, which increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The effects on the statement of revenues, expenses and changes in net position is not expected to be significant. The provisions of this statement are effective for the College's financial statements for the year ended June 30, 2022.

In January 2017, the Governmental Accounting Standards Board issued Statement No. 84, Fiduciary Activities. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The College is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement have been delayed and are effective for the College's financial statements for the year ending June 30, 2021.

In January 2020, the GASB issued Statement No. 92, Omnibus 2020. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements,

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

and derivative instruments. The standard has various effective dates. The College does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, to bring a uniform guidance on how to report public-private and public-public partnership arrangements. As a result, transferors in public-private or public-public arrangements will recognize receivables for installment payments, deferred inflows of resources, and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets, and when applicable, deferred outflows of resources and liabilities for assets being transferred. This statement also provides guidance for accounting and financial reporting for availability payment arrangements, in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange of exchange-like transaction. The provisions of this statement are effective for the College's financial statements for the year ending June 30, 2023

In May 2020, the Governmental Accounting Standards Board issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The College is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the College's financial statements for the year ending June 30, 2023.

In June 2020, the Governmental Accounting Standards Board issued GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. While this standard had certain aspects impacting defined contribution pension and OPEB plans and other employee benefit plans that were effective immediately, it also clarifies when a 457 should be considered a pension plan or another employee benefit plan to assist in the application of GASB Statement No. 84 to these types of plans. The College's currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement related to 457 plans are effective for the College's financial statements for the year ending June 30, 2022. Early adoption is permitted subject to specific requirements.

Required Supplementary Information



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Required Supplementary Information
Schedule of Reporting Unit's Proportionate Share of Net Pension Liability
Last 6 Fiscal Years (Amounts were determined as of 9/30 of each fiscal year)

	As of Plan's Year End September 30, 2019	As of Plan's Year End September 30, 2018	As of Plan's Year End September 30, 2017	As of Plan's Year End September 30, 2016	As of Plan's Year End September 30, 2015	As of Plan's Year End September 30, 2014
Schedule of College's Proportionate Share of Net Pension Liability:						
College's proportion of the collective MPSERS net pension liability:						
As a percentage	0.62364%	0.63960%	0.66951%	0.72319%	0.71981%	0.76338%
Amount	\$ 206,528,014	\$ 192,275,400	\$ 173,497,992	\$ 180,430,177	\$ 175,812,730	\$ 168,146,098
College's covered payroll	\$ 53,465,574	\$ 52,727,095	\$ 54,195,325	\$ 59,818,652	\$ 61,196,987	\$ 72,324,070
College's proportionate share of the collective MPSERS pension liability, as a percentage of the College's covered MPSERS employee payroll	386.28%	364.66%	320.13%	301.63%	287.29%	232.49%
MPSERS fiduciary net position as a percentage of the total pension liability	60.08%	62.12%	63.96%	63.01%	63.17%	66.20%
	As of the College's Year End June 30, 2020	As of the College's Year End June 30, 2019	As of the College's Year End June 30, 2018	As of the College's Year End June 30, 2017	As of the College's Year End June 30, 2016	As of the College's Year End June 30, 2015
Schedule of College Contributions:						
Statutorily required MPSERS contribution	\$ 17,014,220	\$ 16,582,972	\$ 16,328,716	\$ 15,843,941	\$ 16,686,480	\$ 13,627,516
Contributions in relation to the actuarially determined contractually required contribution	\$ 17,014,220	\$ 16,582,972	\$ 16,328,716	\$ 15,843,941	\$ 16,686,480	\$ 13,627,516
Contribution deficiency (excess)	-	-	-	-	-	-
Covered MPSERS employee payroll	\$ 53,111,606	\$ 52,819,221	\$ 53,159,697	\$ 54,746,693	\$ 58,488,573	\$ 66,866,413
Contributions as a percentage of covered payroll	32.03%	31.40%	30.72%	28.94%	28.53%	20.38%

GASB 68 was implemented in fiscal year 2015. The pension schedules in this section are intended to show information for ten years for the College's MPSER program. Additional years' information will be reported as it becomes available.

Changes in Assumptions – There were no significant changes of assumptions for each of the reported plan years ended September 30, except for the following:

2019 – The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.25% percentage points

2018 – The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.45% percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017.

2017 – The discount rate used in the September 30, 2016 actuarial valuation decreased by 0.50% percentage points.

Oakland Community College
Required Supplementary Information
Schedule of Reporting Unit's Proportionate Share of Net OPEB Liability
Last 3 Fiscal Years (Amounts were determined as of 9/30 of each fiscal year)

	As of Plan's Year End September 30, 2019	As of Plan's Year End September 30, 2018	As of Plan's Year End September 30, 2017
Schedule of College's Proportionate Share of Net OPEB Liability:			
College's proportion of the collective MPSERS net OPEB liability:			
As a percentage	0.61229%	0.61966%	0.67208%
Amount	\$ 43,948,736	\$ 49,256,724	\$ 59,515,812
College's covered payroll	\$ 53,465,574	\$ 52,727,095	\$ 54,195,325
College's proportionate share of the collective net OPEB liability, as a percentage of the College's covered MPSERS employee payroll	82.20%	93.42%	109.82%
MPSERS fiduciary net position as a percentage of the total OPEB liability	48.67%	43.10%	36.53%

	As of the College's Year End June 30, 2020	As of the College's Year End June 30, 2019	As of the College's Year End June 30, 2018
Schedule of College Contributions:			
Statutorily required contributions	\$ 4,267,836	\$ 4,148,963	\$ 3,839,579
Contributions in relation to the actuarially determined contractually required contribution	\$ 4,267,836	\$ 4,148,963	\$ 3,839,579
Contribution deficiency (excess)	-	-	-
Covered MPSERS employee payroll	\$ 53,111,606	\$ 52,819,221	\$ 53,159,697
Contributions as a percentage of covered payroll	8.04%	7.86%	7.22%

GASB 75 was implemented in fiscal year 2018. The OPEB schedules in this section are intended to show information for ten years for the College's MPSEB OPEB program. Additional years' information will be reported as it becomes available.

Benefit Changes – There were no changes of benefit terms for each of the reported plan years ended September 30

Changes in Assumptions – There were no significant changes of assumptions for each of the reported plan years ended September 30, except for the following:

2019 – The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.20% percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017. This resulted in a lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.4 billion in 2019.

2018 – The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.35% percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017. This resulted in a lower than projected per person health benefit costs to reduce the plan's total OPEB liability by \$1.4 billion in 2018.

Statistical Section



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STATISTICAL SECTION

This part of Oakland Community College's Comprehensive Annual Financial Report presents detailed information as a context for understanding the information in the financial statements, note disclosures and required supplementary information convey regarding the overall financial condition of the College.

Financial Trends

These schedules contain trend information to help the reader understand how the College's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the College's most significant revenue sources, tuition and property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the College's current levels of outstanding debt and the College's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules present various demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place.

Sources: Unless otherwise noted, information in these schedules is derived from the College's annual financial statements for the relevant year.

OAKLAND COMMUNITY COLLEGE
FINANCIAL TRENDS
Statements of Revenues, Expenses, and Changes in Net Position
Last Ten Fiscal Years
(Unaudited)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating revenues										
Tuition and fees - net of scholarship allowances	\$ 29,771,347	\$ 29,884,796	\$ 30,814,265	\$ 33,089,583	\$ 33,402,037	\$ 32,872,669	\$ 33,270,772	\$ 31,900,280	\$ 30,682,101	\$ 34,881,514
Federal grants and contracts	3,009,624	3,132,531	3,106,858	3,384,815	4,066,362	4,312,702	3,876,655	3,887,874	4,691,722	4,999,403
State and local grants and contracts	929,845	943,234	5,896,053	1,391,492	1,505,418	1,648,464	1,548,661	1,426,239	1,384,088	1,794,843
Nongovernmental grants and contracts	494,366	728,247	647,391	571,140	643,012	564,692	590,285	511,922	484,949	448,471
Auxiliary activities	4,280,615	4,754,949	5,559,961	6,624,795	8,268,262	10,261,046	12,200,396	12,906,898	15,141,832	14,864,046
Miscellaneous	769,077	814,703	912,336	804,640	948,644	873,936	871,599	1,175,927	1,003,944	701,216
Total operating revenues	39,254,874	40,258,460	46,936,864	45,866,465	48,833,735	50,533,509	52,358,368	51,809,140	53,388,636	57,689,493
Operating expenses										
Instruction	54,576,897	51,497,349	51,555,305	53,225,465	55,785,779	60,781,034	62,930,000	61,450,712	60,816,482	61,764,029
Instructional support	19,942,660	18,986,536	22,672,313	22,005,048	21,662,964	22,608,649	22,746,015	21,842,933	23,265,735	24,845,207
Student services	27,618,481	26,052,331	28,075,505	28,180,138	34,183,974	40,894,568	48,380,611	51,502,149	57,393,254	56,221,097
Institutional administration	18,083,722	15,665,786	16,177,115	15,926,220	17,453,950	19,265,043	24,592,841	19,141,848	15,833,879	13,844,910
Information Technology	9,145,353	7,919,911	7,156,628	7,269,653	8,295,364	9,151,820	9,119,510	9,132,085	10,949,875	9,481,486
Physical plant operations	18,076,615	17,693,042	14,525,312	17,418,448	18,714,603	19,571,831	18,836,110	17,297,259	16,765,709	16,959,622
Depreciation expense	17,443,042	17,253,448	16,674,558	16,268,145	15,993,976	16,247,859	16,243,130	16,111,950	14,480,618	14,485,327
Public services	178,277	163,667	117,940	135,116	138,175	183,897	199,175	155,300	125,519	134,690
Total operating expenses	165,065,047	155,232,070	156,954,676	160,428,233	172,228,785	188,704,701	203,047,392	196,634,236	199,631,071	197,736,368
Operating (loss) income	(125,810,173)	(114,973,610)	(110,017,812)	(114,561,768)	(123,395,050)	(138,171,192)	(150,689,024)	(144,825,096)	(146,242,435)	(140,046,875)
Non-operating revenues (expenses)										
Pell grant revenue	14,584,483	15,472,861	18,147,150	17,424,284	21,850,205	31,655,877	38,540,245	41,875,041	46,250,250	43,105,025
CARES grant revenue	1,704,999	-	-	-	-	-	-	-	-	-
State appropriations	23,345,507	24,972,066	24,715,817	23,847,244	21,645,361	21,351,179	20,738,014	21,529,088	19,455,900	20,133,700
State appropriations for UAAL	7,065,991	6,733,962	8,966,836	7,124,142	2,233,357	5,789,403	3,373,764	-	-	-
Property taxes	89,630,341	86,092,187	82,889,739	80,835,825	79,964,027	77,283,938	75,763,312	75,349,203	76,179,522	82,991,098
Investment income	8,400,571	7,795,609	4,585,290	3,271,525	2,622,381	3,419,787	3,289,341	4,581,658	5,430,891	6,254,578
Gain(loss) on investments	12,798,078	9,270,325	(4,035,545)	(3,266,071)	2,442,308	5,114,501	1,212,830	(11,059,428)	3,676,962	(3,966,786)
Net non-operating revenues	157,529,970	150,337,010	135,269,287	129,236,949	130,757,639	144,614,685	142,917,506	132,275,562	150,993,525	148,517,615
Income (loss) before transfers	31,719,797	35,363,400	25,251,475	14,675,181	7,362,589	6,443,493	(7,771,518)	(12,549,534)	4,751,090	8,470,740
Transfers in (out)	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in net position	31,719,797	35,363,400	25,251,475	14,675,181	7,362,589	6,443,493	(7,771,518)	(12,549,534)	4,751,090	8,470,740
Net position - beginning of year	215,863,483	180,500,083	215,600,667	200,925,486	193,562,897	356,007,810	363,779,328	376,328,862	371,577,772	363,107,032
Adjustment for change in accounting principle	-	-	(60,352,059)	-	-	(168,888,406)	-	-	-	-
Net Position - beginning of year, as restated	215,863,483	180,500,083	155,248,608	200,925,486	193,562,897	187,119,404	363,779,328	376,328,862	371,577,772	363,107,032
Net position - end of year	\$ 247,583,280	\$ 215,863,483	\$ 180,500,083	\$ 215,600,667	\$ 200,925,486	\$ 193,562,897	\$ 356,007,810	\$ 363,779,328	\$ 376,328,862	\$ 371,577,772

Source: Oakland Community College's Audited Financial Statements
excluding Oakland Community College Foundation

OAKLAND COMMUNITY COLLEGE
FINANCIAL TRENDS
Statement of Net Position
Last Ten Fiscal Years
(Unaudited)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Assets										
Current assets										
Cash and cash equivalents	\$ 32,313,418	\$ 36,208,294	\$ 40,666,584	\$ 35,803,400	\$ 27,578,328	\$ 78,397,775	\$ 12,056,515	\$ 6,615,914	\$ 9,135,529	\$ 6,991,609
Accrued Interest	1,380,999	1,108,381	820,962	744,615	1,192,664	832,464	805,402	831,270	1,136,271	1,105,171
Short-term investments	8,788,774	17,391,190	25,668,233	48,930,905	14,141,958	1,004,729	2,207,878	5,600,448	4,025,813	867,125
Property taxes receivable - net of allowance	144,330	63,145	121,361	153,351	61,769	43,472	53,693	54,662	62,451	66,675
State appropriations receivable	3,028,260	5,387,698	5,269,666	5,330,698	5,225,439	4,893,221	4,328,926	4,972,564	3,537,438	3,660,674
Federal and state grants receivable	2,328,704	1,448,032	1,599,164	1,774,238	2,346,463	3,122,582	999,037	1,196,651	1,464,565	3,061,276
Accounts receivable - net of allowance	1,197,498	1,809,221	1,954,753	1,458,624	1,971,186	2,639,919	1,983,704	2,938,438	1,913,912	3,299,610
Inventories	1,405,071	1,432,514	1,644,026	1,653,084	1,942,679	2,497,346	3,959,835	3,901,354	3,843,361	3,586,675
Prepaid expenses and other assets	4,879,423	5,486,283	5,171,111	3,500,825	2,020,679	2,185,432	2,424,154	1,174,433	1,618,187	2,812,361
Total current assets	55,466,477	70,334,758	82,915,860	99,349,740	56,481,165	95,616,940	28,819,144	27,285,734	26,737,527	25,451,176
Long-term investments	320,254,663	263,997,720	210,133,703	167,496,910	189,464,073	134,965,327	185,584,466	188,542,980	194,085,068	191,816,374
Bond issuance costs, net	-	-	-	-	-	-	-	-	62,402	72,802
Capital assets - non-depreciable	22,297,789	11,381,620	13,961,250	12,647,398	10,547,779	12,445,978	10,316,899	6,136,075	9,027,448	33,039,687
Capital assets - depreciable	105,208,554	118,805,534	126,020,228	129,116,042	140,227,141	145,523,616	157,816,546	167,792,458	169,938,703	149,238,594
Total assets	\$ 503,227,483	\$ 464,519,632	\$ 433,031,041	\$ 408,610,090	\$ 396,720,158	\$ 388,551,861	\$ 382,537,055	\$ 389,757,247	\$ 399,851,148	\$ 399,618,633
Deferred Outflows of Resources	68,835,102	68,316,726	37,869,858	21,975,402	18,569,103	18,145,369	-	-	-	-
Liabilities										
Current liabilities										
Current portion of long-term debt obligations	\$ 948,459	\$ 923,693	\$ 899,574	\$ 820,000	\$ 785,000	\$ 750,000	\$ 720,000	\$ 690,000	\$ 670,000	\$ 640,000
Accounts payable	8,319,605	5,760,698	7,141,221	6,334,431	6,901,659	7,595,612	3,938,673	5,688,772	4,411,553	7,636,686
Accrued interest payable	27,918	41,332	54,397	6,287	12,174	17,675	22,774	27,547	32,013	36,173
Accrued payrolls, vacation, and other compensation	7,529,383	7,968,347	7,387,032	7,788,622	7,822,728	7,822,053	12,135,277	8,820,777	8,233,146	8,536,538
Unearned revenue	3,050,002	2,247,905	2,784,546	2,684,470	3,024,688	3,545,089	3,612,883	4,338,262	3,887,256	4,179,112
Deposits held for others	3,366,295	3,309,245	2,925,732	3,103,346	3,583,031	3,134,901	1,863,407	1,349,935	586,000	703,212
Total current liabilities	23,241,662	20,251,220	21,192,502	20,737,156	22,129,280	22,865,330	22,293,014	20,915,293	17,819,968	21,731,721
Long-term debt obligations - net of current portion	973,888	1,922,347	2,846,040	-	820,000	1,605,000	2,355,000	3,075,000	3,765,000	4,435,000
Net pension liability *	206,528,014	192,275,400	173,497,992	180,430,177	175,812,730	168,146,098	-	-	-	-
Net OPEB liability *	43,948,736	49,256,724	59,515,812	-	-	-	-	-	-	-
Compensated absences - net of current portion	2,331,859	1,595,929	1,371,885	1,510,368	1,822,487	1,930,844	1,881,231	1,987,626	1,937,318	1,874,140
Total liabilities	277,024,159	265,301,620	258,424,231	202,677,701	200,584,497	194,547,272	26,529,245	25,977,919	23,522,286	28,040,861
Deferred Inflows of Resources	47,455,146	51,671,255	31,976,585	12,307,124	13,779,278	18,587,061	-	-	-	-
Net position										
Net investment in capital assets	125,583,996	127,341,114	136,235,864	140,943,440	149,169,920	155,614,594	165,058,445	170,163,533	174,531,151	177,203,281
Restricted:										
Nonexpendable endowments	-	-	-	-	-	-	-	-	-	-
Expendable scholarships and grants	409,032	1,294,852	1,165,711	1,081,533	931,894	931,783	966,250	879,784	855,472	820,070
Loans	-	-	-	-	-	-	-	-	-	46,486
Unrestricted	121,590,252	87,227,517	43,098,508	73,575,694	50,823,672	37,016,520	189,983,115	192,736,011	200,942,239	193,507,935
Total net position	\$ 247,583,280	\$ 215,863,483	\$ 180,500,083	\$ 215,600,667	\$ 200,925,486	\$ 175,417,528	\$ 356,007,810	\$ 363,779,328	\$ 376,328,862	\$ 371,577,772

Source: Oakland Community College's Audited Financial Statements
excluding Oakland Community College Foundation

*NOTE: In 2015 and in future years, GASB 68 required the College to record the MPSERS net Pension liability and in 2018 and in future years, GASB 75 required the College to record the MPSERS net OPEB liability.

OAKLAND COMMUNITY COLLEGE
FINANCIAL TRENDS
Net Position
Last Ten Fiscal Years
(Unaudited)

	2020	2019	2018 **	2017	2016	2015 *	2014	2013	2012	2011
Net Position:										
Net investment in capital assets	\$ 125,583,996	\$ 127,341,114	\$ 136,235,864	\$ 140,943,440	\$ 149,169,920	\$ 155,614,594	\$ 165,058,445	\$ 170,163,533	\$ 174,531,151	\$ 177,203,281
Restricted for:										
Expendable scholarships and grants	409,032	1,294,852	1,165,711	1,081,533	931,894	931,783	966,250	879,784	855,472	820,070
Loan programs	-	-	-	-	-	-	-	-	-	46,486
Unrestricted	121,590,252	87,227,517	43,098,508	73,575,694	50,823,672	37,016,520	189,983,115	192,736,011	200,942,239	193,507,935
Total Net Position	\$ 247,583,280	\$ 215,863,483	\$ 180,500,083	\$ 215,600,667	\$ 200,925,486	\$ 175,417,528	\$ 356,007,810	\$ 363,779,328	\$ 376,328,862	\$ 371,577,772

*Source: Oakland Community College's Audited Financial Statements
excluding Oakland Community College Foundation*

*2015 Total Net Position reflects the implementation of GASB 68 and the College reported a Net Pension Liability of \$168.9 million as a change in accounting principle adjustment to Unrestricted Net Position as of July 1, 2014

**2018 Total Net Position reflects the implementation of GASB 75 and the College reported a Net Pension Liability of \$60.4 million as a change in accounting principle adjustment to Unrestricted Net Position as of July 1, 2017

OAKLAND COMMUNITY COLLEGE

REVENUE CAPACITY

Major Taxpayers

2019 Levy Year vs. 2010 Levy Year

(Unaudited)

2019 Levy Year				2010 Levy Year			
2019 Taxpayer	2019 Taxable Valuation*	Rank (1)	Percentage of Total College District Taxable Valuation	2010 Taxpayer	2010 Taxable Valuation	Rank (1)	Percentage of Total College District Taxable Valuation
			(\$)				(\$)
Detroit Edison Company/DTE	\$671,208,150	1	1.12%	General Motors Corporation	\$605,213,620	1	1.12%
Consumers Energy	420,570,370	2	0.70%	Cerberus (Chrysler)	359,978,230	2	0.67%
FCA Auburn Hills Owner LLC (formerly Chrysler)	167,277,880	3	0.28%	Detroit Edison Company/DTE	342,542,379	3	0.63%
Taubman/Great Lakes Crossing	137,312,350	4	0.23%	Consumers Energy	167,137,760	4	0.31%
International Transmission (ITC)	132,109,795	5	0.22%	Taubman/12 Oaks/Great Lakes Cross.	142,758,420	5	0.26%
Enbridge Energy	118,431,510	6	0.20%	Frankel/Forbes/Cohn	128,519,190	6	0.24%
SighCidermill Village	104,398,150	7	0.17%	Holtzman&Silverman	120,332,070	7	0.22%
General Motors	100,440,270	8	0.17%	Ramco - Gershenson	108,118,420	8	0.20%
Edward Rose/Occidental Dev	86,312,190	9	0.14%	Bre Southfield (formerly Town Centre Delawar	99,513,160	9	0.18%
SL Town Etal	77,854,760	10	0.13%	International Transmission	91,518,170	10	0.17%
Oakland Management	67,477,830	11	0.11%	Comcast	79,201,000	11	0.15%
Redwood-ERC Novi LLC	66,797,500	12	0.11%	Wal-Mart/Sam's Club	72,949,320	12	0.13%
Comcast	65,293,190	13	0.11%	Meijer	65,788,370	13	0.12%
Ramco Lion Venture	64,557,550	14	0.11%	Comerica Bank	58,921,310	14	0.11%
Kroger	58,158,160	15	0.10%	AT&T	57,430,170	15	0.11%
Somerset Collection LTD PTN (Frankel/Forbes/Cohn)	56,656,730	16	0.09%	Novi Campus LLC	53,133,970	16	0.10%
Redico	50,478,370	17	0.08%	Kroger	49,611,070	17	0.09%
VHS Huron Valley-Sinai Hospital	38,166,150	18	0.06%	Urbanal Oakland	49,162,940	18	0.09%
Southfield Galleria	34,296,780	19	0.06%	Palace Sports and Entertainment	45,665,830	19	0.08%
Troy Apts IV	30,222,270	20	0.05%	JFK Investments	45,606,890	20	0.08%
	<u>\$2,548,019,955</u>				<u>\$2,743,102,289</u>		

*May include estimated figures

Source: (1) Oakland County, Michigan 2019 and 2010 Comprehensive Annual Financial Report

OAKLAND COMMUNITY COLLEGE
REVENUE CAPACITY
Assessed Value and Taxable Value of Property
Last Ten Fiscal Years
(Unaudited)

Levy Year	Taxable Valuation (1)	Tax Rates (per \$1,000 of Valuation (1)	Taxes Extended	Collections through 30-Jun Each Year*	Percent of Taxes Extended Uncollected through June 30 Each Year
2020	\$ 62,396,511,395	1.5184	\$ 94,742,863	\$ -	-
2019	59,728,372,469	1.5303	91,402,328	88,422,476	3.26%
2018	56,754,560,304	1.5431	87,577,962	84,901,369	3.06%
2017	54,208,963,060	1.5555	84,322,042	81,756,610	3.04%
2016	52,295,382,258	1.5707	82,140,357	79,715,391	2.95%
2015	51,443,802,777	1.5819	81,378,952	78,880,599	3.07%
2014	48,929,134,262	1.5844	77,523,320	76,153,703	1.77%
2013	48,161,785,123	1.5844	76,307,532	74,815,207	1.96%
2012	48,192,050,516	1.5844	76,355,485	74,584,846	2.32%
2011	49,765,743,185	1.5844	78,848,844	76,524,910	2.95%
2010	54,063,168,992	1.5844	85,657,685	82,850,940	3.28%

Source:

(1) Tax Rate Request (Form L-4029)

(*) Per OCC Financial Services

OAKLAND COMMUNITY COLLEGE
REVENUE CAPACITY
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Levy Year	Levy	Collection through June 30 Each Year*	Collections through June 30 as a percentage of the Levy	Collections in subsequent years*	Total Collections to date	Total Collections to date as percentage of levy
2020	\$ 94,742,863	----	----	----	----	----
2019	\$ 91,402,328	88,325,645	96.63%	96,831	88,422,476	96.74%
2018	87,577,962	84,879,361	96.92%	22,008	84,901,369	96.94%
2017	84,322,042	81,676,338	96.86%	80,272	81,756,610	96.96%
2016	82,145,586	79,596,766	96.90%	118,625	79,715,391	97.04%
2015	81,378,952	78,880,599	96.93%	18,798	78,899,397	96.95%
2014	77,523,320	76,153,703	98.23%	89,144	76,242,847	98.35%
2013	76,307,532	74,815,207	98.04%	12,615	74,827,822	98.06%
2012	76,355,485	74,584,846	97.68%	217	74,585,063	97.68%
2011	78,848,844	76,524,910	97.05%	150	76,525,060	97.05%

Source: (*) Per OCC Financial Services Department

--- Information is unavailable

OAKLAND COMMUNITY COLLEGE
DEBT CAPACITY
 Legal Debt Margin
 Last Ten Fiscal Years
 (Unaudited)

Fiscal Year	Taxable Valuation	State Equalized Value (SEV) (1)	Debt Limit (2)	Total Outstanding Debt	Total Additional Debt Allowable for All Tax Debt	Total Additional Debt Allowable for Limited Tax Debt (3)	Additional Limited Tax Debt Could Legally Incur	Per Capita
2020	\$ 62,396,511,395	\$ 81,195,394,914	\$ 12,179,309,237	\$ 1,922,347	\$ 12,177,386,890	\$ 813,203,949	\$ 811,281,602	not available
2019	59,728,372,469	73,184,421,995	10,977,663,299	2,846,040	10,974,817,259	733,094,220	730,248,180	2.26
2018	56,754,560,304	68,461,534,887	10,269,230,233	3,745,614	10,265,484,619	685,865,349	682,119,734	2.97
2017	54,208,963,060	65,554,572,199	9,833,185,830	820,000	9,832,365,830	656,795,722	655,975,722	0.66
2016	52,295,382,258	60,806,103,774	9,120,915,566	1,605,000	9,119,310,566	609,311,038	607,706,038	1.29
2015	51,443,802,777	55,084,607,293	8,262,691,094	2,355,000	8,260,336,094	552,096,073	549,741,073	1.90
2014	48,929,134,262	51,429,923,815	7,714,488,572	3,075,000	7,711,413,572	515,549,238	512,474,238	2.48
2013	48,161,785,123	50,839,024,966	7,625,853,745	3,765,000	7,622,088,745	509,640,250	505,875,250	3.05
2012	48,192,050,516	52,453,460,343	7,868,019,051	4,435,000	7,863,584,051	525,784,603	521,349,603	3.63
2011	49,765,743,185	57,745,076,507	8,661,761,476	5,075,000	8,656,686,476	578,700,765	573,625,765	4.19

Source: (1) Oakland County Equalization Reports

(2) 15% of SEV - P.A. 331 of 1966, Section 389.122

(3) The College may incur indebtedness that is not greater than 1.5% of the first \$250,000,000 of SEV of taxable property within the College district and 1% of the excess SEV over \$250,000,000 without a vote of the electors of the College.

OAKLAND COMMUNITY COLLEGE

Outstanding Debt
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Student Union Revenue Bond - 1971	2003 College Refunding Bond	Other Debt	Total Outstanding Debt
2020	\$ -	\$ -	\$ 1,922,347 *	\$ 1,922,347
2019	-	-	2,846,040 *	2,846,040
2018	-	-	3,745,614 *	3,745,614
2017	-	820,000	-	820,000
2016	-	1,605,000	-	1,605,000
2015	-	2,355,000	-	2,355,000
2014	-	3,075,000	-	3,075,000
2013	-	3,765,000	-	3,765,000
2012	-	4,435,000	-	4,435,000
2011	-	5,075,000	-	5,075,000

Source: Oakland Community College's Audited Financial Statements

**Key Government Finance Installment Purchase Agreement for VDI computer equipment, software and support-five years*

**OAKLAND COMMUNITY COLLEGE
DEMOGRAPHIC AND ECONOMIC INFORMATION
PERSONAL INCOME PER CAPITA**

County of Oakland
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population (1)	Personal Income (thousands of dollars) (2)	Per Capita Personal Income	Unemployment Rate (3)
2020	not available *	not available *	not available *	
2019	1,259,201 *	\$ 91,595,253 *	\$ 72,741 *	3.40%
2018	1,259,201	91,595,253	72,741	3.30%
2017	1,250,836	86,271,021	68,971	3.40%
2016	1,245,762	82,853,137	66,508	4.20%
2015	1,240,999	80,399,850	64,786	4.70%
2014	1,239,248	75,511,473	60,933	6.50%
2013	1,232,456	71,094,848	57,686	7.80%
2012	1,221,410	70,416,035	57,651	8.20%
2011	1,211,346	65,436,740	54,020	9.50%

*Information not available to Oakland County at time of their 2019 publication

Source: (1) Information from Oakland County 2019 CAFR, Table 12, U.S. Census Bureau, <http://www.census.gov>

(2) Information from Oakland County 2019 CAFR, U.S. Department of Commerce Bureau of Economic Analysis

(3) U.S. Bureau of Labor Statistics

<http://data.bls.gov/map/MapToolServlet?state=26&datatype=unemployment&year=2015&period=M03&survey=la&map=county&seasonal=u>

**OAKLAND COMMUNITY COLLEGE
DEMOGRAPHIC AND ECONOMIC INFORMATION**

Full-time Equivalent Employees

Last Ten Fiscal Years

(Unaudited)

	2020*	2019	2018	2017	2016	2015	2014	2013	2012	2011
Administrators	85	88	81	77	77	85	82	76	86	98
Full-Time	85	88	81	76	76	84	82	76	86	98
Part-Time	0	0	0	1	1	1	0	0	0	0
Faculty	747	716	738	939	887	1362	1192	1458	1240	1329
Full-Time	212	204	207	216	236	248	225	243	252	249
Part-Time	535	512	531	723	651	1114	967	1215	988	1080
Support	475	494	457	479	477	495	582	622	611	493
Full-Time	365	370	350	358	381	416	438	458	455	441
Part-Time	110	124	107	121	96	79	144	164	156	52
Actual Total Employees Reported	1307	1298	1276	1495	1441	1942	1856	2156	1937	1920
Total FTE	784	874	766	897	865	1165	1115	1237	1174	1165

Notes:

Management occupations in IPEDS = administration in this report

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

*2020 figures are estimated - IPEDS data not yet complete

Source: IPEDS report - categories defined as Instruction, management. All other categories listed under Support.

OAKLAND COMMUNITY COLLEGE
DEMOGRAPHIC AND ECONOMIC INFORMATION

Physical Facility Information

Last Ten Fiscal Years

(Unaudited)

Facilities Data	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Size of campus (acres)										
Auburn Hills	170.00	170.00	170.00	170.00	170.00	170.00	170.00	170.00	170.00	170.00
Highland Lakes	157.07	157.07	157.07	157.07	157.07	157.07	157.07	157.07	157.07	157.07
Orchard Ridge	147.00	147.00	147.00	147.00	147.00	147.00	147.00	147.00	147.00	147.00
Royal Oak	7.80	7.40	7.40	7.40	7.40	7.40	7.40	7.40	7.40	7.40
Southfield	32.47	32.47	32.47	32.47	32.47	32.47	21.08	15.68	10.78	10.78
Administration	8.69	8.69	8.69	8.69	8.69	8.69	8.69	8.69	8.69	8.69
Total acreage	523.03	522.63	522.63	522.63	522.63	522.63	511.24	505.84	500.94	500.94
Square footage of gross building space										
Auburn Hills	603,139	633,200	633,200	632,951	632,951	632,951	632,951	632,951	632,951	620,756
Highland Lakes	315,502	315,502	315,502	315,502	315,502	315,502	384,243	384,243	384,243	384,243
Orchard Ridge	506,273	506,273	506,273	506,273	506,273	506,273	506,273	506,273	506,273	506,273
Royal Oak	534,594	534,594	534,594	534,594	534,594	534,594	534,594	534,594	534,594	534,594
Southfield	164,004	164,004	164,004	164,004	164,004	164,004	164,004	164,004	164,004	164,004
Administration	31,119	31,119	31,119	31,119	31,119	31,119	31,119	31,119	31,119	31,119
Leased Facilities	-	-	-	-	-	20,528	20,528	20,528	20,528	20,528
Total square footage	2,154,631	2,184,692	2,184,692	2,184,443	2,184,443	2,204,971	2,273,712	2,273,712	2,273,712	2,261,517
Number of classrooms*										
Auburn Hills	142	156	156	156	156	156				
Highland Lakes	59	59	59	59	59	59				
Orchard Ridge	102	102	102	102	102	106				
Royal Oak	50	50	50	50	50	50				
Southfield	43	43	43	43	43	43				
Administration	-	-	-	-	-	-				
Leased Facilities	-	-	-	-	-	2				
Total number of classrooms	396	410	410	410	410	416				

Source: Information from Oakland Community College, Dept of Physical Facilities

*Historical classroom data unavailable for 2011-2014

**OAKLAND COMMUNITY COLLEGE
DEMOGRAPHIC AND ECONOMIC INFORMATION**

Top Ten Principal Employers
2019 Employers vs. 2010 Employers
(Unaudited)

2019					2010				
Employer	Product/Service	Income Rank	No. of Employees	% of Total District Population	Employer	Product/Service	Income Rank	No. of Employees	% of Total District Population
Beaumont Health System	Health care system	1	18,261	1.45%	Beaumont Health System	Health care system	1	13,083	1.09%
FCA US LLC (formerly Chrysler)	Automobile manufacturer	2	12,848	1.02%	FCA US LLC (formerly Chrysler)	Automobile manufacturer	n/a	n/a	n/a
General Motors Corporation	Automobile manufacturer	3	8,476	0.67%	General Motors Corporation	Automobile manufacturer	2	8,843	0.73%
Henry Ford Health System	Health care system	4	6,368	0.51%	Henry Ford Health System	Health care system	10	2,822	
Ascension Michigan (formerly St. John Providence)	Health care system	5	5,630	0.45%	Ascension Michigan (formerly St. John Providence)	Health care system	5	4,345	0.36%
U.S. Postal Service	Postal service	6	4,880	0.39%	U.S. Postal Service	Postal service	7	3,499	0.29%
Oakland County Government	Government	7	3,557	0.28%	Oakland County Government	Government	9	3,416	0.28%
Magna International of America Inc.	Automotive parts supplier	8	2,646	0.51%	Magna International of America Inc.	Automotive parts supplier	n/a	n/a	n/a
Trinity Health (formerly St. Joseph Mercy)	Health care system	9	2,578	0.20%	Trinity Health (formerly St. Joseph Mercy)	Health care system	4	4,998	0.41%
Continental Automotive Systems U.S. Inc.	Automotive parts supplier	10	2,000	0.16%	Continental Automotive Systems U.S. Inc.	Automotive parts supplier	n/a	n/a	n/a
Chrysler Group	Automobile manufacturer	n/a	n/a	-	Chrysler Group	Automobile manufacturer	3	6,170	0.51%
Blue Cross/Blue Shield of Michigan	Health insurance provider	n/a	n/a	-	Blue Cross/Blue Shield of Michigan	Health insurance provider	6	3588	n/a
Botsford Health Care	Health care system	n/a	n/a	-	Botsford Health Care	Health care system	8	3477	n/a

Source: (1) Oakland County 2019 Comprehensive Annual Financial Report

OAKLAND COMMUNITY COLLEGE

REVENUE CAPACITY

Enrollment, Tuition and Fee Rates, Credit Hours, and Tuition and Fee Revenues Generated - Credit courses
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Fiscal Year Equated Student (FYES)	Unduplicated Headcount	Total Credit Hours	In District Tuition Rate	Out of District Tuition Rate	Out of State Tuition Rate	Tuition & Fees per FYES	Total Tuition and Fee Revenue *
2020	10,142	24,387	304,264	\$ 94.50	\$ 183.00	\$ 183.00	\$ 4,049.51	\$ 41,070,085
2019	10,468	25,217	314,029	92.00	178.00	178.00	3,932.62	41,166,684
2018	11,251	27,113	337,533	90.00	174.00	174.00	3,890.17	43,768,300
2017	11,877	29,644	368,214	88.00 **	171.00	171.00	3,866.20	45,918,802
2016	13,241	32,936	410,459	88.00	171.00	240.00	3,609.43	47,792,442
2015	15,341	37,684	475,581	82.00	154.00	216.00	3,243.17	49,753,491
2014	17,136	45,043	531,223	76.40	139.10	195.15	3,082.38	52,819,596
2013	18,345	47,764	568,691	71.40	125.20	175.80	2,840.31	52,105,568
2012	19,571	49,578	606,704	66.70	112.90	158.40	2,617.18	51,220,869
2011	19,858	51,601	615,593	66.70	112.90	158.40	2,557.67	50,790,229

Source: Oakland Community College's Annual Financial Reports, Institutional Research and ACS reports; One-Tenth Day Data Prior to 2008, and End-of-Session Data 2008 and Forward;

*Tuition and Fee revenue for credit courses before scholarship allowance

** In Fiscal Year 2017 the College began billing based on "Contact Hours" or billable credit hours which may exceed the number of credit hours earned for additional contact with instructor, lab hours, clinicals, etc.

OAKLAND COMMUNITY COLLEGE
DEMOGRAPHIC AND ECONOMIC INFORMATION
 Student Population Demographics
 (Unaudited)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Credit hours	304,264	314,029	337,533	368,214	410,459	475,581	531,223	568,691	606,704	615,593
Unduplicated Student Head count	24,387	25,217	27,113	29,644	32,936	37,684	45,043	47,764	49,578	51,601
Fall Term, 1/10th day statistics										
Male	40.0%	40.7%	43.3%	43.0%	43.6%	43.2%	42.3%	41.4%	41.0%	39.7%
Female	53.1%	53.5%	54.9%	55.5%	55.7%	55.9%	56.6%	57.1%	56.9%	57.7%
Unreported	6.9%	5.7%	1.8%	1.5%	0.7%	0.9%	1.1%	1.5%	2.1%	2.6%
Part-time	75.3%	75.0%	80.2%	78.0%	73.1%	72.1%	71.0%	69.7%	68.5%	67.1%
Full-time	24.7%	25.0%	19.8%	22.0%	26.9%	27.9%	29.0%	30.3%	31.5%	32.9%
Average Age	24.0	24.0	24.9	25.0	25.7	25.9	26.5	26.9	27.2	27.5
Median Age	21.0	22.0	22.0	22.0	22.0	22.0	23.0	23.0	23.0	23.0

*Sources: OCC, Office of Institutional Research One-Tenth Day Student Information File, One-Tenth Day Data Prior to 2020;
 Office of Institutional Effectiveness, End of Session Student Information for Data 2008 and Forward.*

Other Supplementary Information Section



OAKLAND COMMUNITY COLLEGE
Excellence *Empowered.*

OAKLAND COMMUNITY COLLEGE
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2020

	Combined Total	General Fund	Pension Liability Fund	Designated Fund	Auxiliary Services Fund	Restricted Fund	Student Loan Fund	Endowment and Similar Funds	Plant Fund	Agency Fund
ASSETS										
Current assets										
Cash and cash equivalents	\$ 32,313,418	\$ 32,304,868	\$ -	\$ 150	\$ 8,400	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued interest	1,380,999	787,241	-	-	-	-	-	593,758	-	-
Short-term investments	8,788,774	8,788,774	-	-	-	-	-	-	-	-
Property taxes receivable, net	144,330	144,330	-	-	-	-	-	-	-	-
State appropriations receivable	3,028,260	3,028,260	-	-	-	-	-	-	-	-
Federal and state grants receivable	2,328,704	-	-	-	-	2,328,704	-	-	-	-
Accounts receivable, net	1,197,498	769,970	-	197,169	218,352	12,007	-	-	-	-
Inventories	1,405,071	-	-	48,205	1,356,866	-	-	-	-	-
Prepaid expenses and other assets	4,879,423	4,302,376	-	-	-	-	-	-	577,047	-
Due from (to) other funds	-	(260,974,010)	-	82,292,405	3,441,659	(1,860,352)	-	(14,690,067)	191,731,588	58,777
Total current assets	55,466,477	(210,848,191)	-	82,537,929	5,025,277	480,359	-	(14,096,309)	192,308,635	58,777
Long-term investments	320,254,663	286,456,603	-	-	-	-	-	33,798,060	-	-
Capital assets - nondepreciable	22,297,789	-	-	-	-	-	-	-	22,297,789	-
Capital assets - depreciable										
Land improvements	22,533,511	-	-	-	-	-	-	-	22,533,511	-
Infrastructure	22,219,779	-	-	-	-	-	-	-	22,219,779	-
Buildings and improvements	298,314,725	-	-	-	-	-	-	-	298,314,725	-
Equipment	51,093,599	-	-	-	-	-	-	-	51,093,599	-
Library materials	9,122,166	-	-	-	-	-	-	-	9,122,166	-
Accumulated depreciation	(298,075,226)	-	-	-	-	-	-	-	(298,075,226)	-
Total capital assets - depreciable	105,208,554	-	-	-	-	-	-	-	105,208,554	-
Total assets	503,227,483	75,608,412	-	82,537,929	5,025,277	480,359	-	19,701,751	319,814,978	58,777
Deferred Outflows of Resources	68,835,102	-	68,835,102	-	-	-	-	-	-	-
LIABILITIES										
Current liabilities										
Current portion of long-term debt obligations	948,459	-	-	-	-	-	-	-	948,459	-
Accounts payable	8,319,605	7,521,763	-	-	-	-	-	-	797,842	-
Accrued interest payable	27,918	-	-	-	-	-	-	-	27,918	-
Accrued payrolls, vacation, and other compensation	7,529,383	7,527,471	-	-	1,912	-	-	-	-	-
Unearned revenue	3,050,002	2,971,524	-	7,151	-	71,327	-	-	-	-
Deposits held for others	3,366,295	-	-	3,307,518	-	-	-	-	-	58,777
Total current liabilities	23,241,662	18,020,758	-	3,314,669	1,912	71,327	-	-	1,774,219	58,777
Long-term debt obligations - net of current portion	973,888	-	-	-	-	-	-	-	973,888	-
Net Pension Liability	206,528,014	-	206,528,014	-	-	-	-	-	-	-
Net OPEB Liability	43,948,736	-	43,948,736	-	-	-	-	-	-	-
Compensated absences - net of current portion	2,331,859	2,331,859	-	-	-	-	-	-	-	-
Total liabilities	277,024,159	20,352,617	250,476,750	3,314,669	1,912	71,327	-	-	2,748,107	58,777
Deferred Inflows of Resources	47,455,146	-	47,455,146	-	-	-	-	-	-	-
NET POSITION										
Net investment in capital assets	125,583,996	-	-	-	-	-	-	-	125,583,996	-
Restricted:										
Expendable scholarships and grants	409,032	-	-	-	-	409,032	-	-	-	-
Unrestricted	121,590,252	55,255,795	(229,096,794)	79,223,260	5,023,365	-	-	19,701,751	191,482,875	-
Total net position	\$ 247,583,280	\$ 55,255,795	\$ (229,096,794)	\$ 79,223,260	\$ 5,023,365	\$ 409,032	\$ -	\$ 19,701,751	\$ 317,066,871	\$ -

OAKLAND COMMUNITY COLLEGE
COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2020

	Combined Total	Eliminations	General Fund	Pension Liability Fund	Designated Fund	Auxiliary Services Fund	Restricted Fund	Student Loan Fund	Endowment and Similar Funds	Plant Fund	Agency Fund
Operating revenues											
Tuition and fees - net of scholarship allowance of \$11,298,738	\$ 29,771,347	\$ (11,298,738)	\$ 39,302,121	\$ -	\$ 1,767,964	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants and contracts	3,009,624	-	-	-	-	-	3,009,624	-	-	-	-
State and local grants and contracts	929,845	-	-	-	-	-	929,845	-	-	-	-
Nongovernmental grants and contracts	494,366	-	-	-	-	-	494,366	-	-	-	-
Auxiliary activities	4,280,615	(441,197)	767,134	-	-	3,941,514	-	-	-	13,164	-
Miscellaneous	769,077	-	451,323	-	287,738	3,045	-	-	-	26,971	-
Total operating revenues	39,254,874	(11,739,935)	40,520,578	-	2,055,702	3,944,559	4,433,835	-	-	40,135	-
Operating expenses											
Instruction	54,576,897	(273,695)	47,286,581	5,836,696	1,726,560	-	755	-	-	-	-
Academic Support	19,942,660	(56,354)	15,090,788	1,849,022	1,711,700	-	1,347,504	-	-	-	-
Student Services	27,618,481	(11,346,915)	13,427,344	1,185,028	6,585	4,388,214	19,958,225	-	-	-	-
Institutional Support	18,083,722	(54,160)	16,441,289	852,964	74,674	-	703,906	-	-	65,049	-
Information Technology	9,145,353	(2,671)	8,995,608	152,416	-	-	-	-	-	-	-
Physical Plant Operations	18,076,615	(5,201)	16,711,422	1,388,562	-	-	-	-	-	(18,168)	-
Depreciation expense	17,443,042	-	-	-	-	-	-	-	-	17,443,042	-
Public services	178,277	(939)	20,417	11,444	147,246	-	109	-	-	-	-
Total operating expenses	165,065,047	(11,739,935)	117,973,449	11,276,132	3,666,765	4,388,214	22,010,499	-	-	17,489,923	-
Operating (loss) income	(125,810,173)	-	(77,452,871)	(11,276,132)	(1,611,063)	(443,655)	(17,576,664)	-	-	(17,449,788)	-
Non-operating revenues (expenses)											
Pell grant revenue	14,584,483	-	-	-	-	-	14,584,483	-	-	-	-
CARES act revenue	1,704,999	-	-	-	-	-	1,704,999	-	-	-	-
State appropriations	23,345,507	-	23,345,507	-	-	-	-	-	-	-	-
State appropriations for UAAL	7,065,991	-	-	7,065,991	-	-	-	-	-	-	-
Property taxes	89,630,341	-	89,630,341	-	-	-	-	-	-	-	-
Investment income	8,400,571	-	7,660,877	-	-	-	-	-	739,694	-	-
Net realized/unrealized gain (loss) on investments	12,798,078	-	11,596,181	-	-	-	-	-	1,201,897	-	-
Net non-operating revenues	157,529,970	-	132,232,906	7,065,991	-	-	16,289,482	-	1,941,591	-	-
Income (loss) before transfers	31,719,797	-	54,780,035	(4,210,141)	(1,611,063)	(443,655)	(1,287,182)	-	1,941,591	(17,449,788)	-
Transfers in (out)	-	-	(45,718,497)	-	1,938,365	(1,621,228)	401,361	-	(621,795)	45,621,794	-
Increase (decrease) in net position	31,719,797	-	9,061,538	(4,210,141)	327,302	(2,064,883)	(885,821)	-	1,319,796	28,172,006	-
Net position - beginning of year	215,863,483	-	46,194,257	(224,886,653)	78,895,958	7,088,248	1,294,853	-	18,381,955	288,894,865	-
Net position - end of year	\$ 247,583,280	\$ -	\$ 55,255,795	\$ (229,096,794)	\$ 79,223,260	\$ 5,023,365	\$ 409,032	\$ -	\$ 19,701,751	\$ 317,066,871	\$ -

OAKLAND COMMUNITY COLLEGE
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	Combined Total	General Fund	Pension Liability Fund	Designated Fund	Auxiliary Services Fund	Restricted Fund	Student Loan Fund	Endowment and Similar Funds	Plant Fund	Agency Fund
ASSETS										
Current assets										
Cash and cash equivalents	\$ 36,208,294	\$ 36,199,744	\$ -	\$ 150	\$ 8,400	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued interest	1,108,381	518,372	-	-	-	-	-	590,009	-	-
Short-term investments	17,391,190	17,391,190	-	-	-	-	-	-	-	-
Property taxes receivable, net	63,145	63,145	-	-	-	-	-	-	-	-
State appropriations receivable	5,387,698	5,387,698	-	-	-	-	-	-	-	-
Federal and state grants receivable	1,448,032	-	-	-	-	1,448,032	-	-	-	-
Accounts receivable, net	1,809,221	838,943	-	336,385	347,967	262,440	-	-	-	23,486
Inventories	1,432,514	-	-	33,844	1,398,670	-	-	-	-	-
Prepaid expenses and other assets	5,486,283	4,636,930	-	-	-	-	-	-	849,353	-
Due from (to) other funds	-	(232,178,874)	-	78,527,250	5,330,078	(354,804)	-	(15,355,139)	160,745,730	3,285,759
Total current assets	70,334,758	(167,142,852)	-	78,897,629	7,085,115	1,355,668	-	(14,765,130)	161,595,083	3,309,245
Long-term investments	263,997,720	230,850,635	-	-	-	-	-	33,147,085	-	-
Capital assets - nondepreciable	11,381,620	-	-	-	-	-	-	-	11,381,620	-
Capital assets - depreciable										
Land improvements	22,198,730	-	-	-	-	-	-	-	22,198,730	-
Infrastructure	22,219,778	-	-	-	-	-	-	-	22,219,778	-
Buildings and improvements	297,023,661	-	-	-	-	-	-	-	297,023,661	-
Equipment	49,269,787	-	-	-	-	-	-	-	49,269,787	-
Library materials	9,247,141	-	-	-	-	-	-	-	9,247,141	-
Accumulated depreciation	(281,153,563)	-	-	-	-	-	-	-	(281,153,563)	-
Total capital assets - depreciable	118,805,534	-	-	-	-	-	-	-	118,805,534	-
Total assets	464,519,632	63,707,783	-	78,897,629	7,085,115	1,355,668	-	18,381,955	291,782,237	3,309,245
Deferred Outflows of Resources	68,316,726	-	49,904,855	-	-	-	-	-	-	-
LIABILITIES										
Current liabilities										
Current portion of long-term debt obligations	923,693	-	-	-	-	-	-	-	923,693	-
Accounts payable	5,760,698	5,760,698	-	-	-	-	-	-	-	-
Accrued interest payable	41,332	-	-	-	-	-	-	-	41,332	-
Accrued payrolls, vacation, and other compensation	7,968,347	7,965,119	-	-	3,228	-	-	-	-	-
Unearned revenue	2,247,905	2,191,779	-	1,671	(6,361)	60,816	-	-	-	-
Deposits held for others	3,309,245	-	-	-	-	-	-	-	-	3,309,245
Total current liabilities	20,251,220	15,917,596	-	1,671	(3,133)	60,816	-	-	965,025	3,309,245
Long-term debt obligations - net of current portion	1,922,347	-	-	-	-	-	-	-	1,922,347	-
Net Pension Liability	192,275,400	-	192,275,400	-	-	-	-	-	-	-
Net OPEB Liability	49,256,724	-	49,256,724	-	-	-	-	-	-	-
Compensated absences - net of current portion	1,595,929	1,595,929	-	-	-	-	-	-	-	-
Total liabilities	265,301,620	17,513,525	241,532,124	1,671	(3,133)	60,816	-	-	2,887,372	3,309,245
Deferred Inflows of Resources	51,671,255	-	33,259,384	-	-	-	-	-	-	-
NET POSITION										
Net investment in capital assets	127,341,114	-	-	-	-	-	-	-	127,341,114	-
Restricted:										
Expendable scholarships and grants	1,294,852	-	-	-	-	1,294,852	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Unrestricted	87,227,517	46,194,258	(224,886,653)	78,895,958	7,088,248	-	-	18,381,955	161,553,751	-
Total net position	\$ 215,863,483	\$ 46,194,258	\$ (224,886,653)	\$ 78,895,958	\$ 7,088,248	\$ 1,294,852	\$ -	\$ 18,381,955	\$ 288,894,865	\$ -

OAKLAND COMMUNITY COLLEGE
COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2019

	Combined Total	Eliminations	General Fund	Pension Liability Fund	Designated Fund	Auxiliary Services Fund	Restricted Fund	Student Loan Fund	Endowment and Similar Funds	Plant Fund	Agency Fund
Operating revenues											
Tuition and fees - net of scholarship allowance of \$11,281,888	\$ 29,884,796	\$ (11,281,888)	\$ 38,836,940	\$ -	\$ 2,329,744	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants and contracts	3,132,531	-	-	-	5,145	-	3,127,386	-	-	-	-
State and local grants and contracts	943,234	-	-	-	-	-	943,234	-	-	-	-
Nongovernmental grants and contracts	728,247	-	-	-	12,362	-	715,885	-	-	-	-
Auxiliary activities	4,754,949	(652,748)	-	-	-	5,405,399	-	-	-	2,298	-
Miscellaneous	814,703	-	426,008	-	300,486	51,998	-	-	-	36,211	-
Total operating revenues	40,258,460	(11,934,636)	39,262,948	-	2,647,737	5,457,397	4,786,505	-	-	38,509	-
Operating expenses											
Instruction	51,497,349	(361,504)	46,997,939	2,359,958	1,913,902	-	587,054	-	-	-	-
Instructional support	18,986,536	(83,318)	15,387,205	759,544	2,045,913	-	877,192	-	-	-	-
Student services	26,052,331	(11,410,516)	12,583,637	495,266	19,338	4,844,125	19,520,481	-	-	-	-
Institutional administration	15,665,786	(68,689)	14,475,784	266,254	139,887	762,051	1,380	-	-	89,119	-
Information Technology	7,919,911	(3,672)	7,879,734	43,849	-	-	-	-	-	-	-
Physical plant operations	17,693,042	(5,698)	16,948,743	571,270	-	-	-	-	-	178,727	-
Depreciation expense	17,253,448	-	-	-	-	-	-	-	-	17,253,448	-
Public services	163,667	(1,239)	21,585	3,942	139,379	-	-	-	-	-	-
Total operating expenses	155,232,070	(11,934,636)	114,294,627	4,500,083	4,258,419	5,606,176	20,986,107	-	-	17,521,294	-
Operating (loss) income	(114,973,610)	-	(75,031,679)	(4,500,083)	(1,610,682)	(148,779)	(16,199,602)	-	-	(17,482,785)	-
Non-operating revenues (expenses)											
Pell grant revenue	15,472,861	-	-	-	-	-	15,472,861	-	-	-	-
State appropriations	24,972,067	-	24,972,067	-	-	-	-	-	-	-	-
State appropriations for UAAL	6,733,961	-	-	6,733,961	-	-	-	-	-	-	-
Property taxes	86,092,187	-	86,092,187	-	-	-	-	-	-	-	-
Investment income	7,795,609	-	6,987,457	-	-	-	-	-	808,152	-	-
Net gain (loss) on investments	9,270,325	-	8,062,570	-	-	-	-	-	1,207,755	-	-
Net non-operating revenues	150,337,010	-	126,114,281	6,733,961	-	-	15,472,861	-	2,015,907	-	-
Income (loss) before transfers	35,363,400	-	51,082,602	2,233,878	(1,610,682)	(148,779)	(726,741)	-	2,015,907	(17,482,785)	-
Transfers in (out)	-	-	(42,080,242)	-	1,629,206	-	855,882	-	(1,126,417)	40,721,571	-
Increase (decrease) in net position	35,363,400	-	9,002,360	2,233,878	18,524	(148,779)	129,141	-	889,490	23,238,786	-
Net position - beginning of year	180,500,083	-	37,191,898	(227,120,531)	78,877,434	7,237,027	1,165,711	-	17,492,465	265,656,079	-
Net position - end of year	\$ 215,863,483	\$ -	\$ 46,194,258	\$ (224,886,653)	\$ 78,895,958	\$ 7,088,248	\$ 1,294,852	\$ -	\$ 18,381,955	\$ 288,894,865	\$ -



OAKLAND COMMUNITY COLLEGE™
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