

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Years ending June 30, 2024 and June 30, 2023



Pictured:
Royal Oak Campus



**OAKLAND
COMMUNITY
COLLEGE®**

CHANCELLOR
PETER PROVENZANO
CPA, CGMA

VICE CHANCELLOR FOR ADMINISTRATIVE SERVICES
CHRISTINA KOSTIUK
CPA

CONTROLLER
SHARON CONVERSE
MBA

Auburn Hills Campus, 2900 Featherstone Rd. Auburn Hills, MI 48326



Oakland Community College

Auburn Hills, Michigan

Annual Comprehensive Financial Report Fiscal Years Ended June 30, 2024 and June 30, 2023

Prepared by:

Department of Financial Services

**OAKLAND COMMUNITY COLLEGE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEARS ENDED JUNE 30, 2024 AND JUNE 30, 2023**

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Introductory Section



OAKLAND COMMUNITY COLLEGE
Excellence *Empowered.*

October 8, 2024

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

The Annual Comprehensive Financial Report of Oakland Community College for the fiscal years ended June 30, 2024, and June 30, 2023, 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, 2024 and 2023. 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 2024 financial performance, as well as comparisons to fiscal year 2023 and 2022. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Over the past several years, the College has navigated numerous challenges. The lingering effects of the pandemic, fluctuations in enrollment, high inflation, and supply chain issues have all impacted our operations. In response, OCC has expanded its distance learning offerings and enhanced remote access to student services to better serve our students and community. Our dedicated faculty and staff have leveraged and improved our technology resources to ensure that continuity of student instruction, student services and accounting operations. We are continually seeking innovative ways to boost enrollment, address inflationary pressures and reduce costs. Together, we are advancing our ambitious strategic objectives and collaborative plans. The College will continue to evolve, providing accessible and relevant educational experiences while being careful stewards of the resources entrusted to us, now and for the future.

We are committed to fiscally responsible planning for both our immediate and future needs, a goal that has remained steadfast. We continue to exercise fiscal prudence to maintain a healthy financial condition and minimal debt, all while uploading our commitment to academic excellence. This report represents management's overview of the College's finances. To ensure the accuracy of these representations, the College maintains an internal control framework designed to protect assets from loss, theft, or misuse, and to compile reliable information for the preparation of financial statements. This framework provides reasonable, though not absolute, assurance that the financial statements are 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 developed a five-year budget and financial forecast, seamlessly integrated into its academic planning to support student success and institutional growth. Recognizing the importance of budgeting and forecasting for both operating and non-operating funds, the College proactively plans for designated reserves and capital infrastructure outlays. This approach ensures the College can meet its financial obligations and maintain its facilities for decades to come. Additionally, the College's financial reserve policy, adopted by the Board of Trustees, guarantees financial sustainability for future years while addressing both operating and capital needs.

OCC remains steadfast in its commitment to effective budgetary planning and sound financial management, all while pursuing excellence in teaching and focusing on student success and community needs. For nearly sixty years, we have educated more than one million students. As one of the largest higher education institutions in Oakland County, our impact on the community is profound. We are inspired by the unwavering dedication of our faculty, administrators, staff, and the Board of Trustees, who collectively make Oakland Community College a premier institution of higher education.

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 approximately 100 certificate and degree programs reflecting in demand occupations in Oakland County, and provides unique academic, cultural and social experiences on each of its 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."

STRATEGIC PLANNING

The College's current Mission, Values, Vision, Strategic Directions, and Strategic Objectives are focused on achieving excellence in everything we do. Oakland Community College is committed to empowering our students to succeed and advancing our community. Our Strategic Plan provides a roadmap for advancing the College and recognizes that our students, our staff, and our community are all essential partners in our collective success. In alignment with the College's Mission, Values, and Vision, the Strategic Plan advances Strategic Directions and Strategic Objectives to create an inclusive and action-oriented model of college advancement.

The following summary illustrates the current hierarchy of language.



Strategic Planning and Stewardship

Strategic planning at Oakland Community College (OCC) is an inclusive model that actively engages volunteers from across the institution. The College recognizes that meaningful, high-impact, and pragmatic strategies can only be created through the direct engagement and contributions of those closest to our core functions.

OCC understands that one of the biggest threats to a strategic planning process is a lack of accountability. Too often, the creation of the plan becomes the primary output. To ensure a plan focused on creating and sustaining action, OCC's Executive Council (EC), consisting of the Chief College Officers, serves as the Strategic Plan Steering Committee. In this role, the team provides direction, coaching, support, and counsel to the teams creating and deploying actions across the College.

Within the strategic plan process, the Steering Committee ensures that the College follows a cyclical and intentional process of planning, deployment, and evaluation. The Steering Committee views the strategic plan as a living document, rather than one that sits on a shelf. It ensures that the College models a regular, intentional, and cyclical process of continuous quality improvement.

Strategic Planning Process

Strategic planning at Oakland Community College is an ongoing endeavor involving a continuously evolving set of stakeholders, actions, and plans. Throughout the year, committees are assigned to each of the College’s strategic objectives, working on two fronts simultaneously but with distinct focal points. At any given time, these committees are actively implementing actions defined in the previous year’s planning while also preparing for the upcoming fiscal year’s actions. They meet consistently throughout the year, managing their scope of work according to the process calendar outlined on the next page.

Supporting each strategic objective committee are strategic action teams, which include a broader set of subject matter and process experts. These teams are responsible for executing the strategic actions defined at the objective level.

Each year, OCC’s strategic plan engages in an independent external audit with Strategic In/Sight Partners (formerly Six Disciplines) (www.strategicinsightpartners.com), focused on continual growth in strategic processes, advancement, and inclusivity. A strategic planning survey was also implemented to gauge the awareness and engagement of stakeholders across every functional area of the College.



Oakland Community College's Strategic Plan

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

Mission

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

Values

ACCESSIBLE – We welcome people of diverse backgrounds and abilities.

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

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

Vision

Excellence in all we do...

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

Primary Institutional Goal

In 2023, OCC set a primary institutional goal to double graduation rates. This key objective helps the organization align activities and resources to significantly improve this critical success indicator, thereby advancing OCC's mission. This focus also aids in evaluating progress across strategic directions and objectives related to student completion. Community college completion remains a complex and mission-focused goal, to help fit higher education advancement and earned credentials into the lives of students who are working, caring for families, and facing economic challenges throughout their college pursuits.

The College remains a central partner in helping to achieve the County and State goals for postsecondary credential attainment via Oakland80 and Michigan Sixty by 30. OCC is committed in its mission to empower students and advance the community in higher education awareness, aspirations, access, and success. The College will continue to evolve to meet the needs of its students, to create innovative opportunities and pathways toward higher education credential attainment.

Monitoring Progress

OCC's monitoring reports offer the Board a comprehensive and consistent framework for evaluating overall institutional effectiveness. Delivered each semester (in fall, winter, and spring), these reports track continuous process improvements related to strategic key performance indicators, culminating in an annual report each August.

FINANCIAL PLANNING

Another way Oakland Community College fulfills its mission is through financial accountability. The allocation and appropriate use of financial resources are priorities 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 and focusing on efficiencies. Additionally, the College prepares a five-year Budget and Financial Forecast each year to proactively manage shortfalls by examining all sources of income and expenses across all funds.

The College has a board-approved financial reserve policy to ensure future sustainability. This policy mandates maintaining adequate funds (a minimum of three months) for College operations and 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 strives to keep tuition affordable with modest annual inflationary increases. The College charges students by billable contact hours to cover the additional costs of high-contact courses, such as science labs, culinary, nursing, and other health profession courses. Over the past several years, tuition rate increases have been minimal, 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 are committed to offering affordable education to all students.

With gross tuition and fees accounting for approximately a third of the College's revenue, alongside state appropriations and property taxes, the College faces the challenge of balancing decreasing or modest increases in enrollment with increasing costs and declining 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

Oakland County is one of the most populous and prosperous counties in Michigan. According to the most recent data published by the U.S. Bureau of Economic Analysis (BEA) on December 8, 2022, Oakland County's real Gross Domestic Product (GDP) ranked the highest among Michigan's 83 counties and accounted for nearly 21% of the state's GDP.¹ Oakland County's 2021 per capita personal income (PCPI) of \$80,962 was also ranked the highest among Michigan counties according to the latest data released by the BEA on November 16, 2022.²

Oakland County Executive Dave Coulter in his recent 2023 State of the County Address announced new and revived initiatives that support prosperity and continued growth within the county. During his speech, Coulter cited the recently formed non-profit organization Oakland Thrive. Oakland Thrive looks to provide resources and services to entrepreneurs and small businesses in the county with a special focus on businesses owned by women, minorities, and veterans. After a pandemic induced hiatus of over three years, Executive Coulter revealed the re-launch of MI Career Quest of Southeast Michigan. The popular event that OCC has participated and sponsored in the past, allows thousands of regional high school students the opportunity to experience hands-on interactive activities in high-demand career areas of healthcare, advanced manufacturing, construction, and IT. Coulter explained, “After the last Career Quest, 82% of the students said they learned about employment, education and training opportunities that they had never heard of before. And 72% said the event helped them make plans for their life and career after high school.”⁶ Coulter also updated the progress of a program aimed at promoting education beyond high school to create new opportunities for county residents. Oakland80 is a commitment to ensure 80 percent of the county’s adults secure a post-secondary degree or certified training by 2030. Since the program was launched in 2020, the county has gone from 61% of its residents meeting the goal to 67.5%.⁷ Oakland Community College has been a partner in this program with certificate and degree programs to support the county’s goal and advance the economic success of the community.

¹ Table 1. *Real Gross Domestic Product, by County, 2018-2021*. U.S. Bureau of Economic Analysis. (2022, December 8).

<https://www.bea.gov/sites/default/files/2022-12/lagdp1222.pdf>

² Table 1. *Per Capita Personal Income, by County 2019-2021*. U.S. Bureau of Economic Analysis. (2022, November 16).

<https://www.bea.gov/sites/default/files/2022-11/lapi1122.pdf>

³ *Local Area Unemployment Statistics Map*. U.S. Bureau of Labor Statistics. (accessed 2023, April 2).

https://data.bls.gov/lausmap/showMap.jsp;jsessionid=6B2B1C1930DC42161F69AE1A111F6F1A.t3_06v

⁴ Ibid.

⁵ Oakland County, Michigan and the University of Michigan. *Oakland County Economic Outlook 2022-2024*. (2022, April).

<https://oakgov.prod.govaccess.org/home/showpublisheddocument/26/638023054855370000>

⁶ Oakland County, Michigan. (2023, March 14). *Living our Values. Achieving our Goals. 2023 State of the County Address*.

<https://oaklandcountyblog.com/2023/03/14/2023-state-of-the-county-address-recap/>

⁷ Ibid.

Related to available occupations and college programming within our region, the College believes there to be approximately 282,287 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 86,860 job openings projected each year for the next five years in our region.*

OCC currently offers programs with approximately 15,913 job openings in the region. For these occupations, the average of the median wages is \$26.81 hour.*

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

1. General and Operations Managers
2. Medical Assistants
3. Bookkeeping, Accounting, and Auditing Clerks
4. Registered Nurses
5. Cooks, Restaurant
6. Medical Secretaries
7. Billing and Posting Clerks
8. Automotive Service Technicians and Mechanics
9. Police and Sheriff's Patrol Officers
10. Computer User Support Specialists

**Data Sources:*

*Lightcast™ (2024, March). <https://www.economicmodeling.com/>
OCC Institutional Effectiveness, August 2024*

Prospects for the Future

Since there are approximately 15,913 job openings in the County that relate 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. Culinary Arts
3. Business Administration-Concentration International Business
4. Medical Assisting Certificate
5. Automobile Servicing
6. Automobile Servicing Certificate
7. Criminal Justice - Law Enforcement
8. Paralegal
9. Paralegal Post Baccalaureate Professional Certificate
10. Business Administration

Data Source:

*Lightcast™. (2024) <https://www.economicmodeling.com/> ;
OCC Institutional Effectiveness, August 2024*

Accreditation

Oakland Community College has been regionally accredited by The Higher Learning Commission of the North Central Association (website www.hlcommission.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.

	Program Title	Predominant Accrediting Agency	Accreditation Status	Reaffirmation Date
1	Automobile Servicing	ASE Education Foundation (Partnerships with Mopar CAP and NC3)	Accredited / Approved	2025
2	Culinary Arts	Primary: American Culinary Federation (Secondary: National Restaurant Association)	Accredited / Approved	2026
3	Dental Hygiene	American Dental Association Commission on Dental Accreditation	Accredited / Approved	2024
4	Diagnostic Medical Sonography	Commission on Accreditation of Allied Health Education Programs	Accredited / Approved	2025
5	Emergency Medical Services	Primary: Commission on Accreditation of Allied Health Education Programs upon the recommendation of the Committee on Accreditation of Educational Programs for the Emergency Medical Services Professions (CoAEMSP) (Secondary: Michigan Department of Health and Human Services)	Accredited / Approved	2024
6	Fire Academy	Primary: Pro Board Fire Service Professional Qualifications System (Secondary: State of Michigan - Michigan Fighters Training Council)	Accredited / Approved	2024
7	Medical Assisting	Commission on Accreditation of Allied Health Education Programs	Accredited / Approved	2029
8	Nursing Associate Degree	Primary: Accreditation Commission for Education in Nursing (Secondary: Michigan Board of Nursing)	Accredited / Approved	2031
9	Paralegal	Primary: American Bar Association (Secondary: American Association for Paralegal Education (AAfPE))	Accredited / Approved	2023 (in process as of March 2024)
10	Police Academy	State of Michigan - Michigan Commission on Law Enforcement Standards	Accredited / Approved	2024
11	Radiologic Technology	The Joint Review Committee on Education in Radiologic Technology	Accredited / Approved	2024

12	Respiratory Therapy	The Commission on Accreditation for Respiratory Care (CoARC)	Accredited / Approved	2033
13	Sign Language Interpreter	Commission on Collegiate Interpreter Education	Accredited / Approved	2026
14	Surgical Technology	Commission on Accreditation of Allied Health Education Programs	Accredited / Approved	2023 (in process as of March 2024)

Data Source: Oakland Community College Accreditation Webpage-
<https://www.oaklandcc.edu/about/accreditation/>

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30 for the past nine years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. Along with the ACFR award, the GFOA also awarded OCC's Financial Services department with an Award of Financial Reporting Achievement.

A Certificate of Achievement for the ACFR is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report 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 year ended June 30, 2023, the sixth year in a row. 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.

For six consecutive years, the College has received the GFOA's highest budget award. The latest recognition was received from the GFOA in November 2023. The College was presented with the

Distinguished Budget Presentation Award for its June 30, 2024-2028 budget document, along with a Certificate of Recognition for Budget Preparation to the Budget and Financial Planning Department. The awards are valid for a period of one year only. The continued participation in the program represents the College's support of best practices in community college budgeting and a commitment to 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 annual comprehensive financial report was made possible by the dedicated efforts of the entire Financial Services Department. We extend our sincere appreciation to each team member for their invaluable contributions to this report.

Respectfully submitted,



Peter Provenzano, Jr., CPA, CGMA
Chancellor



Christina Kostiuk
Vice Chancellor
Administrative Services



Sharon Converse, MBA
Controller
Financial Services

OAKLAND COMMUNITY COLLEGE

PRINCIPAL OFFICIALS

Year Ended June 30, 2024

Board of Trustees

<u>Trustee Name</u>	<u>Position</u>	<u>Expiration</u>
Pamela Jackson	Chairperson	2028
Kathleen Bertolini	Vice Chairperson	2028
Susan Gibson	Secretary	2026
Shirley Bryant	Treasurer	2026
Edward D. Callaghan	Trustee	2028
Pamala Davis	Trustee	2024
Christine O'Sullivan	Trustee	2024

Chancellor's Executive Council

Peter Provenzano, Jr., Chancellor
Christina Ayar, Vice Chancellor for Advancement
Dr. Jennifer Berne, Provost
Jolene Chapman, Associate Provost
Dr. Kimberly Hurns, Vice Chancellor for Student Services
Christina Kostiuk, Vice Chancellor for Administrative Services
Robert Montgomery, Vice Chancellor for Information Technologies/CIO
Joseph Petrosky, Vice Chancellor for Economic & Workforce Development
Andre Poplar, Vice Chancellor for Human Resources
Elizabeth Rae, Vice Chancellor for Legal Affairs
Elizabeth Schnell, Vice Chancellor for Marketing & Communications
Dr. Stephen Simpson, Chief of Staff, Strategy & DEI

OFFICIALS ISSUING REPORT

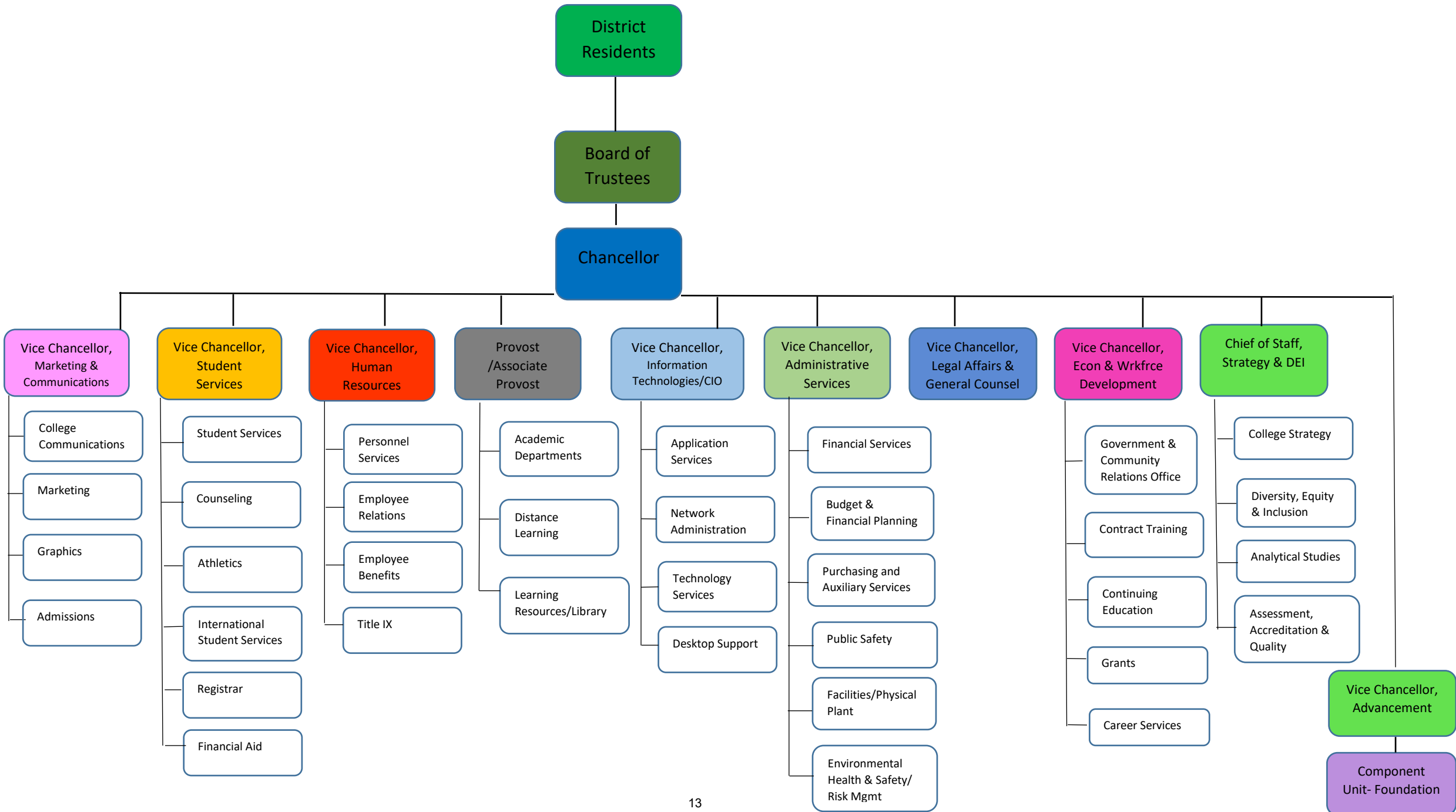
Christina Kostiuk	Vice Chancellor for Administrative Services
Sharon Converse	Controller

DEPARTMENT ISSUING REPORT

Financial Services

Oakland Community College

Auburn Hills, Michigan





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Oakland Community College
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

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, 2023

Christopher P. Morrill

Executive Director/CEO



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Oakland Community College
Michigan**

For the Fiscal Year Beginning

July 01, 2023

Christopher P. Morrill

Executive Director

Financial Section



OAKLAND COMMUNITY COLLEGE
Excellence *Empowered.*

Independent Auditor's Report

To the Board of Trustees
Oakland Community College

Report on the Audits of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of Oakland Community College (the "College") as of and for the years ended June 30, 2024 and 2023 and the related notes to the financial statements, which collectively comprise the College's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Oakland Community College as of June 30, 2024 and 2023 and the respective changes in its financial position and, where applicable, its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the College and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the discretely presented component unit were not audited under *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Trustees
Oakland Community College

In performing audits in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of College's proportionate share of net pension liability, the schedule of College's pension contributions, the schedule of College's proportionate share of net OPEB liability, and the schedule of College's OPEB contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 supplementary 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 audits 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.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise Oakland Community College's basic financial statements. The combining statements of net position and combining statements of revenues, expenses, transfers and changes in net position are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information 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. The information has been subjected to the auditing procedures applied in the audits 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory section and statistical section schedules but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

To the Board of Trustees
Oakland Community College

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2024 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 solely 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 effectiveness of Oakland Community College's 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.

A handwritten signature in black ink that reads "Plante & Moran, PLLC". The signature is written in a cursive, flowing style.

October 8, 2024

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, 2024, 2023 and 2022 and its financial activities for the three years ended June 30, 2024. 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, 2024 and June 30, 2023.

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, 2024 and 2023 and changes in net position for the years ended June 30, 2024 and 2023. The College's Statement of Net Position at June 30, 2024 and 2023, had assets of \$662.9 million and \$585.4 million, respectively, and liabilities of \$220.6 million and \$258.6 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, 2024 and June 30, 2023, was \$173.0 million and \$211.5 million, respectively. The College has recognized its share of the MPSERS unfunded OPEB liability. The net OPEB asset at June 30, 2024 was \$3.0 million. The net OPEB liability at June 30, 2023 was \$11.8 million. The net pension liability and OPEB liability (asset) result from the College's participation in MPSERS, a statewide, cost-sharing, multiple employer defined benefit public employee retirement system. In 2024, the net pension liability decreased by 18.2 percent and the net OPEB liability (asset) decreased by 125.8 percent. The combined reduction in the pension liability and OPEB liability (asset) was \$53.4 million in 2024. In 2023 the balances of the Pension and OPEB liabilities were higher than in 2022 with a combined increase of \$70.5 million. Additionally, there was an overall decrease in benefit expense of \$16.1 million, however, additional UAAL payments of \$5.8 million were received and then paid to Office of Retirement Services during the year.

The College's revenues and other support exceeded expenses by \$83.5 million, \$36.2 million and \$25.4 million in 2024, 2023 and 2022, respectively. For 2024 the increase in revenues in property taxes, gross tuition revenue, state appropriations and strong investment performance contributed to the increase in fund balances. Additionally, cost containment measures across all departments continued to keep expenses lower than budgeted. Current assets totaled \$99.6 million, \$116.9 million and \$63.4 million in 2024, 2023 and 2022. Long term investments totaled \$371.0 million, \$316.7 million and \$338.9 million in 2024, 2023 and 2022. 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 \$431.5 million as of June 30, 2024, \$348.0 million as of June 30, 2023 and \$311.8 million as of June 30, 2022.

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>2024</u>	<u>2023</u>	<u>2022</u>
ASSETS			
Current assets	\$ 99,641,455	\$ 116,942,641	\$ 63,429,953
Long-term investments	371,000,770	316,694,222	338,937,091
Net OPEB asset	3,049,479	-	-
Right of use lease asset, net	759,077	-	-
SBITAs	9,790,148	8,334,210	5,970,281
Capital assets	<u>178,647,671</u>	<u>143,442,061</u>	<u>144,683,121</u>
Total assets	<u>\$ 662,888,600</u>	<u>\$ 585,413,134</u>	<u>\$ 553,020,446</u>
Deferred Outflows of Resources	<u>\$ 58,442,906</u>	<u>\$ 76,777,334</u>	<u>\$ 38,937,960</u>
LIABILITIES			
Current liabilities	\$ 37,875,349	\$ 27,972,702	\$ 26,255,773
Lease liability	632,060	-	-
SBITAs	5,678,670	3,611,808	121,624
Net Pension Liability	172,973,826	211,505,104	143,871,045
Net OPEB Liability	-	11,829,581	8,999,818
Compensated absences	<u>3,463,942</u>	<u>3,655,776</u>	<u>2,371,961</u>
Total liabilities	<u>\$ 220,623,847</u>	<u>\$ 258,574,971</u>	<u>\$ 181,620,221</u>
Deferred Inflows of Resources	<u>\$ 69,239,356</u>	<u>\$ 55,659,116</u>	<u>\$ 98,581,955</u>
Net position			
Net investment in capital assets	\$ 180,532,688	\$ 146,216,467	\$ 146,166,246
Restricted:			
Expendable scholarships, grants and OPEB	8,343,966	363,536	526,486
Unrestricted	<u>242,591,649</u>	<u>201,376,378</u>	<u>165,063,498</u>
Total net position	<u>\$ 431,468,303</u>	<u>\$ 347,956,381</u>	<u>\$ 311,756,230</u>

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

OAKLAND COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

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>2024</u>	<u>2023</u>	<u>2022</u>
Operating revenues			
Tuition and fees, net	\$ 27,049,334	\$ 28,568,433	\$ 26,203,863
Federal grants and contracts	4,387,539	4,239,839	3,281,474
State and local grants and contracts	4,063,082	2,290,936	540,011
Nongovernmental grants and contracts	1,898,480	640,777	482,985
Auxiliary activities	108,011	231,587	2,212,834
Miscellaneous	1,257,373	734,668	723,619
Total operating revenues	38,763,819	36,706,240	33,444,786
Less operating expenses	158,956,537	160,738,656	159,277,823
Operating loss	(120,192,718)	(124,032,416)	(125,833,037)
Non-operating revenues (expenses)			
Pell grant revenue	20,827,905	16,316,609	14,228,847
Other federal grant revenue	3,943,194	6,355,284	28,625,740
State appropriations	35,677,637	27,631,048	27,499,475
State appropriations for UAAL	14,575,007	8,776,484	8,196,892
Property taxes	107,469,661	99,923,797	95,803,050
Investment income	14,786,390	10,512,151	5,818,336
Gain on sale of asset	1,562,156	-	-
Net unrealized and realized gain (loss) on investments	4,862,690	(9,282,806)	(28,894,617)
Net non-operating revenues	203,704,640	160,232,567	151,277,723
Increase in net position	\$ 83,511,922	\$ 36,200,151	\$ 25,444,686
Net position - beginning of year	347,956,381	311,756,230	286,311,544
Net position - end of year	\$ 431,468,303	\$ 347,956,381	\$ 311,756,230

OAKLAND COMMUNITY COLLEGE

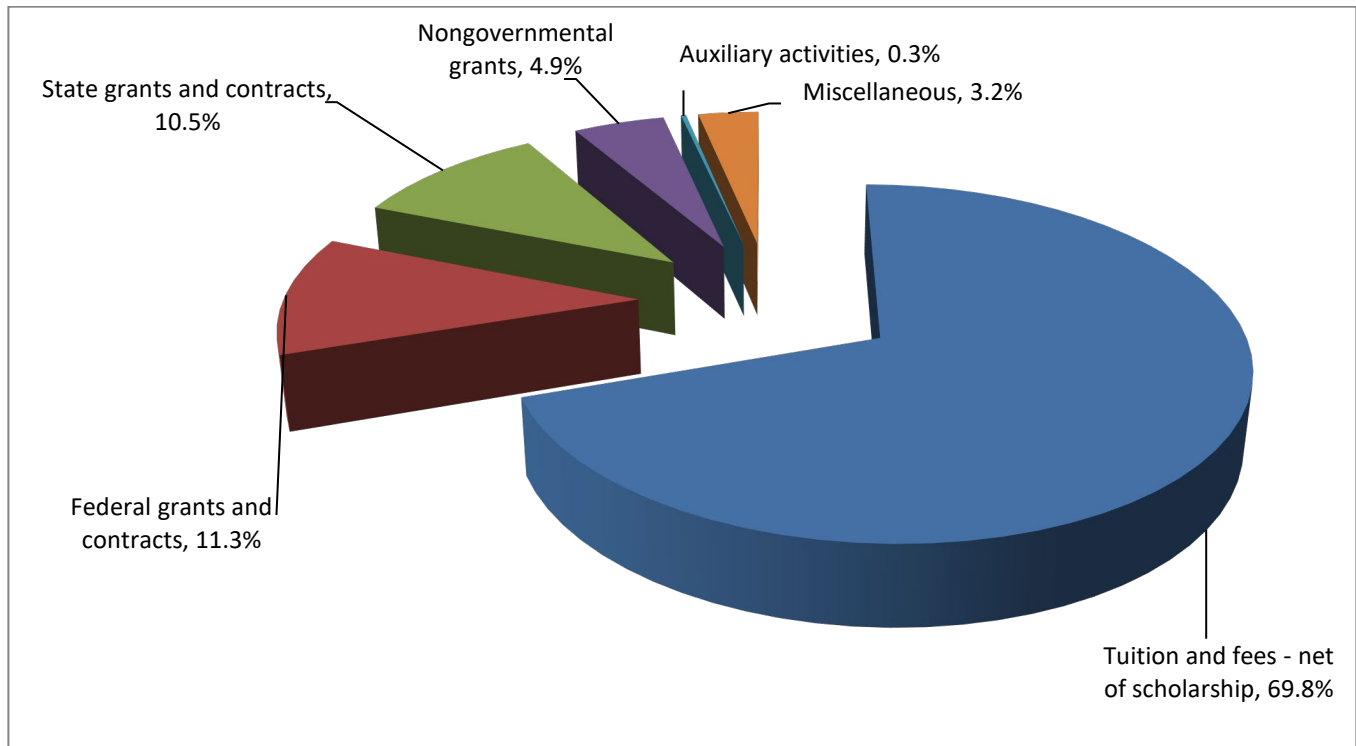
MANAGEMENT’S DISCUSSION AND ANALYSIS

Operating Revenues

Operating revenues include all transactions that result in sales and/or receipts from goods and services, such as tuition, fees, and auxiliary 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>2024</u>	<u>2023</u>	<u>2022</u>
Tuition and fees - net	\$ 27,049,334	\$ 28,568,433	\$ 26,203,863
Federal grants and contracts	4,387,539	4,239,839	3,281,474
State grants and contracts	4,063,082	2,290,936	540,011
Nongovernmental grants	1,898,480	640,777	482,985
Auxiliary activities	108,011	231,587	2,212,834
Miscellaneous	<u>1,257,373</u>	<u>734,668</u>	<u>723,619</u>
Total operating revenues	<u>\$ 38,763,819</u>	<u>\$ 36,706,240</u>	<u>\$ 33,444,786</u>

The following is a graphic illustration of operating revenues for fiscal year 2024:



OAKLAND COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Net tuition and fee revenue (after scholarship allowance) decreased by 5.3 percent in 2024 although there was an increase in enrollment and a moderate tuition increase because the Scholarship Allowance also increased with additional Pell awards. Net tuition and fee revenue (after scholarship allowance) increased slightly by 1.4 percent in 2023 due to small increases in enrollment and a moderate tuition increase. Net tuition and fee revenue (after scholarship allowance) decreased by 12.9 percent in 2022 because of a decrease in enrollment from 2021.
- Gross tuition and fee revenue increased by 6.2 percent and 4.4 percent in 2024 and 2023, respectively. Gross tuition and fee revenue increased by 4.2 percent for fiscal year ended June 30, 2022. In 2024, there was an increase of 6.3 percent in billable contact hours with the increased enrollment. In 2023 billable contact hours increased by less than 1.0 percent and in 2022, billable contact hours decreased by 7.7 percent.
- Federal grants and contracts increased by 3.5 percent, 29.2 percent and 19.4 percent in 2024, 2023 and 2022, respectively, with the addition of several Department of Labor grants. The HEERF funding that the College received in 2023 and 2022 is considered non-operating revenues and is addressed below.
- With the transfer of bookstore operations to a third-party administrator during 2022, auxiliary services revenue decreased by 53.4 percent in 2024 and 89.5 percent in 2023. This follows several years of decreases in auxiliary services revenue because of 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), Inclusive Access and electronic textbooks. The auxiliary activities revenue line is now made up of vendor commissions and auction sales.
- In 2024, state and local grant revenue increased by 77.4 percent, primarily due to the state's TIP – Tuition Incentive Program. In 2023, state and local grant revenue increased by \$1.8 million with additional grants. In 2022, state and local grants decreased by 25.9 percent.
- In 2024, 2023 and 2022, non-governmental grants increased by 196.3 percent, 32.7 percent and 51.5 percent due to increases in local grants, both in number of grants and total grant funding. The College hopes to continue to find local grants to help fund college initiatives and aid in student success.
- In 2024, miscellaneous revenues increased by 71.2 percent due various increases in facilities rentals, increased catering and some on-time insurance revenue for prior year claims. In 2023, miscellaneous revenues increased slightly by 1.5 percent. In 2022, miscellaneous revenues increased by 10.7 percent as a result of increased catering, facility rentals, and other on-campus activity.

OAKLAND COMMUNITY COLLEGE

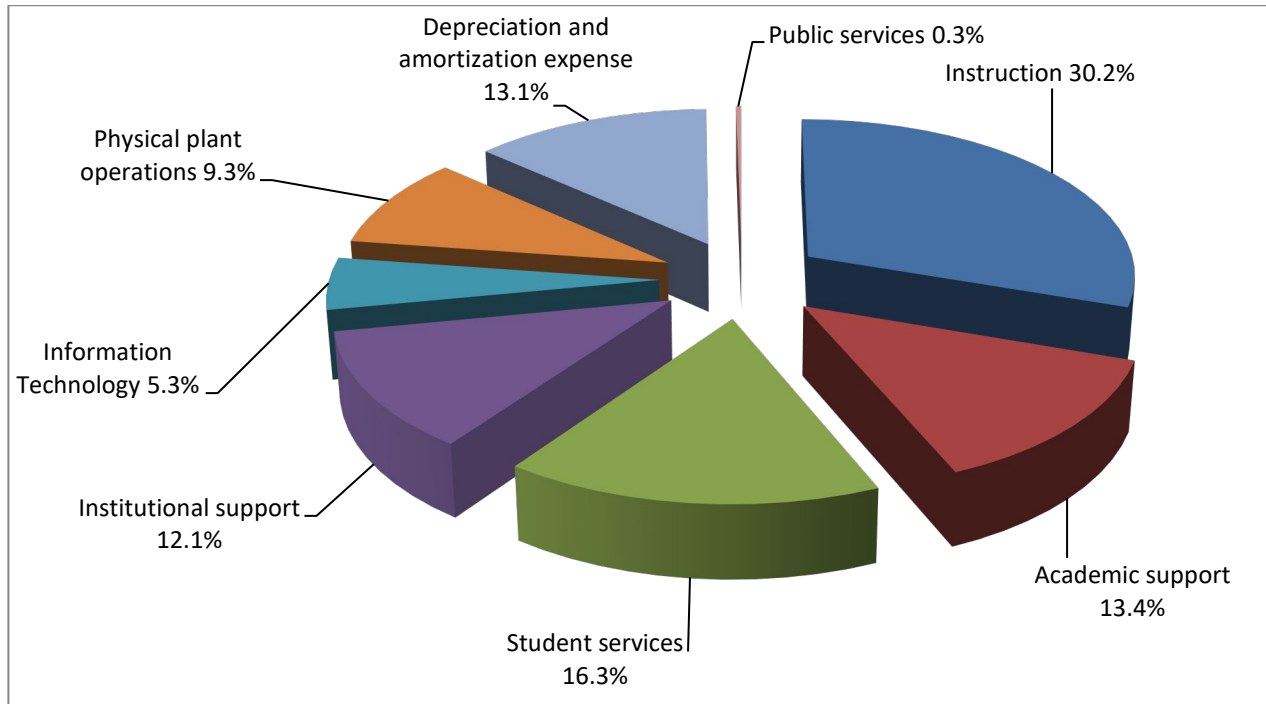
MANAGEMENT’S DISCUSSION AND ANALYSIS

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>2024</u>	<u>2023</u>	<u>2022</u>
Instruction	\$ 48,034,596	\$ 50,744,162	\$ 46,426,648
Academic support	21,262,014	21,262,577	20,356,222
Student services	25,833,580	21,311,833	32,247,195
Institutional support	19,205,666	21,786,188	18,239,596
Information technology	8,545,429	10,225,598	10,636,543
Physical plant operations	14,781,997	15,565,224	12,106,222
Depreciation & amortization expense	20,850,791	19,603,316	19,053,367
Public services	<u>442,464</u>	<u>239,758</u>	<u>212,030</u>
Total operating expenses	<u>\$ 158,956,537</u>	<u>\$ 160,738,656</u>	<u>\$ 159,277,823</u>

The following is a graphic illustration of total operating expenses for the year ended June 30, 2024:



OAKLAND COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

- The primary operating expenses of the College are salaries, payroll taxes, and related fringe benefits. The College incurred \$96.4 million, \$103.7 million, and \$91.9 million of payroll-related expenses during the years ended June 30, 2024, 2023, and 2022 respectively. This represents approximately 60.6 percent of the College's operating expenses during 2024, 64.5 percent during 2023 and 57.7 percent in 2022. In 2024, 2023 and 2022, the decrease in total salaries and benefits is a result of the allocation of a reduction of pension and OPEB expense in accordance with GASB 68 and 75. The reduction of pension and OPEB expense is the result of market appreciation as of the plans year-end in September 2022. Without this required adjustment, total salaries and benefits would have increased in 2024, 2023 and 2022 because of wage increases and benefit cost increases.
- In 2024, the UAAL state appropriations received were \$10.1 million, resulting in \$14.6 million of revenue after consideration of GASB 68 and GASB 75. In 2023, the UAAL state appropriations were \$14.6 million, however due to the allocation of a reduction of pension and OPEB expense in accordance with GASB 68 and 75, the result was a \$1.5 million reduction in expense. In 2022, the UAAL state appropriations were \$8.8 million, however due to the allocation of a reduction of pension and OPEB expense in accordance with GASB 68 and 75, the result was a \$10.2 million reduction to expense.
- In 2024 Instruction expenses decreased by 5.3 percent, resulting primarily from reduction in pension expense resulting from GASB 68 and 75 adjustments. This reduction was \$8.6 million for pension and OPEB. In 2023 Instruction expenses increased by 9.3 percent because of increased salaries and benefits. In 2022 Instruction expenses decreased by 15.3 percent primarily because of the reduction in pension expense resulting from GASB 68 and 75 adjustments. The reduction in Instruction pension expense was \$9.9 million.
- Expenditures in Academic Support remained fairly stable in 2024, 2023 and 2022.
- In 2024 Student Services expenses increased by 21.2 percent due to increase in Pell awards and increased staffing. In 2023 Student Services expenses decreased significantly by 33.9 percent associated with the reduction of HEERF expenditures for institutional expenses and student awards. In 2022, Student Service expenses increased by 17.8 percent primarily due to expenditures related to HEERF funding.
- In 2024, Institutional Support decreased by 11.8 percent resulting from reduction in pension expense resulting from GASB 68 and 75 adjustments. This reduction was \$1.5 million for pension and OPEB. In addition, the expense to increase in the liability for compensated absences for GASB 101 was recognized in 2023. Institutional Support increased by 19.4 percent in 2023. This increase is due to increased salaries and benefits and an increase in benefit expense related to the increase in liability for compensated absences with the adoption of GASB 101. Institutional Support expenses increased by 3.1 percent in 2022, due to salaries and related benefits, millage expense and insurance costs.

OAKLAND COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

- In 2024, Information Technology expenses decreased by 16.4 percent. Information Technology expenses decreased slightly in 2023 by 3.9 percent. In 2022, Information Technology decreased by 14.3 percent.
- In 2024, Physical Plant Operations decreased slightly by 5.0 percent. In 2023, Physical Plant Operations increased by 28.6 percent due to increased utility costs, and salaries and benefits. In 2022, Physical Plant Operation decreased by 16.4 percent.
- In 2024, Public service expenses increased by 84.6 percent from allocation of salaries and benefit expenses to public service departments and increased contracted services for Economic and Workforce Development. Public service expenses remained fairly stable for 2023 and 2022.

Non-operating Revenues

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

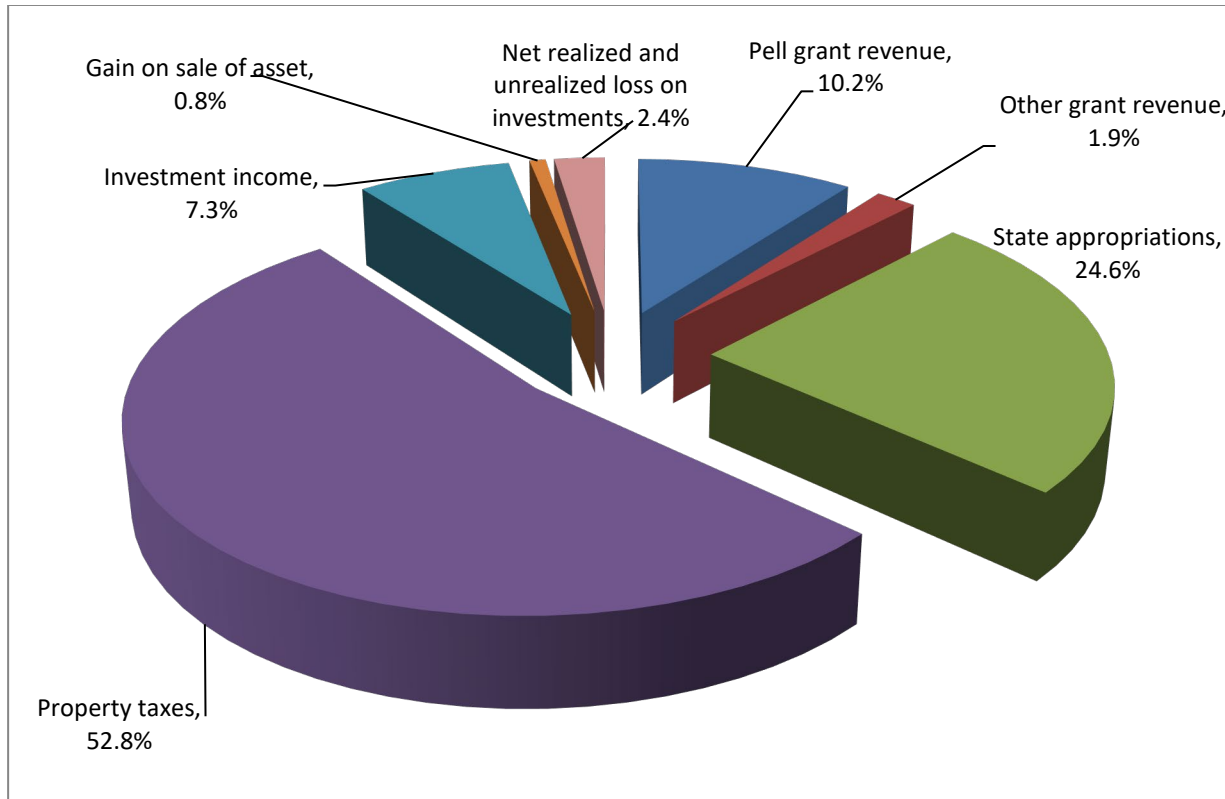
Non-operating revenues for the years ended June 30 consisted of the following:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Non-operating revenues			
Pell grant revenue	\$ 20,827,905	\$ 16,316,609	\$ 14,228,847
Other federal grant revenue	3,943,194	6,355,284	28,625,740
State appropriations	35,677,637	27,631,048	27,499,475
State appropriations for UAAL	14,575,007	8,776,484	8,196,892
Property taxes	107,469,661	99,923,797	95,803,050
Investment income	14,786,390	10,512,151	5,818,336
Gain on sale of asset	1,562,156	-	-
Net realized and unrealized gain (loss) on investments	<u>4,862,690</u>	<u>(9,282,806)</u>	<u>(28,894,617)</u>
Total non-operating revenues	<u>\$ 203,704,640</u>	<u>\$ 160,232,567</u>	<u>\$ 151,277,723</u>

OAKLAND COMMUNITY COLLEGE

MANAGEMENT’S DISCUSSION AND ANALYSIS

The following is a graphic illustration of non-operating revenues by source for fiscal year 2024:



- Pell continues to increase as the awards are increased by the Department of Education, more students qualify and as enrollment increases. Pell grant revenue increased by 27.7 percent, 14.7 percent and 2.5 percent in 2024, 2023 and 2022, respectively.
- The College received \$3.9 million, \$3.0 million and \$3.2 million in student financial aid for Future for Frontliners and Michigan ReConnect programs in 2024, 2023 and 2022, respectively. In 2024, the Michigan ReConnect program was expanded to include 21-24 year olds resulting in increased funding. In 2023 and 2022, the College received federal HEERF funding for student direct payments and institutional expenses and this program was complete in 2023. HEERF funding was \$3.3 million and \$29.4 million in 2023 and 2022, respectively.
- In 2024, there was an increase of 38.0 percent in state appropriations. In 2023 there was a modest increase of 2.0 percent in state appropriations. In 2022, there was an increase of 7.8 percent in state appropriations from 2021. Personal property tax reimbursement from the state in the amount of \$2.5 million, \$2.5 million, \$2.5 million for 2024, 2023, and 2022, respectively, was received and is included in the annual state appropriation figure. The College received an additional \$5.0 million from the state for equipment/capital renovations included in state appropriations for 2024. 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 \$10.1 million, \$14.6 million and

OAKLAND COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

\$8.8 million for 2024, 2023 and 2022, respectively, resulting in \$14.6 million, \$8.8 million and \$8.2 million of revenue after consideration of GASB 68 and GASB 75 in 2024, 2023 and 2022, as well as MPSERS related cash outlay and expenses of equal amounts.

- In 2024 property taxes increased by 7.6 percent or \$7.6 million. Property taxes increased by \$4.1 million in 2023 and \$3.0 million in 2022. These increases are a result of taxable values in Oakland County, Michigan continuing to increase.
- In 2024 and 2023, investment income increased by 40.7 percent and 80.1 percent, respectively. In 2022, investment income decreased by 3.6 percent. Realized losses were \$702,000 and \$1.3 million in 2024 and 2023, respectively. Realized gains on investments were \$1.3 million in 2022. 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.
- In December 2023, the College sold its District Office building and moved its main address to 2900 Featherstone Rd, Auburn Hills and relocated administrative staff across all campuses. The revenue recognized for the sale of the building was \$1.6 million.
- 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 2024, the College recorded unrealized gains of \$5.6 million. Unrealized losses were \$7.9 million and \$29.0 million in 2023 and 2022, respectively, as a result of interest rate increases. 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.

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

OAKLAND COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cash provided by (used in):			
Operating activities	\$(111,668,021)	\$(108,853,661)	\$(125,852,670)
Noncapital financing activities	181,943,025	162,246,865	180,541,178
Capital and related financing activities	(55,406,493)	(19,655,464)	(23,440,729)
Investing activities	(46,460,768)	8,222,876	(24,998,676)
Net change	(31,592,257)	41,960,616	6,249,103
Cash and cash equivalents - beginning of year	76,763,162	34,802,546	28,553,443
Cash and cash equivalents - end of year	\$ 45,170,905	\$ 76,763,162	\$ 34,802,546

Net cash used in operating activities totaled \$111.7 million for 2024. This was financed by \$181.9 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 \$55.4 million during 2024. This consists primarily of approximately \$52.9 million of capital additions. Net cash used by investing activities totaled \$46.5 million. This consists of \$93.4 million of proceeds from the sale and maturities of investments, \$1.6 million from the sale of capital asset, purchases of investments of \$154.98 million, and an offset by interest received during 2024 of approximately \$13.5 million. The net result of all cash flows is a decrease in cash and cash equivalents of \$31.6 million for 2024.

Net cash used in operating activities totaled \$108.9 million for 2023. This was financed by \$162.2 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 \$19.7 million during 2023. This consists of approximately \$15.6 million of capital additions. Net cash provided by investing activities totaled \$8.2 million. This consists of \$69.5 million of proceeds from the sale and maturities of investments, purchases of investments of \$72.0 million, and an offset by interest received during 2023 of approximately \$10.8 million. The net result of all cash flows is an increase in cash and cash equivalents of \$42.0 million for 2023.

Net cash used in operating activities totaled \$125.9 million for 2022. This was financed by \$180.5 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 \$23.4 million during 2022. This consists of approximately \$27.2 million of capital additions, as well as a payment of \$974,000 towards long term obligations for an installment purchase agreement and payment of principal on SBITA obligations of \$3.5 million. Net cash used by investing activities totaled \$25.0 million. This consists of \$140.7 million of proceeds from the sale and maturities of investments, purchases of investments of \$173.0 million, and an offset by interest received during 2022 of approximately \$7.3 million. The net result of all cash flows is an increase in cash and cash equivalents of \$6.2 million for 2022.

OAKLAND COMMUNITY COLLEGE

MANAGEMENT’S DISCUSSION AND ANALYSIS

Capital Assets

The College had \$178.6 million and \$143.4 million invested in capital assets, net of accumulated depreciation of \$353.7 million and \$344.8 million at June 30, 2024 and 2023, respectively. Depreciation charges approximated \$17.3 and \$16.5 million for the years ended June 30, 2024 and 2023, respectively.

	2024	2023	2022
Capital assets:			
Land and land improvements	\$ 37,133,105	\$ 37,479,437	\$ 33,103,130
Infrastructure	24,241,830	24,175,937	23,975,617
Buildings and improvements	343,832,780	346,771,218	343,747,089
Furniture, fixtures, and equipment	62,357,785	62,207,387	56,619,039
Library materials	7,450,362	8,298,900	8,883,126
Construction in progress	57,332,969	9,326,323	7,909,035
Accumulated depreciation	(353,701,159)	(344,817,141)	(329,553,915)
 Total capital assets	 \$ 178,647,672	 \$ 143,442,061	 \$ 144,683,121

Additions to capital assets during 2024, 2023, and 2022 included costs for both internal and external maintenance and renovation projects at various campus sites. Capital additions were \$52.9 million, \$15.2 million, and \$18.8 million during years 2024, 2023, and 2022, respectively. The College began a large capital project in Royal Oak for the culinary arts in 2022. It is expected to be complete in fall of 2025. Construction in Progress increased by \$48.0 million in 2024 from 2023. Additional information on the College’s capital assets can be found in Note 3 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 MPSERS Pension 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.

OAKLAND COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2024 and 2023, 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 \$70.2 million, \$68.1 million and \$64.9 million excluding the GASB 68 and GASB 75 liabilities at June 30, 2024, 2023 and 2022, respectively. This is an increase of \$2.1 million from 2023 to 2024, an increase of \$3.1 million from 2022 to 2023 and an increase of \$4.0 million from 2021 to 2022.

The Designated Fund related to the GASB 68 pension liability and GASB 75 OPEB liability had a deficit net position of \$180.7 million, \$202.2 million and \$212.5 million as of June 30, 2024, 2023 and 2022, 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, Endowment and Similar Funds, and Plant Funds comprise the remaining overall net position for a combined College total of \$431.5 million, \$348.0 million and \$311.2 million in 2024, 2023 and 2022, 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 6 for a more detailed description of retirement liability. The majority of the Plant Fund is unrestricted and is designated for various capital improvements, repairs and projects. In 2024, the College received state appropriations ITEMS funding restricted for capital improvements. The College has restricted these funds for a major capital project for C.R.E.S.T., the combined regional emergency services training center.

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. Current rates have resulted in property tax revenues exceeding their pre-recession peak 10 years ago.

Student enrollment has been fairly stable with increases over the past couple years and projected increases for future years. In 2024 and 2023, enrollment increased by 3.9 percent and by less than 1.0 percent, respectively. In 2022, enrollment decreased by 7.8 percent. Student billable contact hours were 325,118 for fiscal year 2024, 305,721 for fiscal year 2023, and 303,087 for fiscal year 2022. For the past several years, beginning each fall term, the Board of Trustees has approved a modest 2-3% percent increase in the In-district and Out of District tuition rates. The College charges students by billable contact hour.

OAKLAND COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

State appropriations are currently expected to be stable for the next fiscal year or have a slight increase but the College continues to monitor possible decreases in the future due to economic conditions and inflation.

Payroll and related expenses represent approximately 60.6 percent, 64.5 percent and 57.5 percent of the total operating expenses reported on the June 30, 2024, 2023, and 2022 statement of revenue, expenses, and changes in net position. In 2024 the decrease is a result of several factors including the reduction in pension expense resulting from GASB 68 and 75 adjustments and the reduction of benefit cost with the recognition of the liability for compensated absences the previous year. In 2023, the increase is a result in increased benefit costs including the adoption of GASB 101, compensated absences and recording of the liability. In 2022, the decrease is a direct result of the reduction in benefit expenses related to pension and OPEB at year end due to the significant decrease in Net pension and OPEB liabilities. The College anticipates that future 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 MPSERS.

The College and other educational institutions in the U.S. are navigating a complex landscape with various challenges and key obstacles. These obstacles including economic factors like record inflations, less college-aged students, increased competition for students, and other enrollment challenges. The College continues to react decisively and plan for the future to continue providing quality educational resources to students and the community. The integration of technology into education presents both opportunities and challenges. While OCC's online and remote offerings have expanded access, we must navigate the balance between traditional in-person classes and digital learning experiences. Staying abreast of technological advancements and ensuring equitable access for all students is crucial. The College continues to plan for the future with a 5-year budget and forecast and closely monitor the impact of the economy and outside factors on College operations.

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OAKLAND COMMUNITY COLLEGE
STATEMENTS OF NET POSITION
JUNE 30

	College		Component Unit - Foundation	
	2024	2023	2024	2023
ASSETS				
Current assets				
Cash and cash equivalents	\$ 45,170,905	\$ 76,763,162	\$ 217,183	\$ 354,771
Accrued interest	2,336,045	955,980	12,584	-
Short-term investments	34,413,410	22,428,018	10,970,401	9,593,995
Property taxes receivable - net of allowance	543,311	54,278	-	-
State appropriations receivable	6,984,731	6,190,270	-	-
Federal and state grants receivable	3,932,354	4,665,469	-	-
Accounts receivable - net of allowance	2,254,327	1,378,879	-	-
Inventories	51,472	46,463	-	-
Prepaid expenses and other assets	3,954,900	4,460,122	-	-
Total current assets	99,641,455	116,942,641	11,200,168	9,948,766
Long-term investments	371,000,770	316,694,222	-	-
Net OPEB asset	3,049,479	-	-	-
Capital assets – non-depreciable	67,314,643	19,541,912	-	-
Capital assets – depreciable, net	111,333,028	123,900,149	-	-
Right of use lease asset, net	759,077	-	-	-
Subscription based IT arrangements, net	9,790,148	8,334,210	-	-
Total non-current assets	563,247,145	468,470,493	-	-
Total assets	\$ 662,888,600	\$ 585,413,134	\$ 11,200,168	\$ 9,948,766
Deferred outflows of resources	\$ 58,442,906	\$ 76,777,334	\$ -	\$ -
LIABILITIES				
Current liabilities				
Accounts payable	\$ 15,738,968	\$ 9,950,417	\$ 1,516	\$ 9,691
Accrued payrolls, vacation, and other compensation	8,359,496	7,146,386	-	-
Unearned revenue	6,630,319	5,207,685	-	-
Lease liability	154,961	-	-	-
Subscription liability	2,198,517	1,947,996	-	-
Deposits	4,793,088	3,720,218	-	-
Total current liabilities	37,875,349	27,972,702	1,516	9,691
Net pension liability	172,973,826	211,505,104	-	-
Net OPEB liability	-	11,829,581	-	-
Lease liability -net of current portion	632,060	-	-	-
Subscription liability	5,678,670	3,611,808	-	-
Compensated absences - net of current portion	3,463,942	3,655,776	-	-
Total non-current liabilities	182,748,498	230,602,269	-	-
Total liabilities	\$ 220,623,847	\$ 258,574,971	\$ 1,516	\$ 9,691
Deferred inflows of resources	\$ 69,239,356	\$ 55,659,116	\$ -	\$ -
NET POSITION				
Net investment in capital assets	\$ 180,532,688	\$ 146,216,467	\$ -	\$ -
Restricted:				
Nonexpendable endowments	-	-	4,039,849	3,887,158
Expendable-scholarships, grants & OPEB	8,343,966	363,536	2,420,327	2,093,952
Unrestricted	242,591,649	201,376,378	4,738,476	3,957,965
Total net position	\$ 431,468,303	\$ 347,956,381	\$ 11,198,652	\$ 9,939,075

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	
	2024	2023	2024	2023
Operating revenues				
Tuition and fees - net of scholarship allowance of \$19,897,778 in 2024 and \$15,626,447 in 2023	\$ 27,049,334	\$ 28,568,433	\$ -	\$ -
Federal grants and contracts	4,387,539	4,239,839	-	-
State and local grants and contracts	4,063,082	2,290,936	-	-
Nongovernmental grants and contracts	1,898,480	640,777	-	-
Auxiliary activities	108,011	231,587	-	-
Miscellaneous	1,257,373	734,668	-	-
Total operating revenues	38,763,819	36,706,240	-	-
Operating expenses				
Instruction	48,034,596	50,744,162	-	-
Academic support	21,262,014	21,262,577	-	-
Student services	25,833,580	21,311,833	-	-
Institutional Support	19,205,666	21,786,188	481,943	634,249
Information Technology	8,545,429	10,225,598	-	-
Physical plant operations	14,781,997	15,565,224	-	-
Depreciation and Amortization expense	20,850,791	19,603,316	-	-
Public services	442,464	239,758	-	-
Total operating expenses	158,956,537	160,738,656	481,943	634,249
Operating loss	(120,192,718)	(124,032,416)	(481,943)	(634,249)
Non-operating revenues (expenses)				
Pell grant revenue	20,827,905	16,316,609	-	-
Other federal grant revenue	3,943,194	6,355,284	-	-
State appropriations	35,677,637	27,631,048	-	-
State appropriations for UAAL	14,575,007	8,776,484	-	-
Property taxes	107,469,661	99,923,797	-	-
Gifts	-	-	408,926	1,731,838
Investment income	14,786,390	10,512,151	357,026	313,618
Gain on sale of asset	1,562,156	-	-	-
Net realized and unrealized gain (loss) on investments	4,862,690	(9,282,806)	975,568	599,160
Net non-operating revenues (expenses)	203,704,640	160,232,567	1,741,520	2,644,616
Increase in net position	83,511,922	36,200,151	1,259,577	2,010,367
Net position - beginning of year	347,956,381	311,756,230	9,939,075	7,928,708
Net position - end of year	\$ 431,468,303	\$ 347,956,381	\$ 11,198,652	\$ 9,939,075

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

OAKLAND COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30

	2024	2023
Cash flows from operating activities		
Tuition and fees	\$ 27,596,520	\$ 30,912,153
Grants and contracts	10,349,101	7,171,552
Payments to suppliers	(80,947,555)	(77,932,692)
Payments to employees	(70,031,471)	(69,970,929)
Direct loan receipts	10,293,597	11,186,668
Direct loan disbursements	(10,293,597)	(11,186,668)
Auxiliary enterprise charges	1,365,384	966,255
	(111,668,021)	(108,853,661)
Cash flows from noncapital financing activities		
Pell and other federal grant revenue	25,504,214	26,150,481
Property taxes	106,980,628	99,922,489
State appropriations	49,458,183	36,173,895
	181,943,025	162,246,865
Cash flows from capital and related financing activities		
Purchase of capital assets	(52,908,315)	(15,228,766)
Payments on SBITA and leases	(2,498,178)	(4,426,698)
	(55,406,493)	(19,655,464)
Cash flows from investing activities		
Purchase of investments	(154,902,731)	(72,046,825)
Interest on investments	13,492,681	10,778,504
Proceeds from sales of assets	1,562,156	-
Proceeds from sales and maturities of investments	93,387,126	69,491,196
	(46,460,768)	(8,222,876)
Net (decrease) increase in cash and cash equivalents	\$ (31,592,257)	\$ 41,960,616
Cash and cash equivalents - beginning of year	76,763,162	34,802,546
Cash and cash equivalents - end of year	\$ 45,170,905	\$ 76,763,162
Significant Noncash Transactions		
Unrealized gain (loss) on investments at fiscal year-end	\$ 4,862,690	\$ (7,981,945)
New Leases entered into	893,032	-
New SBITAs entered into	6,336,837	5,499,346

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

	<u>2024</u>	<u>2023</u>
Operating loss	\$ (120,192,718)	\$ (124,032,416)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation & amortization	20,850,791	19,603,316
Loss on disposal of capital assets	402,865	1,926
Provision for uncollectible receivables	1,513,001	1,058,709
Changes in operating assets and liabilities which (used) provided cash		
Accounts receivable	(2,388,449)	(353,668)
Inventories	(5,009)	4,843
Prepaid assets and other current assets	505,222	(256,260)
Accounts payable	5,625,166	2,277,163
Accrued payroll and other compensation	1,021,276	2,095,532
Deposits	1,072,870	(593,094)
Unearned revenue	1,422,634	1,638,679
Deferred outflows of resources	18,334,428	(37,839,374)
Deferred inflows of resources	13,580,240	(42,922,839)
Pension and OPEB Liability	(53,410,338)	70,463,822
Net cash used in operating activities	\$ (111,668,021)	\$ (108,853,661)

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

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, 2900 Featherstone Rd, Auburn Hills, Michigan 48326.

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

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 is recorded net of allowance for uncollectible amounts of approximately \$2.2 million and \$1.4 million as of June 30, 2024 and 2023, respectively. The allowance for doubtful accounts is established using a general valuation 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 Note 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, 2024 includes \$3.4 million of tuition for the 2024 summer term, which began on May 6, 2024 and ended on August 21, 2024. Unearned revenue also includes unearned grant revenue of \$3.2 million at June 30, 2024. Unearned revenue at June 30, 2023 includes \$2.9 million of tuition for the 2023 summer term, which began on May 8, 2023 and ended on August 22, 2023. Unearned revenue also includes unearned grant revenue of \$2.3 million at June 30, 2023.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Subscriptions – The College obtains the right to use vendors' information technology software through various long-term contracts. The College recognizes a subscription liability and an intangible right-of-use subscription asset (the "subscription asset") on the Statement of Net Position. The College recognizes subscription assets and liabilities with an initial value of \$0 or more.

At the commencement of a subscription, the College initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus initial implementation costs. Subsequently, the subscription asset is depreciated on a straight-line basis over its useful life.

Key estimates and judgments related to subscriptions include how the College determines the discount rate it uses to discount the expected subscription payments to present value and the subscription term.

The College uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the College generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.

The subscription term includes the noncancelable period of the subscription.

The College monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability. Subscription assets are reported with other capital assets, and subscription liabilities are reported with long-term debt on the statement of net position.

Compensated Absences – This statement requires that liabilities for compensated absences are recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used.

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, non-capital financing activities, investing activities, state appropriations, property taxes, and Federal Pell grants and other federal grants, 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, 2024 and 2023, 1.4891 and 1.5057 of tax per \$1,000 of taxable property value in the College taxing district was levied for general operating purposes on all property, respectively. Total operating property tax revenue was \$107.5 million and \$99.9 million for the years ended June 30, 2024 and 2023, 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.

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.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Other Postemployment Benefit Costs - For purposes of measuring the net other postemployment benefit (OPEB) asset/liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the MPSERS and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. MPSERS uses the economic resources measurement focus and the full accrual basis of accounting. For this purpose, MPSERS 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 assets 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 6.

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 assets 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 6.

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.

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.

Reclassification - Certain 2023 amounts have been reclassified to conform to the 2024 presentation. Net position totaling \$2,774,406 related to net book value of Subscription-based IT arrangements presented in unrestricted net position in 2023 has been reclassified to net investment in capital assets net position on the 2023 statement of net position. Within cash flows from capital and related financing activities, \$5,827,667 presented as purchase of capital assets, principal paid on SBITA, and interest paid on SBITA has been reclassified to purchase of capital assets, payments on SBITA and leases, and new SBITAs entered into on the 2023 statement of cash flows.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Unrestricted Net Position - Unrestricted net position represents net position that is not subject to externally imposed restrictions. In fiscal year 2024 and 2023 the College's unrestricted net position is comprised of the following:

	<u>2024</u>	<u>2023</u>
Designated for future capital outlay and major maintenance	\$ 258,666,592	\$ 238,804,251
Designated for quasi-endowment	18,551,404	17,806,476
Designated for instructional programs (designated fund)	2,933,190	2,853,769
Designated for future benefits (designated fund)	76,044,480	76,044,480
Designated for unfunded pension and OPEB liabilities	(183,770,275)	(202,216,467)
General fund unrestricted net position	70,166,258	68,083,869
	<u>\$ 242,591,649</u>	<u>\$ 201,376,378</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 future benefits fund. The current balances in the unrestricted and designated funds listed above meet the requirements of this policy.

Net Investment in Capital Assets - Included in net investment in capital assets are capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, and improvement of those assets, and leases and subscription-based IT arrangements, net of accumulated amortization and future principal and interest payments due related to these agreements.

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.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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 \$250,000 of cash and certificates of deposit were covered by FDIC insurance and \$46.4 million and \$76.9 million of cash and certificates of deposit were not covered by FDIC insurance at June 30, 2024 and 2023, respectively.

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.

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.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

The College has the following recurring fair value measurements as of June 30, 2024 and 2023:

	2024	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	\$ 152,519,116	\$ -	\$ 152,519,116	\$ -
Tax-Exempt Municipal Bonds	-	-	-	-
Federal Agency Mortgage-Backed Securities	83,661,263	-	83,661,263	-
Federal Agency Collateralized Mortgage Obligations	114,296,479	-	114,296,479	-
Federal Agency Bonds/Notes	34,160,122	-	34,160,122	-
Total investments by fair value level	\$ 384,636,980	\$ -	\$ 384,636,980	\$ -
Investments at cost				
Michigan Liquid Asset Fund Plus-TERM	20,000,000			
Certificates of deposit	777,200			
Total Investments	\$ 405,414,180			

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

	2023	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	\$ 122,319,380	\$ -	\$ 122,319,380	\$ -
Tax-Exempt Municipal Bonds	2,973,986	-	2,973,986	-
Federal Agency Mortgage-Backed Securities	86,535,011	-	86,535,011	-
Federal Agency Collateralized Mortgage Obligations	85,204,063	-	85,204,063	-
Federal Agency Bonds/Notes	41,312,601	-	41,312,601	-
Total investments by fair value level	\$ 338,345,041	\$ -	\$ 338,345,041	\$ -
Investments at cost				
Certificates of deposit	777,200			
Total Investments	\$ 339,122,240			

The fair value of the U.S. Treasury securities, tax-exempt municipal bonds, and federal government agency securities at June 30, 2024 and 2023 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, 2024 and June 30, 2023.

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

	2024	2023
Cash and cash equivalents	\$ 45,170,905	\$ 76,763,162
Short-term investments	34,413,410	22,428,018
Long-term investments	371,000,770	316,694,222
Total	\$ 450,585,085	\$ 415,885,402

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

The amounts are categorized as follows at June 30:

	2024	2023
Bank deposits (checking, savings, cash sweep accounts)	\$ 45,170,905	\$ 76,763,162
Investments	405,414,180	339,122,240
Total	\$ 450,585,085	\$ 415,885,402

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.

The College fixed income investments by credit rating and maturity at June 30, 2024 and 2023 were as follows:

2024	Credit Quality Rating	Balance at June 30, 2024	Less Than One Year	1-5 Years	More than 5 Years
U.S. Treasury Securities	AA+/Aaa	\$ 152,519,116	-	\$ 143,633,686	\$ 8,885,430
Tax-Exempt Municipal Bonds	Aa1	-	-	-	-
Federal Agency Mortgage-Backed Securities	AA+/Aaa	83,661,263	-	1,806,054	81,855,209
Federal Agency Collateralized Mortgage Obligations	AA+/Aaa	114,296,479	5,781,512	62,611,064	45,903,903
Federal Agency Bonds/Notes	AA+/Aaa	34,160,122	7,611,885	21,282,327	5,265,910
Certificates of Deposit	A+/Aa1	777,200	777,200	-	-
Michigan Liquid Asset Fund Plus - TERM	AAAm	20,000,000	20,000,000	-	-
Total		\$ 405,414,180	\$ 34,170,597	\$ 229,333,131	\$ 141,910,452

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

2023	Credit Quality Rating	Balance at June 30, 2023	Less Than One Year	1-5 Years	More than 5 Years
U.S. Treasury Securities	AA+/Aaa	\$ 122,319,380	\$ 15,906,632	\$ 106,412,748	\$ -
Tax-Exempt Municipal Bonds	Aa1	2,973,986	2,973,986	-	-
Federal Agency Mortgage-Backed Securities	AA+/Aaa	86,535,010	-	834,311	85,700,699
Federal Agency Collateralized Mortgage Obligations	AA+/Aaa	85,204,063	114,527	40,393,928	44,695,608
Federal Agency Bonds/Notes	AA+/Aaa	41,312,601	3,389,625	32,698,016	5,224,960
Certificates of Deposit	A+/Aa1	777,200	-	777,200	-
Commercial Paper	A-1/P-1	-	-	-	-
Total		\$ 339,122,240	\$ 22,384,770	\$ 181,116,203	\$ 135,621,267

* 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 .375 percent to 6.75 percent in 2024 and .25 percent to 6.75 percent in 2023.

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.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

More than five percent of the College's investments at June 30, 2024 and 2023 were invested as follows:

Issuer	2024	2023
Federal Home Loan Mortgage Corporation	14%	33%
Federal National Mortgage Association	22%	25%
U.S. Treasury	38%	36%
Federal Home Multi-family	9%	0%
Freddie Mac	9%	0%

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Useful Life</u> <u>Years</u>
Capital assets - non-depreciable					
Land	\$ 10,215,589	\$ -	\$ (233,914)	\$ 9,981,675	
Construction in progress	<u>9,326,323</u>	<u>48,858,476</u>	<u>(851,831)</u>	<u>57,332,968</u>	
Total capital assets – non-depreciable	<u>\$ 19,541,912</u>	<u>\$ 48,858,476</u>	<u>\$ (1,085,745)</u>	<u>\$ 67,314,643</u>	
Capital assets - depreciable					
Land improvements	\$ 27,263,848	\$ -	\$ (112,418)	\$ 27,151,430	5-25
Buildings and improvements	346,771,218	8,000	(2,946,438)	343,832,780	5-40
Furniture, fixtures and equipment	62,207,387	3,966,874	(3,816,476)	62,357,785	5-20
Library materials	8,298,899	74,964	(923,501)	7,450,362	15
Infrastructure	<u>24,175,937</u>	<u>-</u>	<u>65,893</u>	<u>24,241,830</u>	10-25
Total capital assets - depreciable	<u>\$ 468,717,289</u>	<u>\$ 4,049,838</u>	<u>\$ (7,732,940)</u>	<u>\$ 465,034,187</u>	
Less accumulated depreciation					
Land improvements	\$ 17,359,854	\$ 1,169,644	\$ (98,167)	\$ 18,431,331	
Buildings and improvements	249,739,257	11,666,453	(3,553,157)	257,852,553	
Furniture, fixtures and equipment	49,175,901	3,887,350	(3,816,476)	49,246,775	
Library materials	7,011,959	185,807	(923,485)	6,274,281	
Infrastructure	<u>21,530,169</u>	<u>390,585</u>	<u>(24,535)</u>	<u>21,896,219</u>	
Total accumulated depreciation	<u>\$ 344,817,140</u>	<u>\$ 17,299,839</u>	<u>\$ (8,415,820)</u>	<u>\$ 353,701,159</u>	
Total capital assets – depreciable, net	<u>\$ 123,900,148</u>			<u>\$ 111,333,028</u>	
Net capital assets	<u>\$ 143,442,061</u>			<u>\$ 178,647,671</u>	
Right of Use Lease Assets	\$ -	\$ 839,032	\$ -	\$ 839,032	
Less Accumulated Amortization	<u>-</u>	<u>133,955</u>	<u>-</u>	<u>133,955</u>	
Right of Use Lease Assets, Net	<u>\$ -</u>	<u>\$ 759,077</u>	<u>\$ -</u>	<u>\$ 759,077</u>	
Subscription Based IT Arrangements	\$ 13,604,858	\$ 6,336,837	\$ (2,439,837)	\$ 17,501,858	
Less Accumulated Amortization	<u>5,270,648</u>	<u>3,416,996</u>	<u>(975,934)</u>	<u>7,711,710</u>	
Subscription Based IT Arrangements, Net	<u>\$ 8,334,210</u>	<u>\$ 2,919,841</u>	<u>\$ 1,463,903</u>	<u>\$ 9,790,148</u>	

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Useful Life</u> <u>Years</u>
Capital assets - non-depreciable					
Land	\$ 10,215,589	\$ -	\$ -	\$ 10,215,589	
Construction in progress	<u>7,909,035</u>	<u>9,018,044</u>	<u>(7,600,756)</u>	<u>9,326,323</u>	
Total capital assets – non-depreciable	<u>\$ 18,124,624</u>	<u>\$ 9,018,044</u>	<u>\$ (7,600,756)</u>	<u>\$ 19,541,912</u>	
Capital assets - depreciable					
Land improvements	\$ 22,887,541	\$ -	\$ 4,376,307	\$ 27,263,848	5-25
Buildings and improvements	343,747,089	-	3,024,129	346,771,218	5-40
Furniture, fixtures and equipment	56,619,039	6,111,049	(522,701)	62,207,387	5-20
Library materials	8,883,126	99,671	(683,898)	8,298,899	15
Infrastructure	<u>23,975,617</u>	<u>-</u>	<u>200,320</u>	<u>24,175,937</u>	10-25
Total capital assets - depreciable	<u>\$ 456,112,412</u>	<u>\$ 6,210,720</u>	<u>\$ 6,394,157</u>	<u>\$ 468,717,289</u>	
Less accumulated depreciation					
Land improvements	\$ 16,443,590	\$ 916,264	\$ -	\$ 17,359,854	
Buildings and improvements	238,387,214	11,352,043	-	249,739,257	
Furniture, fixtures and equipment	46,124,990	3,571,686	(520,775)	49,175,901	
Library materials	7,498,556	197,301	(683,898)	7,011,959	
Infrastructure	<u>21,099,565</u>	<u>430,604</u>	<u>-</u>	<u>21,530,169</u>	
Total accumulated depreciation	<u>\$ 329,553,915</u>	<u>\$ 16,467,898</u>	<u>\$ (1,204,673)</u>	<u>\$ 344,817,140</u>	
Total capital assets – depreciable, net	<u>\$ 126,558,497</u>			<u>\$ 123,900,148</u>	
Net capital assets	<u>\$ 144,683,121</u>			<u>\$ 143,442,061</u>	
Subscription Based IT Arrangements	\$ 8,105,511	\$ 5,499,347	\$ -	\$ 13,604,858	
Less Accumulated Amortization	<u>2,135,230</u>	<u>3,135,418</u>	<u>-</u>	<u>5,270,648</u>	
Subscription Based IT Arrangements, Net	<u>\$ 5,970,281</u>	<u>\$ 2,363,929</u>	<u>\$ -</u>	<u>\$ 8,334,210</u>	

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

4. SUBSCRIPTIONS

The College obtains the right to use vendors' information technology software through various long-term contracts. Payments are generally fixed annually.

Subscription asset activity of the College is included in Note 3.

Future principal and interest payment requirements related to the College's subscription liability at June 30, 2024 are as follows:

Year	Principal	Interest	Total
2025	2,198,517	355,084	2,553,601
2026	2,159,760	227,226	2,386,986
2027	1,658,389	121,363	1,779,752
2028	999,150	55,965	1,055,115
2029	861,371	4,106	865,477
	<u>\$ 7,877,187</u>	<u>\$ 763,744</u>	<u>\$ 8,640,931</u>

5. LONG-TERM LIABILITIES

Lease Liability

In 2024, the College entered into a five-year lease agreement with Applied Innovations for the lease of copiers across all five campuses. Payments are fixed monthly including principal and interest. As of June 30, 2024, the College's outstanding lease liability is \$787,021. The current portion is listed under current liabilities and the lease liability, net of current portion, is listed as a long-term liability and the related assets is listed as a Right of use lease asset. The interest rate is 10.53 percent. Interest related to the lease was \$66,861 for year ended June 30, 2024.

Under the lease agreement, the future principal and interest payment requirements are as follows:

Year	Principal	Interest
2025	\$ 154,961	\$ 75,535
2026	172,088	58,408
2027	191,110	39,386
2028	212,234	18,262
2029	56,628	997
Total	\$ 787,021	\$ 192,588

In 2023, the College did not have any long-term debt or lease payable.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

The College’s long-term liabilities consist of the following as of June 30, 2024 and 2023:

2024

	July 1, 2023	Additions	Reductions	June 30, 2024	Current Portion
Long-term obligations:					
Lease Liability	\$ -	\$ 893,032	\$ 106,011	\$ 787,021	\$ 154,961
Subscription Liability	5,559,804	6,336,837	4,019,454	7,877,187	2,198,517
Compensated absences	4,874,368	22,054	277,833	4,618,589	1,154,647
Total	\$ 10,434,172	\$ 7,251,923	\$ 4,403,298	\$ 13,282,797	\$ 3,508,125

2023

	July 1, 2022	Additions	Reductions	June 30, 2023	Current Portion
Subscription Liability	\$ 4,487,156	1,072,648	-	5,559,804	1,947,996
Compensated absences	3,162,615	2,111,496	399,743	4,874,368	1,218,592
Total	\$ 7,649,771	\$ 3,184,144	\$ 399,743	\$ 10,434,172	\$ 3,166,588

6. 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.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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 MPSERS 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.

The range of rates is as follows:

	Pension	OPEB
October 1, 2021 – September 30, 2022	13.73% - 20.14%	7.23% - 8.09%
October 1, 2022 – September 30, 2023	13.75% - 20.16%	7.21% - 8.07%
October 1, 2023 – September 30, 2024	13.70% - 20.03%	7.06% - 8.31%

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, 2024 and 2023 were \$22.5 million and \$26.1 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 \$10.1 million and \$14.6 million 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, 2024 and 2023, respectively.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

The College's required and actual OPEB contributions to the plan for the years ended June 30, 2024 and 2023 were \$4.8 million, 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, to fund the MPSERS unfunded actuarial accrued liability (UAAL) stabilization rate for OPEB in 2024 or 2023.

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 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.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Net Pension Liability – At June 30, 2024 and 2023, the College reported a liability of \$173.0 million and \$211.5 million, respectively, for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2023 and 2022, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2022 and September 30, 2021, which used update procedures to roll forward the estimated liability to September 30, 2023 and September 30, 2022. 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. The College’s proportion was 0.53443, 0.56238 and 0.60768 percent, at September 30, 2023, September 30, 2022 and September 30, 2021, respectively.

Net OPEB (Asset) Liability – At June 30, 2024, the College reported an asset of \$3.0 million for its proportionate share of the net OPEB (asset) liability. The net OPEB asset for fiscal year 2024 was measured as of September 30, 2023, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of September 30, 2022, which used updated procedures to roll forward the estimated liability to September 30, 2023. At June 30, 2023, the College reported a liability of \$11.8 million for its proportionate share of the net OPEB liability. The net OPEB liability for fiscal year 2023 was measured as of September 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2021, which used updated procedures to roll forward the estimated liability to September 30, 2022. The College’s proportion of the net OPEB (asset) 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. The College’s proportion was 0.53906, 0.55851 and 0.58962 percent at September 30, 2023, September 30, 2022 and September 30, 2021, respectively.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension - For the year ended June 30, 2024 and 2023, the College recognized pension expense of \$15.0 million and \$19.7 million, respectively, inclusive of payments to fund the MPSERS UAAL stabilization rate.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

At June 30, 2024 and 2023, the College reported deferred inflows of resources related to pensions net of deferred outflows of resources from the following sources:

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,460,256	\$ 264,968
Changes of assumptions	23,438,741	13,514,245
Net difference between projected and actual earnings on pension plan investments	-	3,539,604
Changes in proportion and differences between reporting unit contributions and proportionate share of contributions	109,849	15,052,499
Reporting unit contributions subsequent to the measurement date	19,255,910	-
Total	\$ 48,264,756	\$ 32,371,316
	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,115,789	\$ 472,903
Changes of assumptions	36,344,156	-
Net difference between projected and actual earnings on pension plan investments	495,980	-
Changes in proportion and differences between reporting unit contributions and proportionate share of contributions	34,599	13,100,159
Reporting unit contributions subsequent to the measurement date	22,908,177	-
Total	\$ 61,898,701	\$ 13,573,062

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

The \$10,070,942 and \$14,575,007 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, 2024 and 2023, respectively. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase to pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2025	\$ (1,972,327)
2026	(2,500,194)
2027	4,461,089
2028	(3,351,038)
Thereafter	<u>-</u>
Total	<u><u>\$ (3,362,470)</u></u>

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

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2024 and 2023, the College recognized OPEB recovery of \$6.7 million and \$6.2 million, respectively.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

At June 30, 2024 and 2023, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

2024

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 23,043,430
Changes of Assumptions	6,788,673	817,485
Net difference between projected and actual earnings on pension plan investments	9,298	-
Changes in proportion and differences between Reporting Unit contributions and proportionate share of contributions	41,177	2,936,183
Reporting Unit contributions subsequent to the measurement date	3,339,001	-
Total	\$ 10,178,149	\$ 26,797,098

2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 23,169,617
Changes of Assumptions	10,544,085	858,559
Net difference between projected and actual earnings on pension plan investments	924,575	-
Changes in proportion and differences between Reporting Unit contributions and proportionate share of contributions	52,866	3,482,871
Reporting Unit contributions subsequent to the measurement date	3,357,106	-
Total	\$ 14,878,632	\$ 27,511,047

OAKLAND COMMUNITY COLLEGE

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, 2023 and 2022, respectively. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as a reduction to 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
2025	\$ (6,415,804)
2026	(5,947,654)
2027	(2,637,094)
2028	(2,405,340)
2029	(1,712,042)
Thereafter	(840,016)
Total	\$ (19,957,950)

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

Actuarial Assumptions – The total pension liability and total OPEB liability as of September 30, 2023 and September 30, 2022, are based on the results of an actuarial valuation date of September 30, 2022 and September 30, 2021, respectively, and rolled forward. The total pension liability and OPEB (asset) liability were determined using the following actuarial assumptions:

Actuarial cost method		Entry Age normal cost actuarial cost method
Investment rate of return- Pension	2023 6.00% 2022 6.00%	Net of investment expenses based on the groups
Investment rate of return - OPEB	2023 6.00% 2022 6.00%	Net of investment expenses based on the groups
Salary increases	2023 2.75% - 11.55% 2022 2.75% - 11.55%	Including wage inflation of 2.75% (2023 and 2022)
Healthcare Cost Trend Rate	2023 6.25 - 7.5% 2022 5.25 - 7.75%	Year 1, graded to 3.50% in year 15
Mortality basis		PubT-2010 Male and Female Employee Mortality Tables, scaled 100% (retirees: 116% for males and 116% for females) and adjusted for mortality improvements using projection scale MP-2021 from 2010.
Cost of living pension adjustments	3.00%	Annual non-compounded for MIP members

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Assumption changes as a result of an experience study for the periods 2017 through 2022 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2023 valuation.

Significant assumption changes since the prior measurement date, September 30, 2022, for the OPEB plans include a decrease in the healthcare cost trend rate of .25 percent for members under 65 and an increase of 1.0 for members over 65. There were no significant benefit terms changes for the pension or OPEB plans since the prior measurement date of September 30, 2022.

Discount Rate – The discount rate used to measure the total pension liability was 6.0 percent as of September 30, 2023 and 2022. The discount rate used to measure the total OPEB liability was 6.0 percent as of September 30, 2023 and 2022. 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.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following tables for 2024 and 2023, respectively:

	2024	
	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity pools	25.0%	5.80%
Private equity pools	16.0%	9.60%
International equity pools	15.0%	6.80%
Fixed-income pools	13.0%	1.30%
Real estate & infrastructure pools	10.0%	6.40%
Absolute return pools	9.0%	4.80%
Real return & opportunistic pools	10.0%	7.30%
Short-term investment pools	2.0%	0.30%
Total	100.0%	

Long-term rates of return are net of administrative expense and inflation of 2.7 percent.

	2023	
	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity pools	25.0%	5.10%
Private equity pools	16.0%	8.70%
International equity pools	15.0%	6.70%
Fixed-income pools	13.0%	-.20%
Real estate & infrastructure pools	10.0%	5.30%
Absolute pools	9.0%	2.70%
Real return & opportunistic pools	10.0%	5.80%
Short-term investment pools	2.0%	-0.50%
Total	100.0%	

Long-term rates of return are net of administrative expense and inflation of 2.0 percent.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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:

	<u>2024</u>		
	<u>1.00 percent decrease</u> <u>(5.00 percent)</u>	<u>Current Discount Rate</u> <u>(6.00 percent)</u>	<u>1.00 percent increase</u> <u>(7.00 percent)</u>
Net Pension Liability	\$ 233,687,132	\$ 172,973,826	\$ 122,427,803
	<u>2023</u>		
	<u>1.00 percent decrease</u> <u>(5.00 percent)</u>	<u>Current Discount Rate</u> <u>(6.00 percent)</u>	<u>1.00 percent increase</u> <u>(7.00 percent)</u>
Net Pension Liability	\$ 279,108,162	\$ 211,505,104	\$ 155,797,139

Sensitivity of the net OPEB (asset) liability to changes in the discount rate - The following presents the net OPEB (asset) liability of the College, calculated using the current discount rate. The following also reflects what the College's net OPEB (asset) 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:

	<u>2024</u>		
	<u>1.00 percent decrease</u> <u>(5.00 percent)</u>	<u>Current Discount Rate</u> <u>(6.00 percent)</u>	<u>1.00 percent increase</u> <u>(7.00 percent)</u>
Net OPEB (Asset) Liability	\$ 3,161,395	\$ (3,049,479)	\$ (8,387,115)
	<u>2023</u>		
	<u>1.00 percent decrease</u> <u>(5.00 percent)</u>	<u>Current Discount Rate</u> <u>(6.00 percent)</u>	<u>1.00 percent increase</u> <u>(7.00 percent)</u>
Net OPEB Liability	\$ 19,842,984	\$ 11,829,581	\$ 5,081,301

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Sensitivity of the net OPEB (asset) liability to changes in the healthcare cost trend rate - The following presents the net OPEB (asset) liability of the College, calculated using the current healthcare cost trend rate. The following also reflects what the College's net OPEB (asset) liability would be if it were calculated using a healthcare cost trend rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

<u>2024</u>				
	<u>1.00 percent decrease</u>	<u>Current Healthcare Cost</u>	<u>Trend Rate</u>	<u>1.00 percent increase</u>
Net OPEB (Asset) Liability	\$ (8,400,424)	\$ (3,049,479)		\$ 2,741,997

<u>2023</u>				
	<u>1.00 percent decrease</u>	<u>Current Healthcare Cost</u>	<u>Trend Rate</u>	<u>1.00 percent increase</u>
Net OPEB Liability	\$ 4,953,663	\$ 11,829,581		\$ 19,547,935

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, 2024, the College reported a payable of \$2.9 million and approximately \$384,000 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2024.

At June 30, 2023, the College reported a payable of \$2.2 million and approximately \$231,000 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2023.

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, 2024 and 2023. The payroll for the College's employees covered by the optional plan was \$14.1 million and \$13.3 million for fiscal years ended 2024 and 2023, respectively. College contributions were made in the amount required by the plan and totaled approximately \$1.5 million for fiscal years 2024 and 2023. Under the member investment plan, employees may contribute 4% of gross wages in addition to the College's contribution.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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.

7. 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.

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.

8. SELF-INSURANCE

The College is currently self-insured for short term disability and worker's compensation. Other healthcare, dental and vision plans for College employees are premium based.

Changes in self-insured employee benefit liabilities during 2024, 2023, and 2022 were as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 281,518	\$ 484,808	\$ 510,206
Claims incurred and changes in estimates	271,128	236,355	158,529
Claim and premium payments	<u>(350,060)</u>	<u>(439,645)</u>	<u>(183,927)</u>
Balance, end of year	<u>\$ 202,586</u>	<u>\$ 281,518</u>	<u>\$ 484,808</u>

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

9. 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, 2024 and 2023, respectively, the College has commitments to complete existing contracts in the amount of approximately \$52.2 million and \$73.2 million, related principally to renovations of campus buildings and facilities. These renovations at year end June 30, 2024 and 2023 include commitments on the construction projects at Royal Oak campus for new culinary building and the Orchard Ridge Health Services relocation project.

10. FEDERAL DIRECT LENDING PROGRAM

The College distributed \$10.3 million and \$11.2 million for student loans through the U.S. Department of Education federal direct lending program for the years ended June 30, 2024 and 2023, respectively. These distributions and related funding source are not included as revenues or expenses in the accompanying financial statements.

11. 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, 2024 and June 30, 2023, the College's property tax revenues were reduced by \$1.4 million and \$1.2 million, respectively, under these programs.

There are no abatements made by the College.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

12. 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 assets of the component unit are 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 assets of the Foundation totaled \$11.2 million and \$9.9 million for the years ended June 30, 2024 and 2023, 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 assets are available for the following purposes at June 30:

	<u>2024</u>	<u>2023</u>
Scholarships	\$ 2,238,802	\$ 1,936,906
Educational Development Programs	181,525	157,046
Time-restricted pledges for scholarships	<u>-</u>	<u>-</u>
Restricted-expendable net position	<u>\$ 2,420,327</u>	<u>\$ 2,093,952</u>

Restricted – non-expendable net assets contain donor-imposed restrictions that stipulate the resources be maintained in perpetuity, 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 purpose restricted net assets for future scholarships to students enrolled at Oakland Community College.

Non-expendable net assets held in perpetuity total \$4.0 million and \$3.9 million at June 30, 2024 and 2023, respectively.

For the year ending June 30, 2024, the Foundation's investments total \$11.0 million and are comprised of \$4.2 million in bond funds, \$4.1 million in equities, \$2.7 million in exchange traded funds and \$0 of money market funds. For the year ending June 30, 2023, the Foundation's investments total \$9.6 million and are comprised of \$2.5 million in bond funds, \$3.8 million in equities, \$3.3 million in exchange traded funds and \$240,000 of money market 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 in-kind.

OAKLAND COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

13. UPCOMING ACCOUNTING PRONOUNCEMENTS

In December 2023, the Government Accounting Standards Board issued Statement No. 102, Certain Risk Disclosures, which requires governments to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. It also requires governments to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date of the financial statements are issued. If certain criteria are met for a concentration or constraint, disclosures are required in the notes to the financial statements. The provisions of this statement are effective for the College's financial statements for the year ending June 30, 2025.

In April 2024, the Government Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*, which establishes new accounting and financial reporting requirements, or modifies existing requirements, related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The provisions of this statement are effective for Oakland Community College's financial statements for the year ending June 30, 2026.

Required Supplemental Information



OAKLAND COMMUNITY COLLEGE
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Oakland Community College
Required Supplementary Information
Schedule of Reporting Unit's Proportionate Share of Net Pension Liability
Last 10 Fiscal Years (Amounts were determined as of 9/30 of each fiscal year)

	As of Plan's Year End September 30, 2023	As of Plan's Year End September 30, 2022	As of Plan's Year End September 30, 2021	As of Plan's Year End September 30, 2020	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	0.53443%	0.56238%	0.60768%	0.61555%	0.62364%	0.63960%	0.66951%	0.72319%	0.71981%	0.76338%
Amount	\$ 172,973,826	\$ 211,505,104	\$ 143,871,045	\$ 211,446,634	\$ 206,528,014	\$ 192,275,400	\$ 173,497,992	\$ 180,430,177	\$ 175,812,730	\$ 168,146,098
College's covered payroll	\$ 53,594,200	\$ 53,997,798	\$ 53,066,067	\$ 53,390,520	\$ 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	322.75%	391.69%	271.12%	396.04%	386.28%	364.66%	320.13%	301.63%	287.29%	232.49%
MPSERS fiduciary net position as a percentage of the total pension liability	65.91%	60.77%	72.32%	59.49%	60.08%	62.12%	63.96%	63.01%	63.17%	66.20%
	As of the College's Year End June 30, 2024	As of the College's Year End June 30, 2023	As of the College's Year End June 30, 2022	As of the College's Year End June 30, 2021	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	\$ 21,942,409	\$ 25,683,119	\$ 19,456,861	\$ 18,581,008	\$ 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	\$ 21,942,409	\$ 25,683,119	\$ 19,456,861	\$ 18,581,008	\$ 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	\$ 53,816,887	\$ 55,644,336	\$ 53,784,156	\$ 53,255,771	\$ 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	40.77%	46.16%	36.18%	34.89%	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:

2023 - The valuation includes the impact of an updated experience study for periods from 2017 to 2022.

2022 - The discount rate and investment rate of return used in the September 30, 2022 actuarial valuation decreased by 0.80% percentage points

2020 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.25% percentage points

2019 - 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.

2018 - 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 6 Fiscal Years (Amounts were determined as of 9/30 of each fiscal year)

	As of Plan's Year End September 30, 2023	As of Plan's Year End September 30, 2022	As of Plan's Year End September 30, 2021	As of Plan's Year End September 30, 2020	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	0.53906%	0.55851%	0.58962%	0.60379%	0.61229%	0.61966%	0.67208%
Amount	\$ (3,049,479)	\$ 11,829,581	\$ 8,999,818	\$ 32,346,396	\$ 43,948,736	\$ 49,256,724	\$ 59,515,812
College's covered payroll	\$ 53,594,200	\$ 53,997,798	\$ 53,066,067	\$ 53,390,520	\$ 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	-5.69%	21.91%	16.96%	60.58%	82.20%	93.42%	109.82%
MPSERS fiduciary net position as a percentage of the total OPEB liability	105.04%	83.09%	88.87%	59.76%	48.67%	43.10%	36.53%
	As of the College's Year End June 30, 2024	As of the College's Year End June 30, 2023	As of the College's Year End June 30, 2022	As of the College's Year End June 30, 2021	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	\$ 4,421,286	\$ 4,478,924	\$ 4,382,978	\$ 4,431,812	\$ 4,267,836	\$ 4,148,963	\$ 3,839,579
Contributions in relation to the actuarially determined contractually required contribution	\$ 4,421,286	\$ 4,478,924	\$ 4,382,978	\$ 4,431,812	\$ 4,267,836	\$ 4,148,963	\$ 3,839,579
Contribution deficiency (excess)	-	-	-	-	-	-	-
Covered MPSERS employee payroll	\$ 53,816,887	\$ 55,644,336	\$ 53,784,156	\$ 53,255,771	\$ 53,111,606	\$ 52,819,221	\$ 53,159,697
Contributions as a percentage of covered payroll	8.22%	8.05%	8.15%	8.32%	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 MPSER 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:

2023- The healthcare cost trend rate used in the September 30, 2023 actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 1.00 percentage points for members over 65. In addition, actual per person health benefit costs were lower than projected. The valuation includes the impact of an updated experience study for periods from 2017 to 2022.

2022 – The discount rate and investment rate of return used in the September 30, 2022 actuarial valuation decreased by 0.95% percentage points. This resulted in a lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.1 billion in 2022.

2021 – The healthcare cost trend rate used in the September 30, 2020 actuarial valuation increased by 0.75% for members under 65 and decreased by 1.75% for members over 65. In addition, actual per person health benefit costs were lower than projected. This reduced the plan's total OPEB liability by \$1.3 billion in 2021.

2020 – The discount rate used in the September 30, 2019 actuarial valuation decreased by 0.50% percentage points. This resulted in a lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.8 billion in 2020.

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 Annual Comprehensive 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)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Operating revenues										
Tuition and fees - net of scholarship allowances	\$ 27,049,334	\$ 28,568,433	\$ 26,203,863	\$ 30,088,766	\$ 29,771,347	\$ 29,884,796	\$ 30,814,265	\$ 33,089,583	\$ 33,402,037	\$ 32,872,669
Federal grants and contracts	4,387,539	4,239,839	3,281,474	2,749,273	3,009,624	3,132,531	3,106,858	3,384,815	4,066,362	4,312,702
State and local grants and contracts	4,063,082	2,290,936	540,011	728,631	929,845	943,234	5,896,053	1,391,492	1,505,418	1,648,464
Nongovernmental grants and contracts	1,898,480	640,777	482,985	318,736	494,366	728,247	647,391	571,140	643,012	564,692
Auxiliary activities	108,011	231,587	2,212,834	3,318,550	4,280,615	4,754,949	5,559,961	6,624,795	8,268,262	10,261,046
Miscellaneous	1,257,373	734,668	723,619	653,482	769,077	814,703	912,336	804,640	948,644	873,936
Total operating revenues	38,763,819	36,706,240	33,444,786	37,857,438	39,254,874	40,258,460	46,936,864	45,866,465	48,833,735	50,533,509
Operating expenses										
Instruction	48,034,596	50,744,162	46,426,648	54,778,800	54,576,897	51,497,349	51,555,305	53,225,465	55,785,779	60,781,034
Academic support	21,262,014	21,262,577	20,356,222	20,380,771	19,942,660	18,986,536	22,672,313	22,005,048	21,662,964	22,608,649
Student services	25,833,580	21,311,833	32,247,195	27,379,122	27,618,481	26,052,331	28,075,505	28,180,138	34,183,974	40,894,568
Institutional support	19,205,666	21,786,188	18,239,596	18,812,471	18,083,722	15,665,786	16,177,115	15,926,220	17,453,950	19,265,043
Information Technology	8,545,429	10,225,598	10,636,543	12,416,531	9,145,353	7,919,911	7,156,628	7,269,653	8,295,364	9,151,820
Physical plant operations	14,781,997	15,565,224	12,106,222	14,472,441	18,076,615	17,693,042	14,525,312	17,418,448	18,714,603	19,571,831
Depreciation and amortization expense	20,850,791	19,603,316	19,053,367	16,149,990	17,443,042	17,253,448	16,674,558	16,268,145	15,993,976	16,247,859
Public services	442,464	239,758	212,030	211,604	178,277	163,667	117,940	135,116	138,175	183,897
Total operating expenses	158,956,537	160,738,656	159,277,823	164,601,730	165,065,047	155,232,070	156,954,676	160,428,233	172,228,785	188,704,701
Operating (loss) income	(120,192,718)	(124,032,416)	(125,833,037)	(126,744,292)	(125,810,173)	(114,973,610)	(110,017,812)	(114,561,768)	(123,395,050)	(138,171,192)
Non-operating revenues (expenses)										
Pell grant revenue	20,827,905	16,316,609	14,228,847	13,884,825	14,584,483	15,472,861	18,147,150	17,424,284	21,850,205	31,655,877
Other federal grant revenue	3,943,194	6,355,284	28,625,740	26,406,819	1,704,999	-	-	-	-	-
State appropriations	35,677,637	27,631,048	27,499,475	26,152,183	23,345,507	24,972,066	24,715,817	23,847,244	21,645,361	21,351,179
State appropriations for UAAL	14,575,007	8,776,484	8,196,892	6,950,580	7,065,991	6,733,962	8,966,836	7,124,142	2,233,357	5,789,403
Property taxes	107,469,661	99,923,797	95,803,050	92,782,896	89,630,341	86,092,187	82,889,739	80,835,825	79,964,027	77,283,938
Investment income	14,786,390	10,512,151	5,818,336	6,034,265	8,400,571	7,795,609	4,585,290	3,271,525	2,622,381	3,419,787
Gain on sale of asset	1,562,156	-	-	-	-	-	-	-	-	-
Gain(loss) on investments	4,862,690	(9,282,806)	(28,894,617)	(6,739,012)	12,798,078	9,270,325	(4,035,545)	(3,266,071)	2,442,308	5,114,501
Net non-operating revenues	203,704,640	160,232,567	151,277,723	165,472,556	157,529,970	150,337,010	135,269,287	129,236,949	130,757,639	144,614,685
Income (loss) before transfers	83,511,922	36,200,151	25,444,686	38,728,264	31,719,797	35,363,400	25,251,475	14,675,181	7,362,589	6,443,493
Transfers in (out)	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in net position	83,511,922	36,200,151	25,444,686	38,728,264	31,719,797	35,363,400	25,251,475	14,675,181	7,362,589	6,443,493
Net position - beginning of year	347,956,381	311,756,230	286,311,544	247,583,280	215,863,483	180,500,083	215,600,667	200,925,486	193,562,897	356,007,810
Adjustment for change in accounting	-	-	-	-	-	-	(60,352,059)	-	-	(168,888,406)
Net Position - beginning of year	347,956,381	311,756,230	286,311,544	247,583,280	215,863,483	180,500,083	155,248,608	200,925,486	193,562,897	187,119,404
Net position - end of year	\$ 431,468,303	\$ 347,956,381	\$ 311,756,230	\$ 286,311,544	\$ 247,583,280	\$ 215,863,483	\$ 180,500,083	\$ 215,600,667	\$ 200,925,486	\$ 193,562,897

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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Assets										
Current assets										
Cash and cash equivalents	\$ 45,170,905	\$ 76,763,162	\$ 34,802,546	\$ 28,553,443	\$ 32,313,418	\$ 36,208,294	\$ 40,666,584	\$ 35,803,400	\$ 27,578,328	\$ 78,397,775
Accrued Interest	2,336,045	955,980	936,391	1,226,583	1,380,999	1,108,381	820,962	744,615	1,192,664	832,464
Short-term investments	34,413,410	22,428,018	7,198,268	10,165,485	8,788,774	17,391,190	25,668,233	48,930,905	14,141,958	1,004,729
Property taxes receivable - net of allowance	543,311	54,278	52,970	123,077	144,330	63,145	121,361	153,351	61,769	43,472
State appropriations receivable	6,984,731	6,190,270	5,956,633	5,767,446	3,028,260	5,387,698	5,269,666	5,330,698	5,225,439	4,893,221
Federal and state grants receivable	3,932,354	4,665,469	8,144,057	14,450,311	2,328,704	1,448,032	1,599,164	1,774,238	2,346,463	3,122,582
Accounts receivable - net of allowance	2,254,327	1,378,879	2,083,920	1,220,138	1,197,498	1,809,221	1,954,753	1,458,624	1,971,186	2,639,919
Inventories	51,472	46,463	51,306	1,148,651	1,405,071	1,432,514	1,644,026	1,653,084	1,942,679	2,497,346
Prepaid expenses and other assets	3,954,900	4,460,122	4,203,862	5,549,504	4,879,423	5,486,283	5,171,111	3,500,825	2,020,679	2,185,432
Total current assets	99,641,455	116,942,641	63,429,953	68,204,638	55,466,477	70,334,758	82,915,860	99,349,740	56,481,165	95,616,940
Long-term investments	371,000,770	316,694,222	338,937,091	333,757,287	320,254,663	263,997,720	210,133,703	167,496,910	189,464,073	134,965,327
Net OPEB asset	3,049,479	-	-	-	-	-	-	-	-	-
Right to use lease asset, net	759,077	-	-	-	-	-	-	-	-	-
Subscription Based IT arrangements, net	9,790,148	8,334,210	5,970,281	-	-	-	-	-	-	-
Capital assets - non-depreciable	67,314,643	19,541,912	18,124,624	43,092,671	22,297,789	11,381,620	13,961,250	12,647,398	10,547,779	12,445,978
Capital assets - depreciable	111,333,028	123,900,149	126,558,497	99,674,243	105,208,554	118,805,534	126,020,228	129,116,042	140,227,141	145,523,616
Total assets	\$ 662,888,600	\$ 585,413,134	\$ 553,020,446	\$ 544,728,839	\$ 503,227,483	\$ 464,519,632	\$ 433,031,041	\$ 408,610,090	\$ 396,720,158	\$ 388,551,861
Deferred Outflows of Resources	58,442,906	76,777,334	38,937,960	57,869,688	68,835,102	68,316,726	37,869,858	21,975,402	18,569,103	18,145,369
Liabilities										
Current liabilities										
Current portion of debt obligations	\$ -	\$ -	\$ -	\$ 973,888	\$ 948,459	\$ 923,693	\$ 899,574	\$ 820,000	\$ 785,000	\$ 750,000
Accounts payable	15,738,968	9,950,417	7,673,254	9,680,987	8,319,605	5,760,698	7,141,221	6,334,431	6,901,659	7,595,612
Accrued interest payable	-	-	-	14,143	27,918	41,332	54,397	6,287	12,174	17,675
Accrued payrolls, vacation, and other compensation	8,359,496	7,146,386	6,334,669	7,380,257	7,529,383	7,968,347	7,387,032	7,788,622	7,822,728	7,822,053
Unearned revenue	6,630,319	5,207,685	3,569,006	3,001,404	3,050,002	2,247,905	2,784,546	2,684,470	3,024,688	3,545,089
Leases	154,961	-	-	-	-	-	-	-	-	-
Subscription based IT arrangements	2,198,517	1,947,996	4,365,532	-	-	-	-	-	-	-
Deposits	4,793,088	3,720,218	4,313,312	4,009,766	3,366,295	3,309,245	2,925,732	3,103,346	3,583,031	3,134,901
Total current liabilities	37,875,349	27,972,702	26,255,773	25,060,445	23,241,662	20,251,220	21,192,502	20,737,156	22,129,280	22,865,330
Long-term debt obligations - net of current portion	-	-	-	-	973,888	1,922,347	2,846,040	-	820,000	1,605,000
Net pension liability *	172,973,826	211,505,104	143,871,045	211,446,634	206,528,014	192,275,400	173,497,992	180,430,177	175,812,730	168,146,098
Net OPEB liability *	-	11,829,581	8,999,818	32,346,396	43,948,736	49,256,724	59,515,812	-	-	-
Lease liability - net of current portion	632,060	-	-	-	-	-	-	-	-	-
Subscription based IT arrangements	5,678,670	3,611,808	121,624	-	-	-	-	-	-	-
Compensated absences - net of current portion	3,463,942	3,655,776	2,371,961	2,415,890	2,331,859	1,595,929	1,371,885	1,510,368	1,822,487	1,930,844
Total liabilities	220,623,847	258,574,971	181,620,221	271,269,365	277,024,159	265,301,620	258,424,231	202,677,701	200,584,497	194,547,272
Deferred Inflows of Resources	69,239,356	55,659,116	98,581,955	45,017,618	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	180,532,688	146,216,467	146,166,246	141,793,026	125,583,996	127,341,114	136,235,864	140,943,440	149,169,920	155,614,594
Restricted:										
Nonexpendable endowments	-	-	-	-	-	-	-	-	-	-
Expendable scholarships, grants & OPEB	8,343,966	363,536	526,486	696,058	409,032	1,294,852	1,165,711	1,081,533	931,894	931,783
Unrestricted	242,591,649	201,376,378	165,063,498	143,822,460	121,590,252	87,227,517	43,098,508	73,575,694	50,823,672	37,016,520
Total net position	\$ 431,468,303	\$ 347,956,381	\$ 311,756,230	\$ 286,311,544	\$ 247,583,280	\$ 215,863,483	\$ 180,500,083	\$ 215,600,667	\$ 200,925,486	\$ 193,562,897

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)

	2024	2023	2022	2021	2020	2019	2018 **	2017	2016	2015 *
Net Position:										
Net investment in capital assets	\$ 180,532,688	\$ 146,216,467	\$ 146,166,246	\$ 141,793,026	\$ 125,583,996	\$ 127,341,114	\$ 136,235,864	\$ 140,943,440	\$ 149,169,920	\$ 155,614,594
Restricted for:										
Expendable scholarships, grants & OPEB	8,343,966	363,536	526,486	696,058	409,032	1,294,852	1,165,711	1,081,533	931,894	931,783
Unrestricted	242,591,649	201,376,378	165,063,498	143,822,460	121,590,252	87,227,517	43,098,508	73,575,694	50,823,672	37,016,520
Total Net Position	\$ 431,468,303	\$ 347,956,381	\$ 311,756,230	\$ 286,311,544	\$ 247,583,280	\$ 215,863,483	\$ 180,500,083	\$ 215,600,667	\$ 200,925,486	\$ 193,562,897

*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
Principal Taxpayers
2023 Levy Year vs. 2014 Levy Year
(Unaudited)

2023 Levy Year				2014 Levy Year			
2023 Taxpayer	2023 Taxable Valuation*	Rank (1)	Percentage of Total College District Taxable Valuation (\$)	2014 Taxpayer	2014 Taxable Valuation	Rank (1)	Percentage of Total College District Taxable Valuation (\$)
Detroit Edison Company/DTE	\$775,697,714	1	1.05%	Detroit Edison Company/DTE	\$516,752,800	1	#DIV/0!
Consumers Energy	685,593,644	2	0.92%	Consumers Energy	260,204,303	2	#DIV/0!
International Transmission (ITC)	178,778,093	3	0.24%	Auburn Hills Owner LLC	150,000,000	3	#DIV/0!
FCA Auburn Hills Owner LLC (formerly Chrysler)	170,320,290	4	0.23%	Taubman/12 Oaks/Great Lakes Crossing	117,410,340	4	#DIV/0!
Amazon	155,298,020	5	0.21%	International Transmission	89,217,670	5	#DIV/0!
Taubman/Great Lakes Crossing/12 Oaks Mall	152,020,150	6	0.20%	Chrysler Group LLC/Chrysler Finance	89,050,130	6	#DIV/0!
SighCidermill Village	144,207,769	7	0.19%	Singh	72,817,750	7	#DIV/0!
Enbridge Energy	121,396,870	8	0.16%	Bre Southfield	67,398,350	8	#DIV/0!
Edward Rose/Occidental Dev	119,045,380	9	0.16%	General Motors	67,148,760	9	#DIV/0!
General Motors	117,391,850	10	0.16%	Oakland Management	63,277,950	10	
Comcast	87,287,037	11	0.12%	Northern Equities	57,285,800	11	#DIV/0!
SL Town Etal (Bre Southfield, Town Centre)	84,740,742	12		Frankel/Forbes/Cohn	51,579,130	12	
Redico	81,601,946	13	0.11%	Occidental Development	42,473,990	13	#DIV/0!
Meijer/Goodwill Co	80,017,120	14	0.11%	Urban Call Oakland Mall	36,713,920	14	#DIV/0!
LITHIA Motors	75,016,450	15	0.10%	Novi Campus	32,968,140	15	#DIV/0!
Oakland Management	72,086,380	16	0.10%	Ramco Lion Venture	30,959,390	16	#DIV/0!
Kroger	68,482,720	17	0.09%	Galleria	30,746,550	17	#DIV/0!
Redwood-ERC Novi LLC	68,342,380	18	0.09%	Hartman Tyner	29,924,920	18	#DIV/0!
Somerset Collection LTD PTN (Frankel/Forbes/Cohn)	63,920,120	19	0.09%	VHS Huron Valley-Sinai Hospital	29,109,770	19	#DIV/0!
LREH, MI/CA	59,894,990	20	0.08%	Robert Bosch	29,064,940	20	#DIV/0!
	<u>\$3,361,139,665</u>				<u>\$1,864,104,603</u>		

*May include estimated figures

Source: (1) Oakland County, Michigan 2023 and 2014 Annual Comprehensive 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
2024	\$ 79,472,419,147	1.4891	\$ 118,342,379	\$ -	-
2023	74,174,341,978	1.4891	110,453,013	105,853,967	4.16%
2022	68,986,589,909	1.4891	102,727,931	98,877,603	3.75%
2021	64,796,705,355	1.5057	97,564,399	94,482,117	3.16%
2020	62,396,511,395	1.5184	94,742,863	91,542,175	3.38%
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%

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
2024	\$ 118,342,379	----	----	----	----	----
2023	\$ 110,453,013	105,589,128	95.60%	264,839	105,853,967	95.84%
2022	\$ 102,727,931	98,879,510	96.25%	(992)	98,878,518	96.25%
2021	97,564,399	94,478,836	96.84%	3,280	94,482,116	96.84%
2020	94,742,863	91,542,175	96.62%	86,939	91,629,114	96.71%
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%

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 Bonds & Other Debt	Leases Payable (3)	Subscription-Based IT Arrangements Payable (4)	Total Outstanding Debt	Total Additional Debt Allowable for All Tax Debt	Total Additional Debt Allowable for Limited Tax Debt (5)	Additional Limited Tax Debt Could Legally Incur	Per Capita
2024	\$ 80,356,053,875	\$ 106,649,985,614	\$ 15,997,497,842	\$ -	\$ 787,021	\$ 7,877,187	\$ 8,664,208	\$ 15,988,833,634	\$ 1,067,749,856	\$ 1,067,749,856	not available
2023	74,174,341,978	93,796,145,533	14,069,421,830	-	-	5,559,804	5,559,804	14,063,862,026	939,211,455	939,211,455	4.38
2022	68,986,589,909	85,872,455,469	12,880,868,320	-	-	4,487,156	4,487,156	12,876,381,164	859,974,555	859,974,555	3.53
2021	64,796,705,355	81,062,991,752	12,159,448,763	973,888	-	-	973,888	12,158,474,875	811,879,918	810,906,030	0.77
2020	62,396,511,395	77,592,268,960	11,638,840,344	1,922,347	-	-	1,922,347	11,636,917,997	777,172,690	775,250,343	1.51
2019	74,174,341,978	73,184,421,995	10,977,663,299	2,846,040	-	-	2,846,040	10,974,817,259	733,094,220	730,248,180	2.23
2018	56,754,560,304	68,461,534,887	10,269,230,233	3,745,614	-	-	3,745,614	10,265,484,619	685,865,349	682,119,734	2.94
2017	54,208,963,060	65,554,572,199	9,833,185,830	820,000	-	-	820,000	9,832,365,830	656,795,722	655,975,722	0.65
2016	52,295,382,258	60,806,103,774	9,120,915,566	1,605,000	-	-	1,605,000	9,119,310,566	609,311,038	607,706,038	1.27
2015	51,443,802,777	55,084,607,293	8,262,691,094	2,355,000	-	-	2,355,000	8,260,336,094	552,096,073	549,741,073	1.88

Source: (1) Oakland County Equalization Reports
 (2) 15% of SEV - P.A. 331 of 1966, Section 389.122
 (3) Implementation of GASB 87, leases effective on or after July 1, 2020
 (4) Implementation of GASB 96, SBITA effective on or after July 1, 2021
 (5) 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	2003 College Refunding Bond	Other Debt (Financing arrangements, Leases, SBITA)		Total Outstanding Debt
2024	\$ -	\$ 8,664,208	***	\$ 8,664,208
2023	-	5,559,804		5,559,804
2022	-	4,487,156	**	4,487,156
2021	-	973,888	*	973,888
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

Source: Oakland Community College's Annual Comprehensive Financial Report

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

***Final payment for VDI made in December 2021, GASB 96 implemented for SBITA*

****New Lease 2024*

**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)
2024	not available *	not available *	not available *	
2023	1,269,431 *	\$ 107,711,780 *	\$ 84,850 *	2.90%
2022	1,269,431	107,711,780	84,850 *	3.00%
2021	1,271,891	104,068,949	81,822	4.60%
2020	1,272,413	97,217,213	76,404	9.10%
2019	1,275,118	91,548,729	71,796	3.40%
2018	1,272,967	89,322,345	70,169	3.40%
2017	1,270,081	85,888,177	67,624	350.00%
2016	1,263,231	82,487,478	65,299	4.10%
2015	1,254,626	80,632,537	64,268	4.70%

*Information not available to Oakland County at time of their 2023 publication. County used prior year amounts

Source: (1) Information from Oakland County 2023 ACFR, Table 12, Michigan Bureau of Economic Analysis

(2) Information from Oakland County 2023 ACFR, Table 12, Michigan Bureau of Economic Analysis

(3) Information from Oakland County 2023 ACFR, Michigan Department of Technology, Management & Budget

<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)

	2024*	2023	2022	2021	2020	2019	2018	2017	2016	2015
Administrators	102	106	99	103	88	88	81	77	77	85
Full-Time	101	105	99	103	88	88	81	76	76	84
Part-Time	1	1	0	0	0	0	0	1	1	1
Faculty	635	644	538	666	611	716	738	939	887	1362
Full-Time	210	208	204	236	198	204	207	216	236	248
Part-Time	425	436	334	430	413	512	531	723	651	1114
Support	337	413	525	433	423	494	457	479	477	495
Full-Time	313	375	373	358	370	370	350	358	381	416
Part-Time	24	38	152	75	53	124	107	121	96	79
Actual Total Employees Reported	1074	1163	1162	1202	1122	1298	1276	1495	1441	1942
Total FTE	774	846	838	865	811	874	851	932	942	1146

Notes:

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

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

*2024 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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
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	7.80	7.80	7.80	7.80	7.40	7.40	7.40	7.40	7.40
Southfield	32.47	32.47	32.47	32.47	32.47	32.47	32.47	32.47	32.47	32.47
District Office**	0.00	8.69	8.69	8.69	8.69	8.69	8.69	8.69	8.69	8.69
Total acreage	514.34	523.03	523.03	523.03	523.03	522.63	522.63	522.63	522.63	522.63
Square footage of gross building space										
Auburn Hills	645,952	645,952	645,952	603,139	603,139	633,200	633,200	632,951	632,951	632,951
Highland Lakes	315,920	315,920	315,920	315,502	315,502	315,502	315,502	315,502	315,502	315,502
Orchard Ridge	360,688	360,688	487,395	506,273	506,273	506,273	506,273	506,273	506,273	506,273
Royal Oak	535,872	535,872	535,872	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
District Office**	0	31,119	31,119	31,119	31,119	31,119	31,119	31,119	31,119	31,119
Leased Facilities	-	-	-	-	-	-	-	-	-	20,528
Total square footage	2,022,436	2,053,555	2,180,262	2,154,631	2,154,631	2,184,692	2,184,692	2,184,443	2,184,443	2,204,971
Number of classrooms*										
Auburn Hills	124	124	124	142	142	156	156	156	156	156
Highland Lakes	59	59	59	59	59	59	59	59	59	59
Orchard Ridge	87	87	102	102	102	102	102	102	102	106
Royal Oak	50	50	50	50	50	50	50	50	50	50
Southfield	44	44	44	43	43	43	43	43	43	43
District Office**	-	-	-	-	-	-	-	-	-	-
Leased Facilities	-	-	-	-	-	-	-	-	-	2
Total number of classrooms	364	364	379	396	396	410	410	410	410	416

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

*Historical classroom data unavailable for 2014

**District Office was sold in December 2023

**OAKLAND COMMUNITY COLLEGE
DEMOGRAPHIC AND ECONOMIC INFORMATION**

Top Ten Principal Employers
2023 Employers vs. 2014 Employers
(Unaudited)

2023					2014				
Employer	Product/Service	Income Rank	No. of Employees	% of Total District Population	Employer	Product/Service	Income Rank	No. of Employees	% of Total District Population
Corewell Health(formally Beaumont Health System and Spectrum Health)	Health care system	1	14,580	1.15%	Chrysler Group LLC	Automobile manufacturer	1	12,308	1.00%
Stellantis	Automobile manufacturer	2	11,524	0.91%	Beaumont Health System	Health care system	2	11,891	0.97%
General Motors	Automobile manufacturer	3	7,451	0.59%	General Motors Corporation	Automobile manufacturer	3	9,154	0.74%
United Wholesale Mortgage	Lending	4	6,000	0.47%	St. John Health Services (formerly Providence Hospital)	Health care system	4	4,208	0.34%
Henry Ford Health System	Health care system	5	5,301	0.42%	U.S. Postal Service	Postal service	5	4,108	0.33%
Ascension Michigan (formerly St. John Providence)	Health care system	6	5,219	0.41%	Oakland County Government	Government	6	3,211	0.26%
U.S. Postal Service	Postal service	7	5,927	0.47%	Henry Ford Health System	Health care system	7	2,674	0.22%
Oakland County Government	Government	8	3,679	0.29%	Botsford Health Care	Health care system	8	2,634	0.21%
Amazon	Retail	9	3,650	0.29%	Magna International of America Inc	Manufacturing	9	2,422	0.20%
Trinity Health (formerly St. Joseph Mercy)	Health care system	10	3,159	0.25%	Trinity Health (formerly St. Joseph Mercy)	Health care system	10	2,372	0.19%

Source: (1) Oakland County 2023 and 2014 Annual Comprehensive 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 *
2024	10,156	23,044	302,816	\$ 107.00	\$ 205.00	\$ 205.00	\$ 4,622.60	\$ 46,947,112
2023	9,558	22,358	286,749	103.00	199.00	199.00	4,623.86	44,194,880
2022	9,460	22,359	283,797	99.00	192.00	192.00	4,274.19	40,433,819
2021	10,186	23,980	305,591	97.00	188.00	188.00	4,143.74	42,208,094
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

Sources: OCC, Office of Institutional Effectiveness One-Tenth Day Student Information File, One-Tenth Day Data Prior to 2018, and End-of-Session Data 2018 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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Credit hours	304,692	286,749	283,797	305,591	304,264	314,029	337,533	368,214	410,459	475,581
Unduplicated Student Head count	23,223	22,358	22,359	23,980	24,387	25,217	27,113	29,644	32,936	37,684
Fall Term, 1/10th day statistics										
Male	36.3%	37.0%	37.3%	55.7%	40.0%	40.7%	43.3%	43.0%	43.6%	43.2%
Female	54.4%	55.0%	56.0%	38.5%	53.1%	53.5%	54.9%	55.5%	55.7%	55.9%
Unreported	9.3%	8.0%	6.7%	5.8%	6.9%	5.7%	1.8%	1.5%	0.7%	0.9%
Part-time	73.5%	74.3%	76.3%	70.8%	75.3%	75.0%	80.2%	78.0%	73.1%	72.1%
Full-time	26.5%	25.7%	23.7%	29.2%	24.7%	25.0%	19.8%	22.0%	26.9%	27.9%
Average Age	25.0	25.0	25.0	24.0	24.0	24.0	24.9	25.0	25.7	25.9
Median Age	22.0	22.0	22.0	21.0	21.0	22.0	22.0	22.0	22.0	22.0

Sources: OCC, Office of Institutional Effectiveness One-Tenth Day Student Information File, One-Tenth Day Data Prior to 2018, and End-of-Session Data 2018 and Forward;

Other Supplementary Information Section



OAKLAND COMMUNITY COLLEGE
Excellence *Empowered.*

OAKLAND COMMUNITY COLLEGE
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024

	Combined Total	General Fund	Pension Liability Fund	Designated Fund	Auxiliary Services Fund	Restricted Fund	Quasi- Endowment Funds	Plant Fund	Custodial Fund
ASSETS									
Current assets									
Cash and cash equivalents	\$ 45,170,905	\$ 45,170,755	\$ -	\$ 150	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued interest	2,336,045	1,787,287	-	-	-	-	548,758	-	-
Short-term investments	34,413,410	34,413,410	-	-	-	-	-	-	-
Property taxes receivable, net	543,311	543,311	-	-	-	-	-	-	-
State appropriations receivable	6,984,731	6,984,731	-	-	-	-	-	-	-
Federal and state grants receivable	3,932,354	-	-	-	-	3,932,354	-	-	-
Accounts receivable, net	2,254,327	1,639,315	-	615,012	-	-	-	-	-
Inventories	51,472	-	-	51,472	-	-	-	-	-
Prepaid expenses and other assets	3,954,900	3,954,900	-	-	-	-	-	-	-
Due from (to) other funds	-	(348,023,137)	-	83,133,227	-	(428,345)	(2,717,296)	267,900,217	135,334
Total current assets	99,641,455	(253,529,428)	-	83,799,861	-	3,504,009	(2,168,538)	267,900,217	135,334
Long-term investments	371,000,770	350,280,828	-	-	-	-	20,719,942	-	-
Net OPEB Asset	3,049,479	-	3,049,479	-	-	-	-	-	-
Capital assets - nondepreciable	67,314,643	-	-	-	-	-	-	67,314,643	-
Capital assets - depreciable									
Land improvements	27,151,430	-	-	-	-	-	-	27,151,430	-
Infrastructure	24,241,830	-	-	-	-	-	-	24,241,830	-
Buildings and improvements	343,832,780	-	-	-	-	-	-	343,832,780	-
Equipment	62,357,785	-	-	-	-	-	-	62,357,785	-
Library materials	7,450,362	-	-	-	-	-	-	7,450,362	-
Accumulated depreciation	(353,701,159)	-	-	-	-	-	-	(353,701,159)	-
Total capital assets - depreciable	111,333,028	-	-	-	-	-	-	111,333,028	-
Right of use lease asset, net	759,077	-	-	-	-	-	-	759,077	-
Subscription based IT arrangements, net	9,790,148	-	-	-	-	-	-	9,790,148	-
Total non-current assets	563,247,145	350,280,828	3,049,479	-	-	-	20,719,942	189,196,896	-
Total assets	\$ 662,888,600	\$ 96,751,400	\$ 3,049,479	\$ 83,799,861	\$ -	\$ 3,504,009	\$ 18,551,404	\$ 457,097,113	\$ 135,334
Deferred Outflows of Resources	58,442,906	\$ -	58,442,906	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LIABILITIES									
Current liabilities									
Accounts payable	\$ 15,738,968	\$ 11,521,189	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,217,779	\$ -
Accrued payrolls, vacation, and other compensation	8,359,496	8,359,350	-	-	-	-	-	146	-
Unearned revenue	6,630,319	3,240,661	-	164,436	-	3,225,222	-	-	-
Lease liability	154,961	-	-	-	-	-	-	154,961	-
Subscription liability	2,198,517	-	-	-	-	-	-	2,198,517	-
Deposits held for others	4,793,088	-	-	4,657,754	-	-	-	-	135,334
Total current liabilities	37,875,349	23,121,200	-	4,822,190	-	3,225,222	-	6,571,403	135,334
Net Pension Liability	172,973,826	-	172,973,826	-	-	-	-	-	-
Lease liability - net of current portion	632,060	-	-	-	-	-	-	632,060	-
Subscription based IT arrangements	5,678,670	-	-	-	-	-	-	5,678,670	-
Compensated absences - net of current portion	3,463,942	3,463,942	-	-	-	-	-	-	-
Total non-current liabilities	182,748,498	3,463,942	172,973,826	-	-	-	-	6,310,730	-
Total liabilities	\$ 220,623,847	\$ 26,585,142	\$ 172,973,826	\$ 4,822,190	\$ -	\$ 3,225,222	\$ -	\$ 12,882,133	\$ 135,334
Deferred Inflows of Resources	\$ 69,239,356	\$ -	69,239,356	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET POSITION									
Net investment in capital assets	180,532,688	-	-	-	-	-	-	180,532,688	-
Restricted:									
Expendable scholarships, grants & OPEB	8,343,966	-	3,049,479	-	-	278,787	-	5,015,700	-
Unrestricted	242,591,649	70,166,258	(183,770,276)	78,977,671	-	-	18,551,404	258,666,592	-
Total net position	\$ 431,468,303	\$ 70,166,258	\$ (180,720,797)	\$ 78,977,671	\$ -	\$ 278,787	\$ 18,551,404	444,214,980	\$ -

OAKLAND COMMUNITY COLLEGE
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2023

	Combined Total	General Fund	Pension Liability Fund	Designated Fund	Auxiliary Services Fund	Restricted Fund	Quasi- Endowment Funds	Plant Fund	Custodial Fund
ASSETS									
Current assets									
Cash and cash equivalents	\$ 76,763,162	\$ 76,763,012	\$ -	\$ 150	\$ -	\$ -	\$ -	-	\$ -
Accrued interest	955,980	400,539	-	-	-	-	555,441	-	-
Short-term investments	22,428,018	22,428,018	-	-	-	-	-	-	-
Property taxes receivable, net	54,278	54,278	-	-	-	-	-	-	-
State appropriations receivable	6,190,270	6,190,270	-	-	-	-	-	-	-
Federal and state grants receivable	4,665,469	-	-	-	-	4,665,469	-	-	-
Accounts receivable, net	1,378,879	918,422	-	460,457	-	-	-	-	-
Inventories	46,463	-	-	46,463	-	-	-	-	-
Prepaid expenses and other assets	4,460,122	4,460,122	-	-	-	-	-	-	-
Due from (to) other funds	-	(312,667,908)	-	82,006,524	-	(1,963,532)	(6,654,237)	239,174,280	104,873
Total current assets	116,942,641	(201,453,247)	-	82,513,594	-	2,701,937	(6,098,796)	239,174,280	104,873
Long-term investments	316,694,222	292,788,950	-	-	-	-	23,905,272	-	-
Capital assets - nondepreciable	19,541,912	-	-	-	-	-	-	19,541,912	-
Capital assets - depreciable									
Land improvements	27,263,848	-	-	-	-	-	-	27,263,848	-
Infrastructure	24,175,937	-	-	-	-	-	-	24,175,937	-
Buildings and improvements	346,771,218	-	-	-	-	-	-	346,771,218	-
Equipment	62,207,387	-	-	-	-	-	-	62,207,387	-
Library materials	8,298,900	-	-	-	-	-	-	8,298,900	-
Accumulated depreciation	(344,817,141)	-	-	-	-	-	-	(344,817,141)	-
Total capital assets - depreciable	123,900,149	-	-	-	-	-	-	123,900,149	-
Subscription based IT arrangements, net	8,334,210	-	-	-	-	-	-	8,334,210	-
Total non-current assets	468,470,493	292,788,950	-	-	-	-	23,905,272	151,776,271	-
Total assets	585,413,134	91,335,703	-	82,513,594	-	2,701,937	17,806,476	390,950,551	104,873
Deferred Outflows of Resources	76,777,334	-	76,777,334	-	-	-	-	-	-
LIABILITIES									
Current liabilities									
Accounts payable	9,950,417	9,580,582	-	-	-	-	-	369,835	-
Accrued payrolls, vacation, and other compensation	7,146,386	7,146,192	-	-	-	-	-	194	-
Unearned revenue	5,207,685	2,869,284	-	-	-	2,338,401	-	-	-
Subscription based IT arrangements	1,947,996	-	-	-	-	-	-	1,947,996	-
Deposits held for others	3,720,218	-	-	3,615,345	-	-	-	-	104,873
Total current liabilities	27,972,702	19,596,058	-	3,615,345	-	2,338,401	-	2,318,025	104,873
Long-term debt obligations - net of current portion	-	-	-	-	-	-	-	-	-
Net Pension Liability	211,505,104	-	211,505,104	-	-	-	-	-	-
Net OPEB Liability	11,829,581	-	11,829,581	-	-	-	-	-	-
Subscription based IT arrangements - net of current portion	3,611,808	-	-	-	-	-	-	3,611,808	-
Compensated absences - net of current portion	3,655,776	3,655,776	-	-	-	-	-	-	-
Total non-current liabilities	230,602,269	3,655,776	223,334,685	-	-	-	-	3,611,808	-
Total liabilities	258,574,971	23,251,834	223,334,685	3,615,345	-	2,338,401	-	5,929,833	104,873
Deferred Inflows of Resources	55,659,116	-	55,659,116	-	-	-	-	-	-
NET POSITION									
Net investment in capital assets	146,216,467	-	-	-	-	-	-	146,216,467	-
Restricted:									
Expendable scholarships and grants	363,536	-	-	-	-	363,536	-	-	-
Unrestricted	201,376,378	68,083,869	(202,216,467)	78,898,249	-	-	17,806,476	238,804,251	-
Total net position	\$ 347,956,381	\$ 68,083,869	\$ (202,216,467)	\$ 78,898,249	\$ -	\$ 363,536	\$ 17,806,476	\$ 385,020,718	\$ -

OAKLAND COMMUNITY COLLEGE
COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024

	Combined Total	Eliminations	General Fund	Pension Liability Fund	Designated Fund	Auxiliary Services Fund	Restricted Fund	Quasi- Endowment Funds	Plant Fund	Custodial Fund
Operating revenues										
Tuition and fees - net of scholarship allowance of \$19,897,778	\$ 27,049,334	\$ (19,897,778)	\$ 44,075,071	\$ -	\$ 2,872,041	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants and contracts	4,387,539	-	-	-	-	-	4,387,539	-	-	-
State and local grants and contracts	4,063,082	-	-	-	-	-	4,063,082	-	-	-
Nongovernmental grants and contracts	1,898,480	-	-	-	-	-	1,898,480	-	-	-
Auxiliary activities	108,011	-	102,037	-	-	-	-	-	5,974	-
Miscellaneous	1,257,373	(204,198)	942,571	-	231,768	-	-	-	287,232	-
Total operating revenues	38,763,819	(20,101,976)	45,119,679	-	3,103,809	-	10,349,101	-	293,206	-
Operating expenses										
Instruction	48,034,596	(151,037)	48,365,785	(3,416,763)	3,183,287	-	53,324	-	-	-
Academic Support	21,262,014	(36,059)	16,751,927	(1,147,723)	2,781,220	-	2,912,649	-	-	-
Student Services	25,833,580	(19,905,023)	13,991,957	(737,853)	-	-	32,484,499	-	-	-
Institutional Administration	19,205,666	(4,601)	19,588,279	(668,632)	52,104	-	165,070	-	73,446	-
Information Technology	8,545,429	(762)	8,659,019	(112,828)	-	-	-	-	-	-
Physical Plant Operations	14,781,997	(3,802)	17,876,995	(828,059)	-	-	-	-	(2,263,137)	-
Depreciation and amortization expense	20,850,791	-	-	-	-	-	-	-	20,850,791	-
Public services	442,464	(692)	116,144	(8,805)	335,317	-	500	-	-	-
Total operating expenses	158,956,537	(20,101,976)	125,350,106	(6,920,663)	6,351,928	-	35,616,042	-	18,661,100	-
Operating (loss) income	(120,192,718)	-	(80,230,427)	6,920,663	(3,248,119)	-	(25,266,941)	-	(18,367,894)	-
Non-operating revenues										
Pell grant revenue	20,827,905	-	-	-	-	-	20,827,905	-	-	-
Other federal grant revenue	3,943,194	-	-	-	-	-	3,943,194	-	-	-
State appropriations	35,677,637	-	35,677,637	-	-	-	-	-	-	-
State appropriations for UAAL	14,575,007	-	-	14,575,007	-	-	-	-	-	-
Property taxes	107,469,661	-	107,469,661	-	-	-	-	-	-	-
Investment income	14,786,390	-	14,359,272	-	-	-	-	427,118	-	-
Gain on sale of asset	1,562,156	-	-	-	-	-	-	-	1,562,156	-
Net realized/unrealized gain on investments	4,862,690	-	4,544,880	-	-	-	-	317,810	-	-
Net non-operating revenues	203,704,640	-	162,051,450	14,575,007	-	-	24,771,099	744,928	1,562,156	-
Income (loss) before transfers	83,511,922	-	81,821,023	21,495,670	(3,248,119)	-	(495,842)	744,928	(16,805,738)	-
Transfers in (out)	-	-	(79,738,634)	-	3,327,541	-	411,093	-	76,000,000	-
Increase (decrease) in net position	83,511,922	-	2,082,389	21,495,670	79,422	-	(84,749)	744,928	59,194,262	-
Net position - beginning of year	347,956,381	-	68,083,869	(202,216,467)	78,898,249	-	363,536	17,806,476	385,020,718	-
Net position - end of year	\$ 431,468,303	\$ -	\$ 70,166,258	\$ (180,720,797)	\$ 78,977,671	\$ -	\$ 278,787	\$ 18,551,404	\$ 444,214,980	\$ -

OAKLAND COMMUNITY COLLEGE
COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2023

	Combined Total	Eliminations	General Fund	Pension Liability Fund	Designated Fund	Auxiliary Services Fund	Restricted Fund	Quasi- Endowment Funds	Plant Fund	Custodial Fund
Operating revenues										
Tuition and fees - net of scholarship allowance of \$15,626,447	\$ 28,568,433	\$ (15,626,447)	\$ 41,046,966	\$ -	\$ 3,147,914	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants and contracts	4,239,839	-	-	-	-	-	4,239,839	-	-	-
State and local grants and contracts	2,290,936	-	-	-	-	-	2,290,936	-	-	-
Nongovernmental grants and contracts	640,777	-	-	-	-	-	640,777	-	-	-
Auxiliary activities	231,587	-	202,681	-	-	-	-	-	28,906	-
Miscellaneous	734,668	(299,089)	848,340	-	120,909	-	-	-	64,508	-
Total operating revenues	36,706,240	(15,925,536)	42,097,987	-	3,268,823	-	7,171,552	-	93,414	-
Operating expenses										
Instruction	50,744,162	(165,189)	48,659,191	(566,323)	2,776,152	-	40,331	-	-	-
Academic Support	21,262,577	(40,985)	16,363,881	(227,443)	2,224,119	-	2,943,005	-	-	-
Student Services	21,311,833	(15,665,444)	13,244,957	(240,597)	-	-	23,972,917	-	-	-
Institutional Administration	21,786,188	(45,759)	19,725,194	(191,770)	349,430	-	1,939,166	-	9,927	-
Information Technology	10,225,598	(1,066)	9,986,716	(50,632)	-	-	290,580	-	-	-
Physical Plant Operations	15,565,224	(6,084)	17,723,811	(244,012)	-	-	693,449	-	(2,601,940)	-
Depreciation and amortization expense	19,603,316	-	-	-	-	-	-	-	19,603,316	-
Public services	239,758	(1,009)	161,646	(1,130)	79,325	-	926	-	-	-
Total operating expenses	160,738,656	(15,925,536)	125,865,396	(1,521,907)	5,429,026	-	29,880,374	-	17,011,303	-
Operating (loss) income	(124,032,416)	-	(83,767,409)	1,521,907	(2,160,203)	-	(22,708,822)	-	(16,917,889)	-
Non-operating revenues (expenses)										
Pell grant revenue	16,316,609	-	-	-	-	-	16,316,609	-	-	-
Other federal grant revenue	6,355,284	-	-	-	-	-	6,355,284	-	-	-
State appropriations	27,631,048	-	27,631,048	-	-	-	-	-	-	-
State appropriations for UAAL	8,776,484	-	-	8,776,484	-	-	-	-	-	-
Property taxes	99,923,797	-	99,923,797	-	-	-	-	-	-	-
Investment income	10,512,151	-	9,881,655	-	-	-	-	630,496	-	-
Net realized/unrealized gain (loss) on investments	(9,282,806)	-	(8,608,243)	-	-	-	-	(674,563)	-	-
Net non-operating revenues	160,232,567	-	128,828,257	8,776,484	-	-	22,671,893	(44,067)	-	-
Income (loss) before transfers	36,200,151	-	45,060,848	10,298,391	(2,160,203)	-	(36,929)	(44,067)	(16,917,889)	-
Transfers in (out)	-	-	(41,921,445)	-	1,565,572	-	(126,021)	-	40,481,894	-
Increase (decrease) in net position	36,200,151	-	3,139,403	10,298,391	(594,631)	-	(162,950)	(44,067)	23,564,005	-
Net position - beginning of year	311,756,230	-	64,944,466	(212,514,858)	79,492,880	-	526,486	17,850,543	361,456,713	-
Net position - end of year	\$ 347,956,381	\$ -	\$ 68,083,869	\$ (202,216,467)	\$ 78,898,249	\$ -	\$ 363,536	\$ 17,806,476	\$ 385,020,718	\$ -



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