

**FINANCIAL STATEMENTS
AND REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

ODESSA JUNIOR COLLEGE DISTRICT

AUGUST 31, 2007 and 2006

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ORGANIZATIONAL DATA

For the Year Ended August 31, 2007

BOARD OF TRUSTEES



OFFICERS

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Mr. Gary S. Johnson	Vice President
Ms. Ray Ann Zant	Secretary
Mr. David R. Turner	Assistant Secretary

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**TERM EXPIRES
MAY,**

Mr. Richard C. Abalos	Odessa, Texas	2010
Mr. Gary S. Johnson	Odessa, Texas	2008
Mr. Ralph M. McCain	Odessa, Texas	2012
Mr. JE "Coach" Pressly	Odessa, Texas	2008
Ms. Sandra Shaw	Odessa, Texas	2010
Mr. Bruce Shearer	Odessa, Texas	2010
Mr. Walter Smith	Odessa, Texas	2012
Mr. David R. Turner	Odessa, Texas	2012
Ms. Ray Ann Zant	Odessa, Texas	2008



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Odessa, Texas
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Report of Independent Certified Public Accountants on Basic Financial Statements and Supplemental Information

The Board of Trustees
Odessa Junior College District
Odessa, Texas

We have audited the accompanying basic financial statements of Odessa Junior College District (the "District") as of and for the years ended August 31, 2007 and 2006 as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the District as of August 31, 2007 and 2006, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 18, 2007 on our consideration of the District's internal control over financial reporting and our tests of its compliance with laws, certain regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of my testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

The Management's Discussion and Analysis on pages 4 through 11 is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it. The statistical section on pages 51 through 68 have been furnished to us and were not subjected to the audit procedures applied in the audit of the financial statements. Accordingly, we do not express an opinion on the statistical sections.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the District taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the *Provisions of the State of Texas Single Audit Circular*, and is not a required part of the basic purpose financial statements. In addition, the supplementary data presented in schedules A, B, C and D is presented for additional purposes and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in blue ink that reads "Johnson Miller & Co., CPA's PC". The signature is written in a cursive, flowing style.

Odessa, Texas
December 18, 2007

Management's Discussion and Analysis (Unaudited)

Odessa Junior College District (the "District") is proud to present its financial statements for Fiscal Year 2007 which are in conformance with the Governmental Accounting Standards Board. There are three basic financial statements presented: the Statement of Net Assets; the Statement of Revenues, Expenses and Changes in Net Assets; and the Statement of Cash Flows. These statements should be read in conjunction with the notes to the basic financial statements. The following summary and management's discussion and analysis are intended to assist readers with an overview of the District's financial activities for the years ended August 31, 2007 (Fiscal Year 2007), 2006 (Fiscal Year 2006), and 2005 (Fiscal Year 2005), and identify and explain changes in the District's financial picture during that time period.

Some of the financial and enrollment highlights of FY 2007 are as follows:

- Net assets increased by \$2.8 million, or 13.3%, from \$21.0 million to \$23.8 million.
- Long-term liabilities decreased 5.3% from \$25.7 million to \$24.4 million, primarily because of principal payments on bonds.
- Ad valorem tax revenue increased 9.8% from \$11.7 million to \$12.8 million.
- Investment income increased by 33.8% from \$1.07 million to \$1.43 million.
- At the end of the current fiscal year, total revenues exceeded total expenses by \$2.8 million.
- Unduplicated headcount of students enrolled in credit classes decreased by 5.5% from 6,589 to 6,227.
- Total contact hours from both credit and noncredit instruction decreased by 11.1% from 2,381,734 to 2,117,419.

The Statement of Net Assets

The Statement of Net Assets reports the assets, liabilities, and net assets of the District as of the end of the fiscal year. It is a "point in time" financial statement; its purpose is to give the readers a snapshot of the financial condition of the Odessa College on the last day of each fiscal year.

The Statement of Net Assets includes assets and liabilities, both current and non-current, and net assets. Current assets are those assets that are available to satisfy current liabilities, or liabilities that are due within one year. Non-current assets include capital assets, long-term investments, and other assets not classified as current. Non-current liabilities include bonds payable and other long-term commitments.

The difference between total assets and total liabilities - net assets – is the amount of resources available to finance future activities. Over time, the increases and decreases in net assets is one indicator of whether the overall financial condition has improved or deteriorated during the year when considered with other factors such as enrollment, contact hours of instruction, student retention and other non-financial information.

Net assets are divided into three major categories. The first category, "Invested in Capital Assets, Net of Related Debt," provides the District's equity in property, plant and equipment. The next net asset category is "Restricted Net Assets." These assets have external limitations on the way in which they may be used. The last category is "Unrestricted Net Assets." They are available to use for any lawful purpose of the District.

**Management's Discussion and Analysis
(Unaudited)**

**Condensed Statement of Net Assets
(thousands of dollars)**

	August 31,			Increase (Decrease)	
	2007	2006	2005	2006 to 2007	2005 to 2006
Current assets	\$ 21,979	\$21,132	\$ 16,202	\$ 847	\$ 4,930
Capital assets, net of depreciation	22,045	21,432	20,692	613	740
Other non-current assets	11,435	11,584	16,164	149	(4,580)
Total assets	55,459	54,148	53,058	1,311	1,090
Current liabilities	7,299	7,387	7,322	(88)	(60)
Non-current liabilities	24,359	25,718	27,191	(1,359)	(1,348)
Total liabilities	31,658	33,105	34,513	(1,447)	(1,408)
Net Assets:					
Invested in capital assets, net of related debt	(3,148)	(5,114)	(7,115)	1,966	2,001
Restricted: nonexpendable	838	707	672	131	35
Restricted: expendable	6,498	6,599	6,663	(101)	(64)
Unrestricted	19,612	18,851	18,325	761	526
Total net assets	\$ 23,800	\$ 21,043	\$ 18,545	\$ 2,757	\$ 2,498

The current ratio, indicating the amount of current assets that could be quickly converted to cash if needed to pay current liabilities, increased to 3.0 to 1 at August 31, 2007, compared to a 2.9 to 1 ratio at August 31, 2006 and a 2.2 to 1 ratio at August 31, 2005.

As shown in the statement above, total assets increased by \$1.3 million in fiscal year 2007 and \$1.1 million in 2006. During the same periods, liabilities decreased by \$1.4 million and \$1.4 million, respectively. As a result, the total net assets increased by \$2.8 million in 2007 and \$2.4 million in 2006.

The current ratio, indicating the amount of current assets that could be quickly converted to cash if needed to pay current liabilities, increased to 3.0 to 1 at August 31, 2007, compared to a 2.9 to 1 ratio at August 31, 2006 and a 2.2 to 1 ratio at August 31, 2005.

Current assets consist mainly of cash, short-term investments, prepayments, and receivables. During fiscal year 2007, current assets increased by 4.0% from \$21.1 million to \$22.0 million primarily due to a \$1.5 million increase in cash and short term investments. This increase was partially offset by decreases in accounts receivable and prepaid expenses. Federal accounts receivable decreased \$0.5 million principally due to the ending of a Title V grant. Prepays decreased \$0.3 million due to a timing difference in prepayments of scholarships. During fiscal year 2006, current assets increased 30% primarily due to maturing of longer term investments which were converted to cash and TexPool deposits.

Management's Discussion and Analysis (Unaudited)

Capital assets, net of depreciation, increased by \$88,000 during fiscal year 2007 and by \$740,000 in fiscal year 2006 as purchases of land, building improvements, and equipment continue to exceed annual depreciation charges each year.

Current liabilities declined by \$132,000 in fiscal year 2007, attributable to lower deferred tuition revenue and accrued compensable absences at year end. During fiscal year 2006, current liabilities decreased by \$60,000 reflecting lower year end accounts payable due to fewer capital projects in progress than the previous year.

Non-current liabilities decreased by \$1.36 million during fiscal year 2007 and \$1.35 million in 2006 as a result of scheduled payments of outstanding bonds.

The District's investment in capital assets (net of related debt) increased by \$1.97 million and \$2.0 millions in 2007 and 2006, respectively, as a combined result of capital purchases and principal payment on related bond debt. The increase in unrestricted net assets of \$0.76 million and \$0.53 million in 2007 and 2006, respectively, resulted from revenues earned exceeding expenses incurred.

The Statement of Revenues, Expenses, and Changes in Net Assets

The Statement of Revenues, Expenses, and Changes in Net Assets focuses on the "bottom line results" of the District's operations. This approach summarizes and simplifies the user's analysis of the cost of various District services to its students and the burden to the public. The statement is divided into (a) Operating Revenues and Expenses and (b) Non-Operating Revenues and Expenses.

Generally, operating revenues are received for providing goods and services to the various customers of the District. Operating expenses are those paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the District's mission. Non-operating revenues are funds received for which goods and services are not directly provided to those providing the revenue, e.g. the state legislature, local ad valorem taxpayers, and investment portfolios.

Odessa College, like all other Texas community colleges, is primarily dependent upon three sources of revenue: state appropriations, tuition and fees, and local property taxes. Since state appropriations and property taxes are classified as Non-operating Revenues (per the GASB requirement), Texas community colleges will generally display an operating deficit before taking into account other support. Essentially, this operating deficit represents the net costs of services to students that must be covered by state appropriations, local property taxation, and other sources of revenue. Therefore, total revenues and total expenses should be considered in assessing the change in the District's financial position.

**Management's Discussion and Analysis
(Unaudited)**

**Condensed Statement of Revenues, Expenses and Changes in Net Assets
(thousands of dollars)**

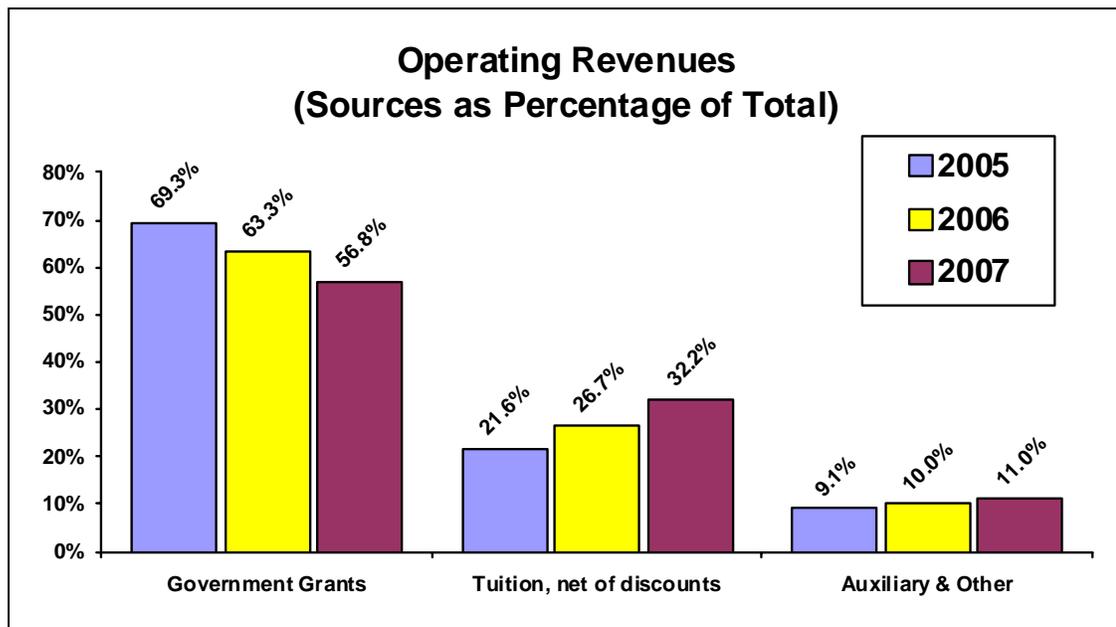
	Year Ended August 31,			Increase (Decrease)	
	2007	2006	2005	2006 to 2007	2005 to 2006
Operating revenues (details graphed below)					
Tuition and fees	\$ 3,910	\$ 3,734	\$ 2,978	\$ 176	\$ 756
Grants and contracts	6,850	8,844	9,533	(1,994)	(689)
Other	1,340	1,400	1,255	(60)	145
Total operating revenue	<u>12,100</u>	<u>13,978</u>	<u>13,766</u>	<u>(1,878)</u>	<u>212</u>
Operating expenses (details graphed below)					
Instruction	11,937	11,520	11,769	417	(249)
Public Service	1,439	1,519	1,297	(80)	222
Academic Support	3,592	4,328	3,598	(736)	730
Student Services	3,084	2,894	3,246	190	(352)
Institutional Support	4,047	3,742	3,984	305	(242)
Operations & Maint of Plant	4,301	3,862	3,521	439	341
Scholarship & Fellowships	3,050	3,972	3,503	(922)	469
Auxiliary enterprises	1,310	1,178	1,223	132	(45)
Depreciation	952	844	751	108	93
	<u>33,712</u>	<u>33,859</u>	<u>32,892</u>	<u>(147)</u>	<u>967</u>
Operating loss	(21,612)	(19,881)	(19,126)	(1,731)	(755)
Non-operating revenue/(expense)					
State appropriation	11,265	11,003	10,564	262	439
Ad valorem taxes	12,796	11,656	10,346	1,140	1,310
Interest on debt	(1,347)	(1,424)	(1,502)	77	78
Other	1,531	1,087	483	444	604
Total non-operating income	<u>24,245</u>	<u>22,322</u>	<u>19,891</u>	<u>1,923</u>	<u>2,431</u>
Capital grants and gifts	124	57	7	67	50
Extraordinary items	-	-	-	-	-
Increase in net assets	<u>2,757</u>	<u>2,498</u>	<u>772</u>	<u>259</u>	<u>1,726</u>
Net assets, beginning of year	<u>21,043</u>	<u>18,545</u>	<u>17,773</u>	<u>2,498</u>	<u>772</u>
Net assets, end of year	<u><u>\$ 23,800</u></u>	<u><u>\$ 21,043</u></u>	<u><u>\$ 18,545</u></u>	<u><u>\$ 2,757</u></u>	<u><u>\$ 2,498</u></u>

Management's Discussion and Analysis (Unaudited)

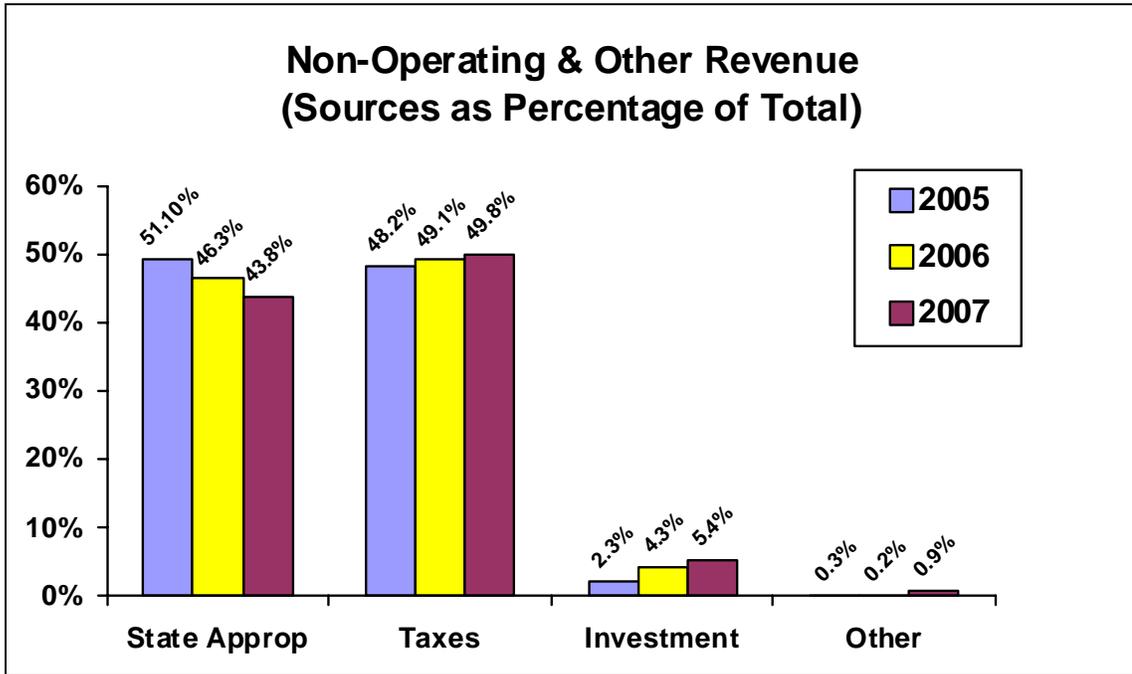
Key factors impacting revenues:

- Tuition revenue increased by \$176,000 and is attributable to an increase in tuition rates. The tuition rate increase was \$5 per hour for in-district or 13.5%, \$10 per hour for out-of-district or 21%, and \$20 per hour for out-of-state for an average of 31%.
- Federal Grant revenue decreased by \$2.03 million due to reduced financial aide awards, completion of a Title V grant and reduced spending of a Title V Coop grant compared to the prior year.
- State appropriations increased by \$262,000. Although contact hour funding remained level from the previous year, state allocations increased for employee benefits and the Nursing Shortage Reduction Program.
- Non-operating revenues rose primarily due to an additional \$1.14 million and \$1.31 million in property tax revenues during fiscal years 2007 and 2006, respectively. Although the tax rate decreased from 20 cents in 2006 to 19 cents in 2007, net taxable values increased by 15.8% and 11.6% in 2007 and 2006, respectively. Minerals increased by 11.5%, real estate by 16.2%, and personal property by 22.7%. In addition, investment income increased 34.38% over fiscal year 2006.

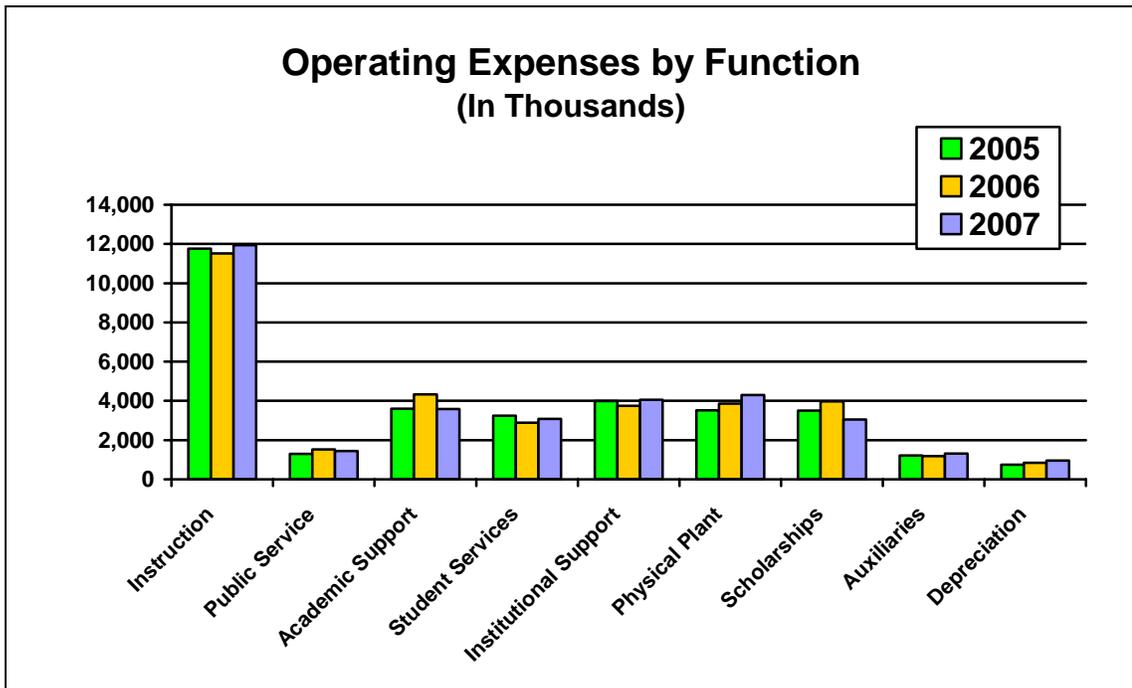
The next two graphs illustrate the sources of operating and non-operating revenues for fiscal years 2005 through 2007. The obvious trend is an increasing percentage of revenue being provided by student tuition, local property taxes, and investments. Conversely, there is a downward trend in government grants and state appropriations as a percentage of total revenues.



**Management's Discussion and Analysis
(Unaudited)**



The following graph compares operating expenses classified by functional category for fiscal years 2007, 2006 and 2005. Operating expenses for fiscal year 2007 decreased \$147,000 or .04% from fiscal year 2006. Fiscal year 2006 operating expenses increased by \$967,000 or 2.9% over the 2005 fiscal year.



**Management's Discussion and Analysis
(Unaudited)**

Key factors impacting operating expenses by functional expense categories:

- Academic Support expenditures during fiscal year 2007 decreased 17.0% from \$4,328,000 in 2006 to \$3,592,000 in fiscal year 2007 due to the ending of a Dept of Education Title V grant and staff reorganizations. Academic support increased in fiscal year 2006 by \$731,000, or 20.3%, over fiscal year 2005 due to addition of distance learning equipment provided by Title V federal grant funds.
- Scholarship expenditures for fiscal year 2007 decreased 23.2% from \$3,972,000 in 2006 to \$3,050,000 in fiscal year 2007. The largest part of the decrease is due to reduced federal financial aide awards. Because of the lucrative job market in the Permian Basin, the District had more part time students resulting in fewer students receiving full scholarship awards. The overall number of financial aide awards declined by 15% from 2006 to 2007. The District also experienced a lower enrollment in fiscal year 2007 which contributed to the reduced number of financial aide awards.
- Physical Plant expenses increased by 11.4% from \$3,862,000 to \$4,301,000 during fiscal year 2007 and 2006, respectively, due to higher energy costs and more deferred maintenance projects. The increase from 2005 to 2006 was 9.7% for similar reasons.
- Depreciation increased by 12.7% from \$844,000 in 2006 to \$952,000 in 2007. As the District continues to purchase additional equipment and complete large deferred maintenance projects, associated depreciation expense is expected to continue to increase.
- Increases in expenses for Instruction and Institutional Support are primarily due to salary increases. The average full-time salary increased by 5.5% from 2006 to 2007.

Capital Assets and Long Term Debt Activity

At August 31, 2007 and 2006, the District had \$22.0 million and \$21.4 million, respectively, invested in capital assets, net of accumulated depreciation. Details of these assets for fiscal year 2007, 2006, and 2005 are shown below.

**Capital Assets, Net of Depreciation
(thousands of dollars)**

	Year Ended August 31,			Increase (Decrease)	
	2007	2006	2005	2006 to 2007	2005 to 2006
Land	\$ 2,978	\$ 2,586	\$ 2,586	\$ 392	\$ -
Buildings and improvements	24,864	24,465	23,970	399	495
Other improvements and related construction in progress	4,903	4,903	4,448	-	455
Furniture and equipment	5,003	4,454	3,939	549	515
Library materials	2,344	2,332	2,329	12	3
Less: Accumulated depreciation	(18,047)	(17,308)	(16,580)	(739)	(728)
Net Capital Assets	<u>\$ 22,045</u>	<u>\$ 21,432</u>	<u>\$ 20,692</u>	<u>\$ 613</u>	<u>\$ 740</u>

Management's Discussion and Analysis (Unaudited)

Investment in Land increased due to the purchase of two properties contiguous to the District's campus for possible future expansion. The increase in Buildings and Improvements consists primarily of HVAC upgrades in the Sports Center and Whitaker Hall. Furniture and Equipment increased as Perkins and Title V Coop funds were used to purchase instructional equipment in several vocational programs and to install new two-way video distance education equipment on the main campus and at the Seminole extension center. In addition, two math labs received complete computer upgrades.

Total long-term indebtedness was \$25.7 million and \$27.0 million at August 31, 2007 and 2006, respectively. Principal payments of \$1.35 million and \$1.25 million were made during the 2007 and 2006 fiscal years, respectively. The average debt service payment, including interest, is \$2.69 million per year with the final maturity in the year 2019. Moody's Investor Services recently raised the District's bond rating from A3 to A2.

Economic Factors That Will Affect the Future

The global demand for petroleum has significantly raised the taxable value of mineral property and stimulated the economy in Ector County. In addition, aggressive economic development efforts have resulted in diversification and addition of new industry. As a result, the tax base for the 2007-2008 fiscal year has increased by 15.8% or \$9.22 billion dollars. The District's Board of Trustees continues to direct much of the increased funding into reserves for deferred maintenance projects and technology replacements.

The high employment rates common during an oil and gas economic upswing typically result in lower enrollments as unskilled laborers are tempted to temporarily choose relatively high wages over college attendance. Through aggressive marketing, partnerships with local public schools, and new curriculum that is responsive to industry demands, the District expects to maintain a steady enrollment during the near future.

During the summer of 2007, a major taxpayer's assets and business were purchased by another entity for less than the Ector County Appraisal District's appraised tax value. Subsequently, the previous owner filed a protest with the Appraisal District over the taxable value of the business before the sale. The Tax Appraisal District has informed the District of the likelihood of a refund of taxes paid in 2007 and a reduction of the certified values for 2008. Although the exact amount of the valuation reduction is not known at the time of the printing of these statements, the Appraisal District was able to establish a conservative figure representing the amount the District might be required to refund to the previous owner. The District has booked a liability in the amount of \$215,000 representing an estimated refund amount.

Other than the above, the District is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during the current fiscal year.

FINANCIAL STATEMENTS

Odessa Junior College District
STATEMENTS OF NET ASSETS

Exhibit 1

August 31,

	<u>2007</u>	<u>2006</u>
ASSETS:		
Current Assets		
Cash and cash equivalents (Notes 2 and 4)	\$ 17,021,706	16,935,746
Short-term investments (Notes 2 and 4)	1,467,169	-
Accounts receivable, net (Note 14)	2,054,433	2,552,705
Inventories (Note 2)	4,605	2,836
Notes receivable – current, net	556,945	473,266
Prepaid items	831,439	1,139,341
Escrow deposits	<u>42,367</u>	<u>28,081</u>
Total Current Assets	<u>21,978,664</u>	<u>21,131,975</u>
Noncurrent Assets:		
Restricted cash and cash equivalents (Notes 2 and 4)	766,141	688,533
Endowment investments (Notes 2, 3 and 4)	838,000	706,924
Other long-term investments (Notes 2, 3 and 4)	8,720,140	9,043,939
Notes receivable – noncurrent, net	97,494	52,166
Unamortized bond issuance costs	1,013,386	1,092,868
Capital assets, net of accumulated depreciation (Notes 2 and 5)	<u>22,044,847</u>	<u>21,431,758</u>
Total Noncurrent Assets	<u>33,480,008</u>	<u>33,016,188</u>
Total Assets	<u>\$ 55,458,672</u>	<u>54,148,163</u>
LIABILITIES:		
Current Liabilities:		
Accounts payable (Note 14)	\$ 2,080,811	1,940,450
Accrued liabilities	250,646	351,073
Accrued compensable absences (Notes 6 and 12)	49,816	103,771
Funds held for others	319,833	403,301
Deferred revenue – tuition and fees (Note 2)	2,848,343	3,038,744
Deferred revenue – other (Note 2)	257,202	214,409
Capital lease payable – current portion (Notes 6 and 7)	67,589	-
Bonds payable – current portion (Notes 6, 7 and 8)	1,425,000	1,335,000
Other current liabilities	<u>-</u>	<u>-</u>
Total Current Liabilities	<u>7,299,240</u>	<u>7,386,748</u>
Noncurrent Liabilities:		
Capital lease payable – noncurrent (Notes 6 and 7)	72,580	-
Bonds payable – noncurrent (Notes 6, 7 and 8)	24,280,000	25,705,000
Other noncurrent liabilities (Note 6)	<u>6,553</u>	<u>13,265</u>
Total Noncurrent Liabilities	<u>24,359,153</u>	<u>25,718,265</u>
Total Liabilities	<u>31,658,373</u>	<u>33,105,013</u>

Odessa Junior College District
STATEMENTS OF NET ASSETS (CONTINUED)

Exhibit 1

August 31,

	<u>2007</u>	<u>2006</u>
NET ASSETS:		
Invested in capital assets, net of related debt	\$ (3,147,507)	(5,113,820)
Restricted for:		
Nonexpendable:		
Student aid	838,000	706,924
Expendable:		
Student aid	374,235	300,173
Instructional programs	44,282	114,779
Loans	855,213	840,442
Debt service	5,221,947	5,249,868
Other	2,095	93,960
Unrestricted	<u>19,612,034</u>	<u>18,850,824</u>
Total Net Assets (Schedule D)	<u>23,800,299</u>	<u>21,043,150</u>
Total Liabilities and Net Assets	\$ <u>55,458,672</u>	<u>54,148,163</u>

The notes to the financial statements are an integral part of this statement.

Odessa College Foundation, Incorporated

STATEMENTS OF FINANCIAL POSITION

December 31,

ASSETS

	<u>2006</u>	<u>2005</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 314,545	535,884
Pledges receivable	<u>4,790</u>	<u>132,420</u>
Total current assets	319,335	668,304
MARKETABLE SECURITIES AT FAIR VALUE	4,012,765	3,104,849
PLEDGES RECEIVABLE – NONCURRENT	<u>1,650</u>	<u>3,600</u>
Total assets	\$ <u>4,333,750</u>	<u>3,776,753</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable	\$ 1,975	-
Deferred revenue	<u>2,758</u>	<u>2,758</u>
Total current liabilities	<u>4,733</u>	<u>2,758</u>
NET ASSETS		
Unrestricted:		
Undesignated	571,951	355,296
Designated for Half-Century scholarships	205,155	205,155
Temporarily restricted	850,131	663,739
Permanently restricted	<u>2,701,780</u>	<u>2,549,805</u>
Total net assets	<u>4,329,017</u>	<u>3,773,995</u>
Total current liabilities and net assets	\$ <u>4,333,750</u>	<u>3,776,753</u>

The notes to the financial statements are an integral part of this statement.

Odessa Junior College District

Exhibit 2

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Years ended August 31,

	<u>2007</u>	<u>2006</u>
OPERATING REVENUES:		
Tuition and fees (net of discounts of \$2,458,767 and \$2,326,926, respectively)	\$ 3,910,433	3,733,882
Federal grants and contracts	6,474,738	8,512,718
State grants and contracts	374,577	331,793
Non-governmental grants and contracts	25,000	120,000
Sales and services of educational activities	274,853	261,545
Investment income (program restricted)	45,348	37,456
Auxiliary enterprises	561,477	502,100
Other operating revenue	<u>433,247</u>	<u>478,869</u>
 Total operating revenues (Schedule A)	 <u>12,099,673</u>	 <u>13,978,363</u>
OPERATING EXPENSES:		
Instruction	11,936,927	11,519,535
Public service	1,439,317	1,519,029
Academic support	3,592,330	4,328,797
Student services	3,083,879	2,893,859
Institutional support	4,047,629	3,742,138
Operation and maintenance of plant	4,300,627	3,862,084
Scholarships and fellowships	3,049,701	3,971,803
Auxiliary enterprises	1,309,457	1,178,080
Depreciation	<u>951,847</u>	<u>844,237</u>
 Total operating expenses (Schedule B)	 <u>33,711,714</u>	 <u>33,859,562</u>
 OPERATING INCOME (LOSS)	 <u>(21,612,041)</u>	 <u>(19,881,199)</u>
NON-OPERATING REVENUES (EXPENSES):		
State appropriations	11,265,247	11,003,337
Property taxes for maintenance and operations	12,795,621	11,656,368
Gifts – noncapital	323,532	220,603
Investment income – not restricted to programs	1,387,099	1,033,062
Interest on capital – related debt	(1,346,677)	(1,424,411)
Loss on disposal of capital assets	(101,477)	(112,167)
Other non-operating revenues	789	25,070
Other non-operating expenses	<u>(79,481)</u>	<u>(79,481)</u>
 Total non-operating revenues (Schedule C)	 <u>24,244,653</u>	 <u>22,322,381</u>
 Income (loss) before other revenues	 <u>2,632,612</u>	 <u>2,441,182</u>

Odessa Junior College District**Exhibit 2****STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
(CONTINUED)****Years ended August 31,**

	<u>2007</u>	<u>2006</u>
OTHER REVENUES:		
Private capital gifts and grants	\$ -	36,500
Additions to permanent endowment	<u>124,537</u>	<u>20,775</u>
Total other revenues	<u>124,537</u>	<u>57,275</u>
Increase in Net Assets	2,757,149	2,498,457
Net assets – beginning of year	<u>21,043,150</u>	<u>18,544,693</u>
Net assets – end of year	\$ <u>23,800,299</u>	<u>21,043,150</u>

The notes to the financial statements are an integral part of this statement.

Odessa College Foundation, Incorporated

STATEMENTS OF ACTIVITIES

Years ended December 31, 2006 and 2005

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2006</u>	<u>Total 2005</u>
Revenues, gains and other support:					
Contributions (including pledges)	\$ -	213,135	70,000	283,135	613,202
Earnings (loss) on investments	14,195	145,566	86,975	246,736	129,595
Net unrealized gains (losses) on marketable securities	212,023	-	-	212,023	66,373
Transfers	-	5,000	(5,000)	-	-
Net assets released from restrictions through satisfaction of program restrictions	<u>177,309</u>	<u>(177,309)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>403,527</u>	<u>186,392</u>	<u>151,975</u>	<u>741,894</u>	<u>809,170</u>
Expenses:					
Scholarships	177,309	-	-	177,309	174,962
General and administrative	<u>9,563</u>	<u>-</u>	<u>-</u>	<u>9,563</u>	<u>18,148</u>
Total expenses	<u>186,872</u>	<u>-</u>	<u>-</u>	<u>186,72</u>	<u>193,110</u>
CHANGES IN NET ASSETS	216,655	186,392	151,975	555,022	616,060
Net assets at beginning of year	<u>560,451</u>	<u>663,739</u>	<u>2,549,805</u>	<u>3,773,995</u>	<u>3,157,935</u>
Net assets at end of year	\$ <u><u>777,106</u></u>	<u><u>850,131</u></u>	<u><u>2,701,780</u></u>	<u><u>4,329,017</u></u>	<u><u>3,773,995</u></u>

The notes to the financial statements are an integral part of this statement.

Odessa Junior College District**Exhibit 3****STATEMENTS OF CASH FLOWS**

Years ended August 31,

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from students and other customers	\$ 4,791,981	5,193,178
Receipts from grants and contracts	4,534,139	8,485,102
Receipts from loan collections from students and employees	1,171,654	1,142,441
Other receipts	478,595	516,325
Payments to or on behalf of employees	(18,407,262)	(17,727,580)
Payments to suppliers for goods or services	(8,587,177)	(8,827,266)
Payments of scholarships	(3,110,001)	(4,071,909)
Loans issued to student and employees	(1,292,858)	(1,225,641)
Other cash payments	<u>306,133</u>	<u>(43,052)</u>
Net cash used by operating activities	<u>(20,114,796)</u>	<u>(16,558,402)</u>
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES:		
Receipts from state allocations	11,265,247	11,003,337
Receipts from ad valorem taxes	12,775,218	11,642,542
Receipts from gifts and grants other than for capital purposes	459,270	252,448
Other cash receipts	789	-
Receipts from student organization and other agencies	332,982	(93,579)
Payments to student organization and other agencies	(416,450)	(463,869)
Deposit with escrow agents	<u>(14,286)</u>	<u>2,513</u>
Net cash provided by non-capital and related financing activities	<u>24,402,770</u>	<u>22,343,392</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from capital lease financing	190,648	-
Proceeds from sale of capital assets	18,223	6,289
Proceeds from insurance recoveries	-	25,070
Purchases of capital assets	(1,676,823)	(1,754,612)
Payments on capital debt and leases	<u>(2,732,155)</u>	<u>(2,679,411)</u>
Net cash used by capital and related financing activities	<u>(4,200,107)</u>	<u>(4,402,664)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Receipts from sale and maturity of investments	8,300,000	10,900,000
Receipts from investments earnings	1,200,612	892,724
Purchases of investments	<u>(9,424,911)</u>	<u>(3,998,727)</u>
Net cash provided by investing activities	<u>75,701</u>	<u>7,793,997</u>
Increase (decrease) in cash and cash equivalents	163,568	9,176,323
Cash and cash equivalents – September 1	<u>17,624,279</u>	<u>8,447,956</u>
Cash and cash equivalents – August 31	\$ <u>17,787,847</u>	<u>17,624,279</u>

Odessa Junior College District

Exhibit 3

STATEMENTS OF CASH FLOWS (CONTINUED)

Years ended August 31,

	<u>2007</u>	<u>2006</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating loss	\$ (21,612,041)	(19,881,199)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	951,847	844,237
Changes in assets and liabilities:		
Receivable, net:		
Tuition and fees receivable, net	79,976	127,305
State and federal operating grants receivable	304,787	2,010,595
Private grants receivable	709	39,570
Employee receivable	944	1,625
Sales and services receivable, net	102,003	(301,487)
Auxiliary receivable, net	56,007	130,282
Inventories	(1,769)	(2,836)
Other assets	307,902	(40,216)
Deposits	-	13,143
Accounts payable	132,548	(223,246)
Accrued payroll liabilities	(100,427)	(5,716)
Deferred revenue:		
Deferred tuition and fees revenue	(190,401)	586,530
Other deferred revenue	42,793	139,878
Compensated absences	(53,955)	20,959
Early retirement benefits	-	(12,662)
Accrued workers comp	(6,712)	(26,493)
Loans to students and employees	<u>(129,007)</u>	<u>21,329</u>
Total adjustments	<u>1,497,245</u>	<u>3,322,797</u>
Net cash used by operating activities	\$ <u>(20,114,796)</u>	<u>(16,558,402)</u>

The notes to the financial statements are an integral part of this statement.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS

August 31, 2007 and 2006

NOTE 1 – REPORTING ENTITY

Odessa Junior College District (the “District”) was established in 1946, in accordance with the laws of the State of Texas, to serve the educational needs of Ector County and the surrounding communities. The District is considered to be a special purpose, primary government according to the definition in Governmental Accounting Standards Board (“GASB”) Statement 14, *The Financial Reporting Entity*. While the District receives funding from local, state, and federal sources, and must comply with the spending, reporting, and recordkeeping requirements of these entities, it is not a component unit of any other governmental entity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Reporting Guidelines*

The significant accounting policies followed by the District in preparing these financial statements are in accordance with the *Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges*. The District applies all applicable GASB pronouncements and all applicable Financial Accounting Standard Board (“FASB”) statements and interpretations issued on or before November 30, 1989, unless they conflict or contradict GASB pronouncements. The District has elected not to apply FASB guidance issued subsequent to November 30, 1989, unless specifically adopted by the GASB. The District is reported as a special-purpose government engaged in business-type activities.

2. *Tuition Discounting*

Texas Public Education Grants

Certain tuition amounts are required to be set aside for use as scholarships by qualifying students. This set aside, called the Texas Public Education Grant (“TPEG”), is shown with tuition and fee revenue amounts as a separate set aside amount (Texas Education Code §56.0333). When the award for tuition is used by the student, the amount is recorded as tuition and a corresponding amount is recorded as a tuition discount. If the amount is dispersed directly to the student the amount is recorded as a scholarship expense.

Title IV, HEA Program Funds

Certain Title IV HEA Program funds are received by the District to pass through to the student. These funds are initially received by the District and recorded as restricted revenue. When the student is awarded and uses these funds for tuition and fees, the amounts are recorded as revenue and a corresponding amount is recorded as a tuition discount. If the amount is dispersed directly to the student the amount is recorded as a scholarship expense.

Other Tuition Discounts

The District awards tuition and fee scholarships from institutional funds to students who qualify. When these amounts are used for tuition and fees, the amounts are recorded as tuition and fee revenue and a corresponding amount is recorded as a tuition discount.

3. *Basis of Accounting*

The financial statements of the District have been prepared on the accrual basis whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2007 and 2006

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. *Budgetary Data*

Each community college district in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for current operating funds for the fiscal year beginning September 1. The budget, which is prepared on the accrual basis of accounting, is adopted by the District's Board of Trustees. A copy of the approved budget must be filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library, and the Governor's Office of Budget and Planning.

5. *Cash and Cash Equivalents*

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Because of their highly liquid nature, funds held in public funds investment pools are also considered to be cash equivalents.

6. *Investments*

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

7. *Inventories*

Inventories are stated at the lower of cost, determined using the first-in, first-out method, or market.

8. *Capital Assets*

Capital assets are stated at cost. Donated capital assets are valued at their estimated fair market value on the date received. The District's policy calls for capitalization of equipment, infrastructure and land improvements with a unit cost of \$5,000 or more and an estimated useful life in excess of two years. Buildings and building renovations in excess of \$100,000 that significantly increase the value or extend the useful life of the structure are also capitalized. The District reports depreciation under a single-line as a business-type unit. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The following lives are used:

Buildings and Building Improvements	50 years
Other Real Estate Improvements	20 years
Library Books	15 years
Furniture, Machinery, Vehicles and Other Equipment	10 years
Telecommunications and Peripheral Equipment	5 years

9. *Deferred Revenue*

Deferred revenue relates to student tuition, fees and other revenues received during the current physical period for classes or activities to be held in the following period. Similarly, deferred expenditures represent scholarship funds expended in the current period relating to the following period.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2007 and 2006

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. *Estimates*

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

11. *Operating and Non-Operating Revenue and Expense Policy*

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues are tuition and related fees. The major non-operating revenues are state appropriations and property tax collections. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets.

12. *New Accounting Pronouncements*

GASBS No. 44

This Statement amends the portions of NCGA Statement 1, *Governmental Accounting and Financial Reporting Principles*, that guide the preparation of the statistical section. The statistical section presents detailed information, typically in ten-year trends, that assists users in utilizing the basic financial statements, notes to basic financial statements, and required supplementary information to assess the economic condition of a government.

Three shortcomings have been identified in the statistical section since NCGA Statement 1 was issued in 1979. First, NCGA Statement 1 presented a list of fifteen required schedules with no additional explanation of the nature of the information they were to contain. As a result, some governments prepared their statistical sections differently from others, thereby diminishing the usefulness and comparability of the information. Second, the statistical section requirements were oriented to general purpose local governments. Consequently, other types of governments had little guidance on how to adapt the requirements to their circumstances, resulting in incomplete and inconsistent application of the standards and, therefore, additional loss of comparability and usefulness. Third, the requirements for the statistical section did not encompass the new information that governments are presenting as a result of GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

The statistical section is a required part of a comprehensive annual financial report ("CAFR"), although governments are not required to prepare a statistical section if they do not present their basic financial statements within a CAFR. These circumstances are not altered by this Statement. However, this Statement does apply to any statistical section that accompanies a government's basic financial statements. The provisions of this Statement are effective for statistical sections prepared for periods beginning after June 15, 2005.

GASBS No. 46

GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, requires that limitations on the use of net assets imposed by enabling legislation be reported as restricted net assets. In the process of applying this provision, some governments have had difficulty interpreting the requirement that those restrictions be "legally enforceable." The confusion over this phrase has resulted in a diversity of practice that has diminished comparability.

Odessa Junior College District
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
August 31, 2007 and 2006

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. New Accounting Pronouncements (Continued)

GASBS No. 46 (Continued)

This Statement clarifies that a legally enforceable enabling legislation restriction is one that a party external to a government—such as citizens, public interest groups, or the judiciary—can compel a government to honor. The Statement states that the legal enforceability of an enabling legislation restriction should be reevaluated if any of the resources raised by the enabling legislation are used for a purpose not specified by the enabling legislation or if a government has other cause for reconsideration. Although the determination that a particular restriction is not legally enforceable may cause a government to review the enforceability of other restrictions, it should not necessarily lead a government to the same conclusion for all enabling legislation restrictions.

This Statement also specifies the accounting and financial reporting requirements if new enabling legislation replaces existing enabling legislation or if legal enforceability is reevaluated. Finally, this Statement requires governments to disclose the portion of total net assets that is restricted by enabling legislation. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2005.

13. Reclassifications

Certain reclassifications have been made to the 2006 presentation to conform to the 2007 presentation.

14. Prior Year Restatement

A prior year restatement was made from Restricted Net Assets to Unrestricted Net Assets to correctly classify those net assets that were Board-designated for capital renewal and replacement projects. Restricted Net Assets are defined as assets that are restricted due to constraints placed on the assets either by external creditors or grantors or imposed by laws or regulations of outside governments. Assets that are restricted by the District's own governing board are considered Unrestricted Net Assets. They are displayed as Unrestricted, Board Designated on the face of Schedule D – Schedule of Net Assets by Source and Availability.

As of August 31, 2006, the Net Assets were restated as follows:

	August 31, 2006 Previously Reported	Reclassification	August 31, 2006 As Restated
NET ASSETS:			
Invested in capital assets, net of related debt	\$ (5,113,820)	-	(5,113,820)
Restricted for:			
Nonexpendable:			
Student aid	706,924	-	706,294
Expendable:			
Student aid	300,173	-	300,173
Instructional programs	114,779	-	114,779
Loans	840,442	-	840,442
Capital projects	3,471,938	(3,471,938)	-
Debt service	5,249,868	-	5,249,868
Other	93,960	-	93,960
Unrestricted	<u>15,378,886</u>	<u>3,471,938</u>	<u>18,850,824</u>
Total Net Assets (Schedule D)	<u>\$ 21,043,150</u>	<u>-</u>	<u>21,043,150</u>

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2007 and 2006

NOTE 3 – AUTHORIZED INVESTMENTS

The Board of Trustees of the District has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act of 1995 (Chapter 2256.001, Texas Government Code). The investments of the District are in compliance with Trustees' investment policies. Such investments include (1) obligations of the United States or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute.

In accordance with Sec. 2256.005 (n) of the Public Funds Investment Act, the community college, "...shall arrange for a compliance audit of management controls on investments and adherence to the District's established investment policies. The compliance audit shall be performed by the District's internal auditor or by a private auditor...Not later than January 1 of each even numbered year, the community college shall report the results of the most recent audit performed to the state auditor."

The State Auditor has determined that the District and their independent auditors should indicate compliance with the Act by completing the following:

- the categorization of investments by risk which is required by GASB 3 in the footnote "Deposits and Investments," and
- placing a statement in the scope paragraph of the Report on Compliance and on Internal Controls over Financial Reporting which indicate the audit work covered in the Act, or
- writing a separate letter to the State Auditor's Office stating that the District is in compliance with all requirements of the Act.

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits: At August 31, 2007 and 2006, the carrying amount of the District's deposits was \$2,165,574 and \$2,647,868, respectively; and bank balances equaled \$2,836,593 and \$2,908,706. Bank balances of \$123,353 and \$111,865 are covered by federal depository insurance and \$2,713,241 and \$2,796,840 were covered by collateral pledged in the District's name. The collateral was held by the District or by its Agent (Category 1). There were no uncollateralized bank balances (Category 3) at either year end. (This would have included any bank balance that was collateralized with securities held by the pledging financial institution's department or agent but not in the Districts' name). The District held \$15,607,574 and \$14,961,731 in state approved public investment pools at August 31, 2007 and 2006, respectively.

Cash and Deposits included on Exhibit 1, Statement of Net Assets, consist of the items reported below at August 31:

	Cash and Deposits	
Bank Deposits	<u>2007</u>	<u>2006</u>
Demand Deposits	\$ 675,084	741,186
Transit Items	(671,020)	(260,838)
Time Deposits	<u>2,161,509</u>	<u>2,167,520</u>
	<u>2,165,573</u>	<u>2,647,868</u>
Cash and Cash Equivalents		
Public Funds Investment Pools	15,607,574	14,961,731
Petty Cash on Hand	<u>14,700</u>	<u>14,680</u>
Total Cash and Deposits	\$ <u>17,787,847</u>	<u>17,624,279</u>

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2007 and 2006

NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)

Reconciliation of Deposits and Investments to Exhibit 1

<u>Type of Security</u>	<u>Market Value August 31, 2007</u>	<u>Market Value August 31, 2006</u>
Total Cash and Deposits	\$ 17,787,847	17,624,279
Total Investments	<u>11,025,309</u>	<u>9,750,861</u>
Total Deposits and Investments	\$ <u><u>28,813,156</u></u>	<u><u>27,375,140</u></u>
Current Cash and Temporary Investments (Exh. 1)	\$ 17,021,706	16,935,746
Restricted Cash and Temporary Investments (Exh. 1)	766,141	688,533
Agency Cash and Temporary Investments (Exh. 1)	1,467,169	-
Endowment Investments (Exh. 1)	838,000	706,924
Other Long-Term Investments (Exh. 1)	<u>8,720,140</u>	<u>9,043,939</u>
Total Deposits and Investments	\$ <u><u>28,813,156</u></u>	<u><u>27,375,142</u></u>

As of August 31, 2007, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities in Years</u>		
		<u>Less than 1</u>	<u>1 to 2</u>	<u>2 to 5</u>
U.S. Government Securities	\$ <u>9,558,140</u>	<u>5,056,640</u>	<u>1,499,400</u>	<u>3,002,100</u>
Total Fair Value	\$ <u><u>9,558,140</u></u>	<u><u>5,056,640</u></u>	<u><u>1,449,400</u></u>	<u><u>3,002,100</u></u>

As of August 31, 2006, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities in Years</u>		
		<u>Less than 1</u>	<u>1 to 2</u>	<u>2 to 5</u>
U.S. Government Securities	\$ <u>9,750,861</u>	<u>6,224,466</u>	<u>3,526,395</u>	<u>-</u>
Total Fair Value	\$ <u><u>9,750,861</u></u>	<u><u>6,224,466</u></u>	<u><u>3,526,395</u></u>	<u><u>-</u></u>

Interest Rate Risk: In accordance with state law and District policy, the District has established maturity limitations on investments purchased. Investments of the operating and renewal and replacement funds do not have maturities in excess of 5 years. Investments of debt service funds do not have maturities in excess of the debt service dates. Additionally, maturities of commercial paper and banker's acceptances shall not exceed 270 days, repurchase agreements shall not exceed 2 years, and reverse repurchase agreements shall not exceed 90 days.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2007 and 2006

NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk: In accordance with state law and the District's investment policy, investments in mutual funds and investment pools must be rated at least AAA, commercial paper must be rated at least A-1 or P-1, and investments in obligations of states, agencies, counties, cities, and other political subdivisions must be rated at least A. Applicable credit ratings of investments at August 31, 2007 and 2006 are reported below:

Investment Type	Credit Rating
U.S. Government Agencies - FNMA	S&P: AAA; COMP: AAA; Moody's:Aaa; FI:AAA
U.S. Government Agencies – FHLB	S&P: AAA; COMP: AAA; Moody's:Aaa
U.S. Government Agencies – FHLMC	S&P: AAA; COMP: AAA; Moody's:Aaa; FI:AAA
Commercial Paper – Merrill Lynch	S&P: A-1; Moody's: P-1; FI: F1+
Tex Pool Prime	S&P: AAAm
TexPool	S&P: AAAm
LOGIC	S&P: AAAm
Lone Star Liquidity Plus	S&P: AAAf/S1+
Lone Star Liquidity Corporate	S&P: AAAf/S1+

Concentration of Credit Risk: The District does not place a limit on the amount the District may invest in any one issuer. More than 5% of the District's investments are in FHLB securities (22.7%), FHLMC (5.2%), FNMA (5.2%), and Commercial Paper (5.1%).

Custodial Credit Risk: The District's investments have no custodial credit risk.

NOTE 5 – CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2007 was as follows:

	Balance September 1, 2006	Increases	Decreases	Balance August 31, 2007
Not Depreciated:				
Land	\$ 2,586,505	391,554	-	2,978,059
Construction in progress	-	-	-	-
Total Capital Assets – Non-Depreciated	<u>2,586,505</u>	<u>391,554</u>	<u>-</u>	<u>2,978,059</u>
Other Capital Assets:				
Buildings and building improvements	24,465,303	398,598	-	24,863,901
Other real estate improvements	4,903,032	-	-	4,903,032
Total Buildings and Other Improvements	29,368,335	398,598	-	29,766,933
Library books	2,331,970	117,804	105,127	2,344,647
Furniture, machinery and equipment	4,453,880	776,680	227,875	5,002,685
Total Capital Assets – Depreciable	<u>36,154,185</u>	<u>1,293,082</u>	<u>333,002</u>	<u>37,114,265</u>
Accumulated Depreciation:				
Buildings and building improvements	12,027,913	445,257	-	12,473,170
Other real estate improvements	2,135,087	129,961	-	2,265,048
Total Buildings and Other Improvements	14,163,000	575,218	-	14,738,218
Library books	15,356	15,949	-	31,305
Furniture, machinery and equipment	3,130,576	360,680	213,302	3,277,954
Total Accumulated Depreciation	<u>17,308,932</u>	<u>951,847</u>	<u>213,302</u>	<u>18,047,477</u>
Net Capital Assets	<u>\$ 21,431,758</u>	<u>732,789</u>	<u>119,700</u>	<u>22,044,847</u>

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2007 and 2006

NOTE 5 – CAPITAL ASSETS (CONTINUED)

Capital assets activity for the year ended August 31, 2006 was as follows:

	<u>Balance</u> <u>September 1,</u> <u>2005</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>August 31,</u> <u>2006</u>
Not Depreciated:				
Land	\$ 2,586,505	-	-	2,586,505
Construction in progress	<u>339,123</u>	-	<u>339,123</u>	<u>-</u>
Total Capital Assets – Non-Depreciated	<u>2,925,628</u>	<u>-</u>	<u>339,123</u>	<u>2,586,505</u>
Other Capital Assets:				
Buildings and building improvements	23,969,406	495,897	-	24,465,303
Other real estate improvements	<u>4,109,211</u>	<u>803,416</u>	<u>9,595</u>	<u>4,903,032</u>
Total Buildings and Other Improvements	28,078,617	1,299,313	9,595	29,368,335
Library books	2,328,840	113,790	110,660	2,331,970
Furniture, machinery and equipment	<u>3,939,312</u>	<u>628,736</u>	<u>114,168</u>	<u>4,453,880</u>
Total Capital Assets – Depreciable	<u>34,346,769</u>	<u>2,041,839</u>	<u>234,423</u>	<u>36,154,185</u>
Accumulated Depreciation:				
Buildings and building improvements	11,618,492	409,421	-	12,027,913
Other real estate improvements	<u>2,014,956</u>	<u>121,930</u>	<u>1,799</u>	<u>2,135,087</u>
Total Buildings and Other Improvements	13,633,448	531,351	1,799	14,163,000
Library books	3,854	11,502	-	15,356
Furniture, machinery and equipment	<u>2,943,360</u>	<u>301,384</u>	<u>114,168</u>	<u>3,130,576</u>
Total Accumulated Depreciation	<u>16,580,662</u>	<u>844,237</u>	<u>115,967</u>	<u>17,308,932</u>
Net Capital Assets	\$ <u>20,691,735</u>	<u>1,197,602</u>	<u>457,579</u>	<u>21,431,758</u>

NOTE 6 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended August 31, 2007 was as follows:

	<u>Balance</u> <u>September 1,</u> <u>2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>August 31,</u> <u>2007</u>	<u>Due Within</u> <u>One Year</u>
Bonds					
Revenue bonds and notes	\$ 27,040,000	-	1,335,000	25,705,000	1,425,000
General obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Bonds	<u>27,040,000</u>	<u>-</u>	<u>1,335,000</u>	<u>25,705,000</u>	<u>1,425,000</u>
Leases					
Capital Leases	<u>-</u>	<u>190,648</u>	<u>50,479</u>	<u>140,169</u>	<u>67,589</u>
Total Capital Leases	<u>-</u>	<u>190,648</u>	<u>50,479</u>	<u>140,169</u>	<u>67,589</u>
Other Liabilities					
Accrued compensable absences	103,771	-	53,955	49,816	49,816
Accrued workers compensation	<u>13,265</u>	<u>-</u>	<u>6,712</u>	<u>6,553</u>	<u>-</u>
Total Other Liabilities	<u>117,036</u>	<u>-</u>	<u>60,667</u>	<u>56,369</u>	<u>49,816</u>
Total Long-Term Liabilities	\$ <u>27,157,036</u>	<u>190,648</u>	<u>1,446,146</u>	<u>25,901,538</u>	<u>1,542,405</u>

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2007 and 2006

NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

Long-term liability activity for the year ended August 31, 2006 was as follows:

	Balance September 1, 2005	Additions	Reductions	Balance August 31, 2006	Due Within One Year
Bonds					
Revenue bonds and notes	\$ 28,295,000	-	1,255,000	27,040,000	1,335,000
General obligation bonds	-	-	-	-	-
Total Bonds	<u>28,295,000</u>	<u>-</u>	<u>1,255,000</u>	<u>27,040,000</u>	<u>1,335,000</u>
Other Liabilities					
Accrued compensable absences	82,812	20,959	-	103,771	103,771
Early retirement benefits	12,662	-	12,662	-	-
Accrued workers compensation	<u>39,758</u>	<u>-</u>	<u>26,493</u>	<u>13,265</u>	<u>-</u>
Total Other Liabilities	<u>135,232</u>	<u>20,959</u>	<u>39,155</u>	<u>117,036</u>	<u>103,771</u>
Total Long-Term Liabilities	\$ <u>28,430,232</u>	<u>20,959</u>	<u>1,294,155</u>	<u>27,157,036</u>	<u>1,438,771</u>

NOTE 7 – DEBT AND LEASE OBLIGATIONS

Debt service obligations at August 31, 2007 were as follows:

For the Year Ended August 31,	General Obligation Bonds		Revenue Bonds		
	Principal	Interest	Principal	Interest	Total
2008	\$ -	-	1,425,000	1,253,000	2,678,000
2009	-	-	1,520,000	1,168,857	2,688,857
2010	-	-	1,595,000	1,092,781	2,687,781
2011	-	-	1,675,000	1,014,700	2,689,700
2012	-	-	1,760,000	930,500	2,690,500
2013-2017	-	-	10,240,000	3,203,000	13,443,000
2018-2022	<u>-</u>	<u>-</u>	<u>7,490,000</u>	<u>574,000</u>	<u>8,064,000</u>
Total	\$ <u>-</u>	<u>-</u>	<u>25,705,000</u>	<u>9,236,838</u>	<u>34,941,838</u>

The following schedule shows the future minimum payments required for capital leases having initial or remaining noncancellable lease terms in excess of one year.

For the Year Ended August 31,	Capital Leases
2008	\$ 67,589
2009	18,089
2010	13,567
2011	-
Total minimal lease payments	<u>99,245</u>
Less: Applicable interest	<u>(7,568)</u>
Total	\$ <u>91,677</u>

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2007 and 2006

NOTE 8 – BONDS PAYABLE

General information related to bonds payable is summarized below:

❖ **Revenue Refunding and Improvement Bonds, Tax Exempt Series 1998A**

- To retire bonded debt outstanding in the amount of \$19,650,000 (Series 1995), as of May 31, 1998, to pay for related bond issuance costs, and to deposit \$140,061 in a debt service reserve fund in accordance with the bond agreement.
- Issued on May 31, 1998.
- \$24,230,000 original amount of issue; all authorized bonds have been issued.
- The Bonds are special limited tax-exempt obligations of the Board, payable from and equally and ratably secured by a first lien pledge of certain revenues of the District (the gross revenues) which include: the general use fee, the tuition pledge, the District bookstore revenues, the dormitory system revenues, the operating fees, gifts, grants, or donations from any public or private source that are not restricted or dedicated with respect to their use or purpose, and the earnings on all investments of the District lawfully available for such purpose.
- The Bonds are due in annual installments of principal and interest varying from \$1,214,765 to \$2,690,625, with interest rates from 4.0% to 5.0%, and with the final installment due in December 2019. Optional redemption may begin in December 2007.

❖ **Revenue Refunding Bonds, Taxable Series 1998B**

- To retire bonded debt outstanding in the amount of \$9,620,000 (Series 1995), as of May 31, 1998, and to pay for related bond issuance costs.
- Issued on May 31, 1998.
- \$10,685,000 original amount of issue; all authorized bonds have been issued.
- The Bonds are special limited taxable obligations of the Board, payable from and equally and ratably secured by a first lien pledge of certain revenues of the District (the gross revenues) which include: the general use fee, the tuition pledge, the District bookstore revenues, the dormitory system revenues, the operating fees, gifts, grants, or donations from any public or private source that are not restricted or dedicated with respect to their use or purpose, and the earnings on all investments of the District lawfully available for such purpose.
- The Bonds are due in annual installments of principal and interest varying from \$283,938 to \$1,465,744, with interest rates from 5.76% to 6.50%, and with the final installment due in December 2008. Optional redemption may begin in June 2005.

A summary of bond principal is as follows:

	Balance <u>Sept. 1, 2006</u>	<u>Issued</u>	Refunded or <u>Retired</u>	Balance <u>Aug. 31, 2007</u>
Series 1998A Bonds	\$ 24,055,000	-	25,000	24,030,000
Series 1998B Bonds	<u>2,985,000</u>	-	<u>1,310,000</u>	<u>1,675,000</u>
Total Bonds	\$ <u>27,040,000</u>	<u>-</u>	<u>1,335,000</u>	<u>25,705,000</u>

As of August 31, 2007, there were no defeased bonds outstanding.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2007 and 2006

NOTE 9 – OPERATING LEASE COMMITMENTS

The District leases various equipment and facilities by means of Operating Lease Agreements. These agreements have clauses which allow the District to terminate the agreement if funding becomes unavailable or the Board of Trustees does not approve funding. Operating lease payments during the fiscal years ended August 31, 2007 and 2006 were \$475,515 and \$467,414, respectively.

The following schedule shows the future minimum payments required for those operating leases having initial or remaining noncancellable lease terms in excess of one year.

For the Year Ended August 31,	Operating Leases
2008	\$ 390,456
2009	127,850
2010	74,761
2011	22,993
2012	<u>800</u>
Total	\$ <u>616,860</u>

NOTE 10 – EMPLOYEES' RETIREMENT PLAN

All District employees, except those employed for less than one-half the standard workload and those exempted by law, are required to participate in an employee retirement plan. Employees are entitled to full retirement benefits if they retire (a) on or after age 65 with 10 years of credited service or (b) with a combination of age and years of service of at least 80. Vested employees may retire at or after age 55, or at any age with 30 years of credited service, and received reduced benefits. The Employee Retirement System of Texas also provides death and disability benefits for eligible retirees. Benefits are established by state statute.

One of the primary plans in which the District participates is administered by the Teacher Retirement System of Texas. The percentages of participant salaries currently contributed by the state and by each participant are 6.00% and 6.40%, respectively, of annual compensation. Employees who retire under this plan receive a defined retirement benefit, payable monthly for life, equal to 2.3 percent of their final-average salary for each year of credited service. Final-average salary is the employee's average salary over the best 3 years of credited service. Benefits fully vest on reaching 10 years of credited service.

The Teacher Retirement System does not separately account for each of its component government agencies, because it bears sole responsibility for retirement commitments beyond contributions fixed by the Legislature.

The State has also established an optional retirement program for institutions of higher education. Participation in the optional retirement program is in lieu of participation in the Teacher Retirement System. The optional retirement program provides for the purchase of annuity contracts. The percentages of participant salaries currently contributed by the state and each participant are 6.00% and 6.65%, respectively. Since these are individual annuity contracts, the State has no additional or unfunded liability for this program. For employees in the system prior to September 1, 1995, the District contributed 1.31%. Benefits fully vest after 1 year plus 1 day of employment.

The retirement expense to the State for the District was \$737,168 and \$683,472 for the fiscal years ended August 31, 2007 and 2006, respectively. This amount represents the portion of expended appropriations made by the State Legislature on behalf of the District.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2007 and 2006

NOTE 10 – EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Sick leave, which can be accumulated to a maximum of six hundred and forty (640) hours, is earned at a rate of eight (8) hours per month. The District's policy is to recognize the cost of sick leave when paid. The liability is not shown in the financial statements since experience indicates the expenditure for sick leave to be minimal.

The total payroll for all District employees was \$16,263,478 and \$15,674,622 for fiscal years 2007 and 2006, respectively. The total payroll of employees covered by the Teacher Retirement System was \$9,129,026 and \$8,399,848, and the total payroll of employees covered by the Optional Retirement System was \$5,343,683 and \$5,387,264 for fiscal years 2007 and 2006, respectively.

NOTE 11 – DEFERRED COMPENSATION PROGRAM

The District's employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001. As of August 31, 2007 and 2006, the District had no employees participating in the program.

NOTE 12 – COMPENSABLE ABSENCES

Full-time employees earn vacation leave from eighty (80) to one hundred sixty (160) hours per year depending on the number of consecutive years employed with the District. All unused vacation which is not taken by August 31st may be accumulated to a maximum of two hundred forty (240) hours. All unused hours are reduced by fifty percent (50%) on August 31st. Employees terminating after the beginning of the District year will be paid for their vacation time on a pro-rata basis. The liability for vacation leave has been accrued for the periods ending August 31, 2007 and 2006 in the amounts of \$49,816 and \$103,771, respectively.

Sick leave, which can be accumulated to a maximum of six hundred and forty (640) hours, is earned at a rate of eight (8) hours per month. The District's policy is to recognize the cost of sick leave when paid. The liability is not shown in the financial statements since experience indicates the expenditure for sick leave to be minimal.

NOTE 13 – PENDING LAWSUITS AND CLAIMS

At August 31, 2007, a lawsuit was pending involving the Ector County Appraisal District and a large taxpayer. The outcome of this dispute will have an effect on the District's tax revenue generated from the 2006 and 2007 tax rolls. While the ultimate liability with respect to this litigation cannot be determined at this time, the District has recorded an estimate of the potential liability in the amount of \$215,000 for refund of taxes collected in fiscal year 2007.

NOTE 14 – DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables at August 31, 2007 and 2006 were as follows:

	<u>2007</u>	<u>2006</u>
Tuition and fees receivable	\$ 345,954	383,658
Taxes receivable	1,318,568	1,304,558
Federal receivable	804,291	1,130,974
State receivable	95,735	73,839
Interest receivable	123,810	86,858
Other receivables	<u>761,473</u>	<u>933,759</u>
Subtotal	3,449,831	3,913,646
Allowance for doubtful accounts	<u>(1,395,398)</u>	<u>(1,360,941)</u>
Total	\$ <u>2,054,433</u>	<u>2,552,705</u>

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2007 and 2006

NOTE 14 – DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES (CONTINUED)

Payables at August 31, 2007 and 2006 were as follows:

	<u>2007</u>	<u>2006</u>
Vendors payable – operations	\$ 1,114,351	894,824
Vendors payable – capital	55,277	47,464
Students payable	909,771	970,072
Payroll deductions payable	<u>1,412</u>	<u>28,090</u>
Total	\$ <u>2,080,811</u>	<u>1,940,450</u>

NOTE 15 – CONTRACT AND GRANT AWARDS

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, *Audits of Colleges and Universities*. Revenues are recognized on Exhibit 2 and Schedule A. For federal contract and grant awards, funds expended, but not collected, are reported as Federal Receivables on Exhibit 1. Non-federal contract and grant awards for which funds are expended, but not collected, are reported as Accounts Receivable on Exhibit 1. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. Contract and grant awards funds already committed, i.e., multi-year awards, or funds awarded during fiscal years 2007 and 2006 for which monies have not been received nor funds expended totaled \$7,709,484 and \$5,780,955, respectively. Of these amounts, \$7,253,291 and \$5,538,087 were from federal contract and grant awards; \$337,201 and \$68,087 were from state contract and grant awards; and \$118,992 and \$174,349 were from private contract and grant awards for the fiscal years ended August 31, 2007 and 2006, respectively.

NOTE 16 – POST RETIREMENT, HEALTH CARE AND LIFE INSURANCE BENEFITS

In addition to the pension benefits described in Note 10 above, the state provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they have reached the minimum age for retirement, have the required years of service, and meet applicable qualifications of Teacher Retirement System (TRS), Optional Retirement Program (ORP) and Employees Retirement System (ERS).

Those and similar benefits for active employees are provided through the state's Group Benefits Program. Certain categories of employees, such as physical plant and auxiliary staff, are not eligible for state funding of health care benefits. Premiums are based on benefits paid during the previous year. The state's contribution per full-time employee was \$343 per month for HealthSelect coverage and \$316 per month for HMO FirstCare coverage for the year ended August 31, 2007 (\$316 and \$304 per month, respectively, for fiscal year 2006).

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2007 and 2006

NOTE 16 – POST RETIREMENT, HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

The cost of providing health care benefits to retirees and active employees is as follows for the years ending August 31:

	<u>2007</u>	<u>2006</u>
Number of retirees receiving benefits	<u>146</u>	<u>148</u>
Cost of state's contribution	\$ <u>674,826</u>	<u>646,665</u>
Cost of local contribution	<u>51,918</u>	<u>48,774</u>
 Total cost of benefits for retirees	 \$ <u><u>726,744</u></u>	 <u><u>695,439</u></u>
 Number of active employees receiving benefits	 <u>334</u>	 <u>336</u>
Cost of state's contribution	\$ <u>1,278,837</u>	<u>1,201,229</u>
Cost of federal grant contribution	<u>152,465</u>	<u>175,201</u>
Cost of local contribution	<u>405,937</u>	<u>353,303</u>
 Total cost of benefits for active employees	 \$ <u><u>1,837,239</u></u>	 <u><u>1,729,733</u></u>

NOTE 17 – AD VALOREM TAX

The District's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1st for all real and business personal property located in the District district.

At August 31:

	<u>2007</u>	<u>2006</u>
Assessed valuation of the District (at January 1, 2006 and 2005)	\$ <u>8,367,048,635</u>	<u>7,174,227,647</u>
Less: exemptions	<u>(1,289,667,039)</u>	<u>(1,038,965,796)</u>
Less: abatements	<u>(335,154,422)</u>	<u>(315,275,858)</u>
 Net assessed valuation of the District	 \$ <u><u>6,742,227,174</u></u>	 <u><u>5,819,985,993</u></u>

At August 31:

	<u>2007</u>			<u>2006</u>		
	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Authorized tax rate per \$100 valuation	\$.20	0.50	0.70	0.20	0.50	0.70
Assessed tax rate per \$100 valuation	\$.19	-	0.19	0.20	-	0.20

Taxes levied (including adjustments to the certified levies) for the year ended August 31, 2007 and 2006 were \$12,795,834 and \$11,508,059, respectively. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2007 and 2006

NOTE 17 – AD VALOREM TAX (CONTINUED)

At August 31:	2007			2006		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current taxes collected \$	12,486,286	-	12,486,286	11,260,411	-	11,260,411
Delinquent taxes collected	282,267	12,714	294,981	291,693	13,130	304,823
Penalties and interest collected	191,624	8,631	200,255	165,665	7,457	173,122
Total collections \$	<u>12,960,177</u>	<u>21,345</u>	<u>12,981,522</u>	<u>11,717,769</u>	<u>20,587</u>	<u>11,738,356</u>

Tax collections for the years ended August 31, 2007 and 2006 were 97.58% and 97.84%, respectively, of the current year tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to maintenance and operations.

NOTE 18 – INCOME TAXES

The District is exempt from income taxes under Internal Revenue Code Section 115, *Income of States Municipalities, Etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations*. The District had no unrelated business income tax liability for the years ended August 31, 2007 and 2006.

NOTE 19 – COMPONENT UNITS

Odessa College Foundation, Incorporation (the "Foundation") was established as a separate nonprofit organization in 1996, to raise funds to provide student scholarships and assistance in the development and growth of the District. Under Governmental Standards Board Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and organization should report as a discretely presented component unit those organizations that raise and hold economic resources for the direct benefit of a government unit.

Accordingly, the Foundation financial statements are included in the District's annual report as a discrete component unit (see table of contents). Complete financial statements of the Odessa College Foundation, Incorporated can be obtained from the administrative offices of the Foundation/Odessa Junior College District.

REQUIRED SUPPLEMENTAL INFORMATION

Odessa Junior College District

Schedule A

SCHEDULE OF OPERATING REVENUES

**Year Ended August 31, 2007
With Memorandum Totals for the Year Ended August 31, 2006**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2007 Total</u>	<u>2006 Total</u>
Tuition:						
State-funded credit courses						
In-district resident tuition	\$ 2,338,939	-	2,338,939	-	2,338,939	2,303,706
Out-of-district resident tuition	1,293,675	-	1,293,675	-	1,293,675	1,169,270
Non-resident tuition	317,250	-	317,250	-	317,250	253,087
TPEG credit set aside *	213,579	-	213,579	-	213,579	205,758
State-funded continuing education	554,047	-	554,047	-	554,047	532,170
TPEG non-credit set aside *	35,359	-	35,359	-	35,359	32,358
Non-state funded educational programs	<u>204,571</u>	-	<u>204,571</u>	-	<u>204,571</u>	<u>317,859</u>
Total tuition	<u>4,957,420</u>	-	<u>4,957,420</u>	-	<u>4,957,420</u>	<u>4,814,208</u>
Fees:						
Student use fees	826,280	-	826,280	-	826,280	916,149
Institutional/course fees	99,559	-	99,559	-	99,559	21,403
Student service fees	-	-	-	86,802	86,802	95,127
Laboratory fees	148,645	-	148,645	-	148,645	171,645
Other fees	<u>236,122</u>	<u>14,370</u>	<u>250,492</u>	-	<u>250,492</u>	<u>42,277</u>
Total fees	<u>1,310,606</u>	<u>14,370</u>	<u>1,324,976</u>	<u>86,802</u>	<u>1,411,778</u>	<u>1,246,601</u>
Scholarship allowances and discounts:						
Scholarship allowances	(507,875)	(72,842)	(580,717)	-	(580,717)	(458,783)
Local remissions and exemptions	(2,314)	-	(2,314)	-	(2,314)	(4,914)
State remissions and exemptions	(95,605)	-	(95,605)	(513)	(96,118)	(96,015)
TPEG allowances	(108,983)	-	(108,983)	-	(108,983)	(74,649)
Federal grants to students	-	(1,558,043)	1,558,043	-	(1,558,043)	(1,479,310)
State grants to students	-	<u>(112,590)</u>	<u>(112,590)</u>	-	<u>(112,590)</u>	<u>(213,256)</u>
Total scholarship allowances	<u>(714,777)</u>	<u>(1,743,475)</u>	<u>(2,458,252)</u>	<u>(513)</u>	<u>(2,458,765)</u>	<u>(2,326,927)</u>
Total net tuition and fees	<u>5,553,249</u>	<u>(1,729,105)</u>	<u>3,824,144</u>	<u>86,289</u>	<u>3,910,433</u>	<u>3,733,882</u>
Other operating revenues:						
Federal grants and contracts	56,526	6,418,212	6,474,738	-	6,474,738	8,512,718
State grants and contracts	1,062	373,515	374,577	-	374,577	331,793
Nongovernmental grants and contracts	-	25,000	25,000	-	25,000	120,000
Sales and services of educational activities	274,853	-	274,853	-	274,853	261,545
Investment income (program restricted)	-	42,438	42,438	2,910	45,348	37,456
General operating revenues	<u>418,420</u>	<u>14,827</u>	<u>433,247</u>	-	<u>433,247</u>	<u>478,869</u>
Total other operating revenues	<u>750,861</u>	<u>6,873,992</u>	<u>7,624,853</u>	<u>2,910</u>	<u>7,627,763</u>	<u>9,742,381</u>

Odessa Junior College District

Schedule A

SCHEDULE OF OPERATING REVENUES (CONTINUED)

**Year Ended August 31, 2007
With Memorandum Totals for the Year Ended August 31, 2006**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2007 Total</u>	<u>2006 Total</u>
Auxiliary enterprises:						
Bookstore	\$ -	-	-	175,551	175,551	182,113
Food service	-	-	-	281,607	281,607	274,880
Student housing	-	-	-	818	818	-
Other auxiliaries	-	-	-	<u>103,501</u>	<u>103,501</u>	<u>45,107</u>
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>561,477</u>	<u>561,477</u>	<u>502,100</u>
Total Operating Revenues	\$ <u>6,304,110</u>	<u>5,144,887</u>	<u>11,448,997</u>	<u>650,676</u>	<u>12,099,673</u> (Exhibit 2)	<u>13,978,363</u> (Exhibit 2)

* In accordance with Education Code 56.033, \$248,938 and \$238,115 for years ending August 31, 2007 and 2006, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

Odessa Junior College District

Schedule B

**SCHEDULE OF OPERATING EXPENSES
BY OBJECT**

**Year Ended August 31, 2007
With Memorandum Totals for the Year Ended August 31, 2006**

	<u>Salaries & Wages</u>	<u>Staff Benefits</u>		<u>Other Expenses</u>	<u>2007 Total</u>	<u>2006 Total</u>
		<u>State</u>	<u>Local</u>			
Unrestricted - Educational Activities						
Instruction	\$ 7,717,020	-	561,599	1,167,369	9,445,988	9,334,423
Public service	680,356	-	30,576	164,929	875,861	973,552
Academic support	1,612,670	-	110,523	691,116	2,414,309	2,401,349
Student services	1,381,600	-	99,384	487,554	1,968,538	1,773,619
Institutional support	2,052,143	-	560,608	1,069,771	3,682,522	3,395,022
Operation and maintenance of plant	861,164	-	260,686	3,178,928	4,300,778	3,844,479
Scholarship and fellowships	-	-	-	471,900	471,900	395,652
Total Unrestricted Educational Activities	<u>14,304,953</u>	-	<u>1,623,376</u>	<u>7,231,567</u>	<u>23,159,896</u>	<u>22,118,096</u>
Restricted - Educational Activities						
Instruction	573,537	1,443,220	50,182	424,000	2,490,939	2,185,112
Public service	232,462	101,947	45,623	183,425	563,457	545,477
Academic support	344,355	433,952	91,022	308,691	1,178,020	1,927,448
Student services	454,856	374,353	111,346	174,786	1,115,341	1,120,240
Institutional support	19,697	337,360	1,291	6,758	365,106	347,116
Operation and maintenance of plant	-	-	-	(150)	(150)	17,605
Scholarship and fellowships	-	-	-	2,577,800	2,577,800	3,576,151
Total Restricted Educational Activities	<u>1,624,907</u>	<u>2,690,832</u>	<u>299,464</u>	<u>3,675,310</u>	<u>8,290,513</u>	<u>9,719,149</u>
Total Educational Activities	15,929,860	2,690,832	1,922,840	10,906,877	31,450,409	31,837,245
Auxiliary Enterprises	333,618	-	60,794	915,046	1,309,458	1,178,080
Depreciation Expense – Buildings and other real estate improvements	-	-	-	575,218	575,218	531,351
Depreciation Expense – Equipment and furniture	-	-	-	376,629	376,629	312,886
Total Operating Expenses	\$ <u>16,263,478</u>	<u>2,690,832</u>	<u>1,983,634</u>	<u>12,773,770</u>	<u>33,711,714</u> (Exhibit 2)	<u>33,859,562</u> (Exhibit 2)

Odessa Junior College District

Schedule C

SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES

**Year Ended August 31, 2007
With Memorandum Totals for the Year Ended August 31, 2006**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2007 Total</u>	<u>2006 Total</u>
NON-OPERATING REVENUES:					
State appropriations:					
Education and general support	\$ 8,473,763	-	-	8,473,763	8,473,763
State group insurance	-	1,953,664	-	1,953,664	1,846,102
State retirement matching	-	737,168	-	737,168	683,472
Nursing shortage reduction grant	-	100,653	-	100,653	-
Total state appropriations	<u>8,473,763</u>	<u>2,791,485</u>	<u>-</u>	<u>11,265,248</u>	<u>11,003,337</u>
Property taxes for maintenance and operations	12,795,621	-	-	12,795,621	11,656,368
Gifts – noncapital	8,398	233,130	82,004	323,532	220,603
Investment income – not restricted to programs	1,387,098	-	-	1,387,098	1,033,062
Other non-operating revenues	<u>789</u>	-	-	<u>789</u>	<u>25,070</u>
Total Non-Operating Revenues	<u>22,665,669</u>	<u>3,024,615</u>	<u>82,004</u>	<u>25,772,288</u>	<u>23,938,440</u>
NON-OPERATING EXPENSES:					
Interest on capital-related debt	1,346,677	-	-	1,346,677	1,424,411
Loss on disposal of capital assets	101,477	-	-	101,477	112,167
Other non-operating expenses	<u>79,481</u>	-	-	<u>79,481</u>	<u>79,481</u>
Total Non-Operating Expenses	<u>1,527,635</u>	<u>-</u>	<u>-</u>	<u>1,527,635</u>	<u>1,616,059</u>
Net Non-Operating Revenues	\$ <u>21,138,034</u>	<u>3,024,615</u>	<u>82,004</u>	<u>24,244,653</u> (Exhibit 2)	<u>22,322,381</u> (Exhibit 2)

Odessa Junior College District

Schedule D

SCHEDULE OF NET ASSETS BY SOURCE AND AVAILABILITY

**Year Ended August 31, 2007
With Memorandum Totals for the Year Ended August 31, 2006**

	Details by Source						Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation and Related Debt	Total			
		Expendable	Non- Expendable				Yes	No
Current:								
Undesignated	\$ 16,639,795	-	-	-	16,639,795	16,639,795	-	
Board designated	16,727	-	-	-	16,727	-	16,727	
Restricted	-	420,613	-	-	420,613	-	420,613	
Auxiliary enterprises	52,657	-	-	-	52,657	52,657	-	
Loans	-	855,213	-	-	855,213	-	855,213	
Endowment	-	-	838,000	-	838,000	-	838,000	
Plant								
Renewal and replacement	2,902,855	-	-	-	2,902,855	-	2,902,855	
Debt service	-	5,221,947	-	-	5,221,947	-	5,221,947	
Investment in plant	-	-	-	(3,147,508)	(3,147,508)	-	(3,147,508)	
Total Net Assets, August 31, 2007	19,612,034	6,497,773	838,000	(3,147,508)	23,800,299 (Exhibit 1)	16,692,452	7,107,847	
Total Net Assets, August 31, 2006	18,850,824	6,599,222	706,924	(5,113,820)	21,043,150 (Exhibit 1)	15,364,393	5,678,757	
Net Increase (Decrease) in Net Assets	\$ 761,210	(101,450)	131,076	1,966,312	2,757,149 (Exhibit 2)	1,328,059	1,429,090	

Odessa Junior College District

Schedule E

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended August 31, 2007

<u>Federal Grantor/Pass Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Document/ Pass Through Grantor's Number</u>	<u>Pass Through Disbursement and Expenditures</u>
<u>U.S. Department of Education</u>			
Direct Programs:			
Federal Supplemental Educational Opportunity Grant	84.007A	P007A064089	\$ 144,089
Higher Education – Institutional Aid Title V	84.031S	P031S010070	11,404
Title V COOP	84.031S	P031S040013	<u>476,179</u>
Subtotal for CFDA 84.031S			<u>487,583</u>
Federal College Work Study	84.033A	P033A064089	107,207
Trio Student Support Services	84.042A	P042A050150	248,212
Trio Upward Bound	84.047A	P047A031053	264,205
Federal Pell Grant	84.063P	P063P062294	3,309,282
Trio Educational Opportunity Centers Program	84.066A	P066A020203	220,000
Bilingual Education-Professional Development	84.195N	T195N020198	324,731
Academic Competitiveness Grant	84.375A	P375A062294	<u>63,975</u>
Subtotal Direct Programs			<u>5,169,284</u>
Pass-through from:			
Texas Education Agency			
Adult Basic Education	84.002A	41000701	<u>316,403</u>
Subtotal Adult Basic Education			<u>316,403</u>
Pass-through from:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education - Basic	84.048	74235	388,348
Carl Perkins Tech Prep Passed through from Midland College	84.243	61714	<u>74,044</u>
Subtotal Carl Perkins			<u>462,392</u>
Federal Funds Passed through Directly to Students			
Byrd Honors Scholarships	84.185	N/A	<u>750</u>
Total U.S. Department of Education			<u>5,948,829</u>
<u>U.S. Department of Agriculture</u>			
Pass-through from:			
Texas Health & Human Services Commission			
Child and Adult Care Food Program	10.558	165-0013	<u>46,223</u>
Total U.S. Department of Agriculture			<u>46,223</u>
<u>U.S. Department of Labor</u>			
Employment and Training Administration			
Community Based Job Training Grant – Welding Training Center	17.269	CB-15975-07-60-A-48	<u>227,058</u>
Total U.S. Department of Labor			<u>227,058</u>
<u>U.S. Department of Health and Human Services</u>			
Pass-through from:			
Texas Workforce Commission			
Temporary Assistance for Needy Families – Trans Pecos Food SSF	93.558	1106SSF000	25,264
Pass-through from:			
Greater Opportunities of Permian Basin Head Start Program	93.600	O6CH5616	<u>195,614</u>
Total U.S. Department of Health and Human Services			<u>220,878</u>
Total Federal Financial Assistance			\$ <u>6,442,988</u>

Notes to Schedule on following page.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year Ended August 31, 2007

Note 1: FEDERAL ASSISTANCE RECONCILIATION

Federal revenues per Schedule A:	
Federal grants and contracts revenue	\$ 6,474,738
Add: Financial Assistance Passed through Directly to Students (Byrd Honors Scholarships)	750
Less: Expenditures Not Subject to A-133 Audit (Note 3)	<u>(32,500)</u>
Total Federal Revenues Per Schedule of Expenditures of Federal Awards	\$ <u>6,442,988</u>

Note 2: SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The expenditures included in the schedule are reported for the District's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds that have been expended to the District for the purposes of the award. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements imposed by the funding agencies. The District has followed all applicable guidelines issued by various entities in the preparation of the schedule.

NOTE 3: EXPENDITURES NOT SUBJECT TO FEDERAL SINGLE AUDIT:

KOCV-FM, public radio station licensed by the District,
received federal funds passed through to the following entities:

Corporation for Public Broadcasting (CPB)	\$ <u>32,500</u>
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**NOTE 4: STUDENT LOANS PROCESSED AND ADMINISTRATIVE COSTS RECOVERED –
Not included in Schedule**

Federal Grantor <u>CFDA Number/Program Name</u>	<u>New Loans Processed</u>	<u>Administrative Costs Recovered</u>	<u>Total Loans Processed & Admin. Costs Recovered</u>
<u>Department of Education</u>			
84.000 PLUS Parent Loan Program	\$ 9,836	-	9,836
84.000 Federal Family Education Loan Program	<u>841,165</u>	-	<u>841,165</u>
	\$ <u>851,001</u>	-	<u>851,001</u>

NOTE 5: AMOUNTS PASSED THROUGH BY THE DISTRICT

The following amounts were passed through to the listed subrecipients by the District. These amounts were from the Title V Coop Program CFDA No. 84.031S from the Department of Education.

College of the Southwest	84.031S	\$ <u>135,368</u>
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Odessa Junior College District

Schedule F

SCHEDULE OF EXPENDITURES OF STATE AWARDS

Year Ended August 31, 2007

<u>Grantor Agency / Program Title</u>	<u>Grant Contract Number</u>	<u>Disbursements and Expenditures</u>
Texas Education Agency State Adult Education	1000501	\$ 69,572
Texas Higher Education Coordinating Board		
Texas College Work Study	9400179M	13,577
Texas Grant I	-	207,060
Texas Grant II	-	48,905
College for Texas Campaign	-	34,290
College Connection	-	45,160
Nursing Shortage Reduction Grant		100,653
Texas Law Enforcement Officer Standards in Education Agency LEOSE Training Grant	-	<u>1,173</u>
Total Expenditures of State Awards		\$ <u><u>475,230</u></u>

NOTE 1: STATE ASSISTANCE RECONCILIATION

State revenues per Exhibit A:		
Operating Revenues:		
State grants and contracts		\$ <u>374,577</u>
State revenues per Schedule C:		
Non-Operating Revenues:		
Nursing shortage reduction grant		<u>100,653</u>
Total Expenditures Per Schedule of Expenditures of State Awards		\$ <u><u>475,230</u></u>

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The expenditures included in the schedule are reported for the District's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds that have been expended to the District for the purposes of the award. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements imposed by the funding agencies. The District has followed all applicable guidelines issued by various entities in the preparation of the schedule.

SINGLE AUDIT REPORTS



**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in
Accordance with Government Auditing Standards**

The Board of Trustees
Odessa Junior College District
Odessa, Texas

We have audited the financial statements of Odessa Junior College District (the "District") as of and for the year ended August 31, 2007, and have issued our report thereon dated December 18, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of

Compliance and Other Matters (Continued)

laws (including the *Texas Public Funds Investment Act*, as amended), regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We have performed tests designed to verify the District's compliance with the requirements of the Public Funds Investment Act. During the year ended August 31, 2007, no instances of noncompliance were found.

This report is intended solely for the information and use of the District's trustees, audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Johnson Miller & Co., CPA's PC". The signature is written in a cursive, flowing style.

Odessa, Texas
December 18, 2007



JOHNSON, MILLER & CO.

Certified Public Accountants
A Professional Corporation

An Independent Member Of BDO Seidman Alliance

Odessa, Texas
Midland, Texas
Hobbs, New Mexico

**Report of Independent Certified Public Accountants on
Compliance with Requirements Applicable to Each
Major Program and on Internal Control Over Compliance in
Accordance with OMB Circular A-133 and
The Provisions of the State of Texas Single Audit Circular**

The Board of Trustees
Odessa Junior College District
Odessa, Texas

Compliance

We have audited the compliance of Odessa Junior College District (the "District") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the provisions of the *State of Texas Single Audit Circular* that are applicable to each of its major federal and state programs for the year ended August 31, 2007. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization* and the provisions of the *State of Texas Single Audit Circular*. Those standards, OMB Circular A-133 and the *State of Texas Single Audit Circular* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended August 31, 2007.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of the District's trustees, audit committee, management, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Johnson Miller & Co., CPA's PC

Odessa, Texas
December 18, 2007

Odessa Junior College District

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

August 31, 2007

The Board of Trustees
Odessa Junior College District
Odessa, Texas

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Type of Auditor's Report issued **Unqualified**

Internal control over financial reporting:

Material Weaknesses identified? **No**

Reportable Conditions Identified that are not considered to be material weaknesses? **No**

Noncompliance material to financial statements noted? **No**

Federal and State Awards

Internal control over major programs:

Material Weaknesses identified? **No**

Reportable Conditions Identified that are not considered to be material weaknesses? **No**

Type of Auditor's Report issued on compliance for major programs **Unqualified**

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 and/or the State of Texas Single Audit Circular ? **No matters were reported.**

Odessa Junior College District

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

August 31, 2007

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.007	Student Financial Aid Cluster: Federal Supplemental Education Opportunity Grant
84.033	Federal College Workstudy Program
84.063	Federal Pell Grant
84.375	Academic Competitiveness Grant
84.042	Trio Cluster: Trio Student Support Services
84.066	Trio Educational Opportunity Centers Program
84.047	Trio Upward Band
17.269	Community Based Job Training Grant – Welding Training Center
84.195	Bilingual Education Professional Development
93.600	Greater Opportunities of Permian Basin Head Start Program
Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes
Section II - FINANCIAL STATEMENT FINDINGS	No matters were reported.
Section III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS	
August 31, 2007	None
August 31, 2006	None

Odessa Junior College District

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS (CONTINUED)

August 31, 2007

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

Odessa Junior College District

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS (CONTINUED)

August 31, 2006

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

STATISTICAL SUPPLEMENT

Odessa Junior College District
Statistical Supplement 1
Net Assets by Component
Fiscal Years 2002 to 2007
(unaudited)
(amounts expressed in thousands)

For the Fiscal Year Ended August 31,

	2007	2006	2005	2004	2003	2002
Invested in capital assets, net of related debt	(3,148)	(5,114)	(7,115)	(8,978)	(8,501)	(10,440)
Restricted - expendable	6,498	6,599	6,662	8,743	8,912	8,549
Restricted - nonexpendable	838	707	672	670	657	640
Unrestricted	19,612	18,851	18,325	17,338	17,993	18,896
Total primary government net assets	\$ 23,800	\$ 21,043	\$ 18,544	\$ 17,773	\$ 19,061	\$ 17,645

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2007 are available. Amounts prior to FY2007 have been restated to reclassify Capital Renewal Funds from Restricted-expendable to Unrestricted.

Odessa Junior College District
Statistical Supplement 2
Revenues by Source
Fiscal Years 2002 to 2007
(unaudited)

	For the Year Ended August 31, (amounts expressed in thousands)					
	2007	2006	2005	2004	2003	2002
Tuition and Fees (Net of Discounts)	\$3,910	\$3,734	\$2,978	\$2,644	\$2,468	\$2,634
Governmental Grants and Contracts						
Federal Grants and Contracts	6,475	8,512	8,970	7,619	7,748	6,241
State Grants and Contracts	375	332	562	1,200	849	456
Non-Governmental Grants and Contracts	25	120	29	111	88	98
Sales and services of educational activities	275	262	262	273	288	290
Investment Income	45	37	20	14	48	62
Auxiliary enterprises	562	502	516	466	540	1,290
Other Operating Revenues	433	479	429	463	504	617
Total Operating Revenues	12,100	13,978	13,766	12,790	12,533	11,688
State Appropriations	11,265	11,003	10,564	10,486	11,134	11,455
Ad Valorem Taxes	12,796	11,656	10,346	9,407	9,055	8,874
Gifts	323	221	199	261	310	433
Investment income	1,387	1,033	496	495	419	776
Other non-operating revenues	1	25	14	13	27	-
Total Non-Operating Revenues	25,772	23,938	21,619	20,662	20,945	21,538
Total Revenue	\$ 37,872	\$ 37,916	\$ 35,385	\$ 33,452	\$ 33,478	\$ 33,226

	For the Year Ended August 31, (amounts expressed in thousands)					
	2007	2006	2005	2004	2003	2002
Tuition and fees (net of discounts)	10.44%	9.85%	8.42%	7.90%	7.37%	7.93%
Governmental grants and contracts						
Federal grants and contracts	17.10%	22.55%	25.41%	22.82%	23.28%	18.97%
State grants and contracts	0.99%	0.88%	1.59%	3.59%	2.54%	1.37%
Non-governmental grants and contracts	0.07%	0.32%	0.08%	0.33%	0.26%	0.29%
Sales and services of educational activities	0.73%	0.69%	0.74%	0.82%	0.86%	0.87%
Auxiliary enterprises	1.48%	1.32%	1.46%	1.39%	1.61%	3.88%
Other operating revenues	1.14%	1.26%	1.21%	1.38%	1.51%	1.86%
Total Operating Revenues	31.95%	36.87%	38.91%	38.23%	37.43%	35.18%
State appropriations	29.74%	29.02%	29.85%	31.35%	33.26%	34.48%
Ad valorem taxes	33.79%	30.74%	29.24%	28.12%	27.05%	26.71%
Gifts	0.85%	0.58%	0.56%	0.78%	0.93%	1.30%
Investment income	3.66%	2.72%	1.40%	1.48%	1.25%	2.34%
Other non-operating revenues	0.00%	0.07%	0.04%	0.04%	0.08%	0.00%
Total Non-Operating Revenues	68.05%	63.13%	61.10%	61.77%	62.56%	64.82%
Total Revenue	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2007 are available.

Odessa Junior College District
Statistical Supplement 3
Program Expenses by Function
Fiscal Years 2002 to 2007
(unaudited)

	For the Year Ended August 31,					
	(amounts expressed in thousands)					
	2007	2006	2005	2004	2003	2002
Instruction	\$11,937	\$11,520	\$11,769	\$11,895	\$11,938	\$11,550
Research	-	-	-	-	-	-
Public service	1,439	1,519	1,297	1,806	2,146	2,111
Academic support	3,592	4,329	3,598	2,837	2,943	2,814
Student services	3,084	2,894	3,246	2,829	2,613	2,283
Institutional support	4,048	3,742	3,984	3,697	3,308	3,388
Operation and maintenance of plant	4,301	3,862	3,521	3,614	3,404	3,543
Scholarships and fellowships	3,050	3,971	3,503	2,956	2,618	2,412
Auxiliary enterprises	1,309	1,178	1,223	1,241	1,394	2,475
Depreciation	952	844	750	780	829	771
Total Operating Expenses	33,712	33,859	32,891	31,655	31,193	31,347
Interest on capital related debt	1,347	1,424	1,501	1,573	1,639	1,702
Loss on disposal of fixed assets	101	112	147	135	182	93
Other non-operating	80	79	79	79	53	10
Total Non-Operating Expenses	1,528	1,615	1,727	1,787	1,874	1,805
Total Expenses	\$ 35,240	\$ 35,474	\$ 34,618	\$ 33,442	\$ 33,067	\$ 33,152

	For the Year Ended August 31,					
	(amounts expressed in thousands)					
	2007	2006	2005	2004	2003	2002
Instruction	33.87%	32.47%	34.00%	35.57%	36.10%	34.84%
Research	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Public service	4.08%	4.28%	3.75%	5.40%	6.49%	6.37%
Academic support	10.19%	12.20%	10.39%	8.48%	8.90%	8.49%
Student services	8.75%	8.16%	9.38%	8.46%	7.90%	6.89%
Institutional support	11.49%	10.55%	11.51%	11.05%	10.00%	10.22%
Operation and maintenance of plant	12.20%	10.89%	10.17%	10.81%	10.29%	10.69%
Scholarships and fellowships	8.65%	11.19%	10.12%	8.84%	7.92%	7.28%
Auxiliary enterprises	3.71%	3.32%	3.53%	3.71%	4.22%	7.47%
Depreciation	2.70%	2.38%	2.17%	2.33%	2.51%	2.33%
Total Operating Expenses	95.66%	95.45%	95.01%	94.66%	94.33%	94.56%
Interest on capital related debt	3.82%	4.01%	4.34%	4.70%	4.96%	5.13%
Loss on disposal of fixed assets	0.29%	0.32%	0.42%	0.40%	0.55%	0.28%
Other non-operating	0.23%	0.22%	0.23%	0.24%	0.16%	0.03%
Total Non-Operating Expenses	4.34%	4.55%	4.99%	5.34%	5.67%	5.44%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2007 are available.

**Odessa Junior College District
Statistical Supplement 4
Tuition and Fees
Last Ten Academic Years
(unaudited)**

**Resident
Fees per Semester Credit Hour (SCH)**

Academic Year (Fall)	Registration Fee (per student)	In-District Tuition	Out-of-District Tuition	Building Use Fee	General Services Fee	Student Activity Fee	Computer Fee	Out of District Fee	ID Card Fee	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
2006	\$ -	\$ 42	\$ 57	\$ -	\$ 10	\$ 1	\$ -	\$ -	\$ -	\$ 636	\$ 816	10.42%	17.24%
2005	-	37	47	-	10	1	-	-	-	576	696	0.00%	0.00%
2004	-	37	47	-	10	1	-	-	-	576	696	17.07%	13.73%
2003	-	30	30	-	10	1	-	10	-	492	612	16.59%	12.92%
2002	20	22	22	10	-	16	-	10	2	422	542	0.00%	0.00%
2001	20	22	22	10	-	16	-	10	2	422	542	0.00%	8.40%
2000	15	16	16	12	-	16	3	8	1	404	500	0.00%	0.00%
1999	15	16	16	12	-	16	3	8	1	404	500	6.32%	13.64%
1998	15	14	19	12	-	16	3	-	1	380	440	6.74%	5.77%
1997	15	14	19	12	-	16	1	-	1	356	416	-	-

**Non-Resident
Fees per Semester Credit Hour (SCH)**

Academic Year (Fall)	Registration Fee (per student)	Non-Res Tuition Out of State	Non-Resident Tuition Internat'l	Building Use Fee	General Services Fee	Student Activity Fees	Computer Fee	Out of District Fee	ID Card Fee	Cost for 12 SCH Out of State	Cost for 12 SCH Internat'l	Increase from Prior Yr Out of State	Increase from Prior Year Internat'l
2006	\$ 150	\$ 72	\$ 72	\$ -	\$ 10	\$ 1	\$ -	\$ -	\$ -	\$ 1,146	\$ 1,146	26.49%	26.49%
2005	150	52	52	-	10	1	-	-	-	906	906	0.00%	0.00%
2004	150	52	52	-	10	1	-	-	-	906	906	18.90%	20.64%
2003	150	40	40	-	10	1	-	-	-	762	751	7.63%	6.07%
2002	20	46	46	10	-	16	-	-	2	708	708	0.00%	0.00%
2001	20	46	46	10	-	16	-	-	2	708	708	8.92%	8.92%
2000	15	37	37	12	-	16	3	-	1	650	650	0.00%	0.00%
1999	15	37	37	12	-	16	3	-	1	650	650	10.17%	10.17%
1998	15	32	32	12	-	16	3	-	1	590	590	4.24%	4.24%
1997	15	32	32	12	-	16	1	-	1	566	566	-	-

Odessa Junior College District
Statistical Supplement 5
Assessed Value and Taxable Assessed Value of Property
Last Ten Fiscal Years
(unaudited)

Fiscal Year	(amounts expressed in thousands)			Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)		Maintenance & Operations (a)	Debt Service (a)	Total (a)
2006-07	8,367,049	1,624,822	6,742,227	80.58%	\$ 0.190000	\$ -	\$ 0.190000
2005-06	7,174,228	1,354,242	5,819,986	81.12%	0.200000	-	0.200000
2004-05	6,370,122	1,324,654	5,045,468	79.21%	0.200000	-	0.200000
2003-04	5,775,949	1,145,302	4,630,647	80.17%	0.200000	-	0.200000
2002-03	5,747,875	1,257,014	4,490,861	78.13%	0.200000	-	0.200000
2001-02	5,669,924	1,183,960	4,485,964	79.12%	0.198400	-	0.198400
2000-01	4,908,098	870,239	4,037,859	82.27%	0.198400	-	0.198400
1999-00	4,650,469	778,793	3,871,676	83.25%	0.198400	-	0.198400
1998-99	4,666,071	776,218	3,889,853	83.36%	0.198400	-	0.198400
1997-98	4,636,864	735,212	3,901,652	84.14%	0.198400	-	0.198400

Source:

Ector County Appraisal District

Notes:

Property is assessed at full market value.
(a) per \$100 Taxable Assessed Valuation

**Odessa Junior College District
Statistical Supplement 6
State Appropriation per FTSE and Contact Hour
Last Ten Fiscal Years
(unaudited)**

(amounts expressed in thousands)

Fiscal Year	Appropriation per FTSE			Appropriation per Contact Hour					State Appropriation per Contact Hour
	State Appropriation	FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Non-Credit Vocational	Total Contact Hours		
2006-07	\$ 11,265	3,391	\$ 3,322	1,185	676	256	2,117	\$ 5.32	
2005-06	11,003	3,452	3,187	1,286	713	383	2,382	4.62	
2004-05	10,454	4,062	2,574	1,299	750	780	2,829	3.70	
2003-04	10,486	3,604	2,910	1,253	784	384	2,421	4.33	
2002-03	11,134	3,777	2,948	1,319	853	397	2,569	4.33	
2001-02	11,455	3,440	3,330	1,202	768	356	2,326	4.92	
2000-01	11,307	3,291	3,436	1,167	745	310	2,222	5.09	
1999-00	10,730	3,309	3,243	1,211	802	255	2,268	4.73	
1998-99	10,344	3,343	3,094	1,201	763	367	2,331	4.44	
1997-98	9,965	3,344	2,980	1,223	775	256	2,254	4.42	

Notes:

FTSE is defined as the number of full time students plus total hours taken by part-time students divided by 12.

- (a) Source CBM001
- (b) Source CBM00A

Odessa Junior College District
Statistical Supplement 7
Principal Taxpayers
Last Ten Tax Years
(unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)									
		2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Occidental Permian LTD	Oil & Gas	\$ 610,832	\$ 514,882	\$ 449,259	\$ 342,424	\$ 324,562	\$ 338,998	\$ 380,089	\$ -	\$ -	\$ -
Anadarko Petroleum Corp.	Oil & Gas	248,127	229,934	193,987	113,847	78,661	88,417	113,259	81,656	71,127	115,755
Conocophoillips	Oil & Gas	231,750	212,867	172,712	127,058	80,308	-	-	-	-	-
XTO Energy	Oil & Gas	223,288	147,857	82,277	-	-	-	-	-	-	-
Oxy USA WTP LP	Oil & Gas	212,925	188,176	119,146	89,841	62,490	56,016	58,424	-	-	44,470
Huntsman Polmers Corp.	Chemicals	184,317	282,588	229,892	242,777	353,970	358,838	383,379	438,085	457,104	152,829
Four Star Oil and Gas	Oil & Gas	132,860	167,372	123,514	109,559	62,758	80,607	94,530	68,050	53,504	67,747
TXU Electric Delivery Co.	Utility	82,686	81,073	77,387	-	-	-	73,629	-	-	-
Energen Resources	Oil & Gas	66,137	-	-	-	-	-	-	-	-	-
BP American Production Co.	Oil & Gas	51,858	52,168	43,699	36,772	34,498	-	-	-	-	-
Oncore Electric Delivery	Utility	-	-	-	72,286	73,009	75,393	-	-	-	-
Southwestern Bell	Utility	-	-	-	36,475	-	44,225	44,232	43,627	43,326	-
Texas Utilities Electric Co.	Utility	-	-	-	-	-	-	-	69,202	66,654	63,222
Encore Operating LP	Oil & Gas	-	59,604	60,009	-	-	-	-	-	-	-
Chevron USA Inc.	Oil & Gas	-	-	-	72,084	73,065	49,753	53,667	-	-	-
Duke Energy Field Sevices	Oil & Gas	-	-	-	-	37,303	-	-	-	-	-
Phillips Petroleum CO.	Oil & Gas	-	-	-	-	-	71,433	55,011	45,086	34,021	59,273
Texaco E & P Inc	Oil & Gas	-	-	-	-	-	51,761	56,715	44,294	37,722	57,835
Altura Energy, LTD	Oil & Gas	-	-	-	-	-	-	-	244,566	177,120	271,560
GPM Gas Corporation	Oil & Gas	-	-	-	-	-	-	-	54,820	60,538	56,097
Ameripol Synpol Corp.	Manufact.	-	-	-	-	-	-	-	43,631	46,797	45,567
Totals		\$2,044,780	\$1,936,521	\$1,551,882	\$ 1,243,123	\$ 1,180,624	\$ 1,215,441	\$ 1,312,935	\$ 1,133,017	\$ 1,047,913	\$ 934,355
Total Taxable Assessed Value		\$8,367,049	\$7,174,227	\$6,370,122	\$ 5,775,949	\$ 5,747,875	\$ 5,669,924	\$ 4,908,098	\$ 4,650,469	\$ 4,666,071	\$4,636,864

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year									
		2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Occidental Permian LTD	Oil & Gas	7.30%	7.18%	7.05%	5.93%	5.65%	5.98%	7.74%	0.00%	0.00%	0.00%
Anadarko Petroleum Corp.	Oil & Gas	2.97%	3.21%	3.05%	1.97%	1.37%	1.56%	2.31%	1.76%	1.52%	2.50%
Conocophoillips	Oil & Gas	2.77%	2.97%	2.71%	2.20%	1.40%	0.00%	0.00%	0.00%	0.00%	0.00%
XTO Energy	Oil & Gas	2.67%	2.06%	1.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oxy USA WTP LP	Oil & Gas	2.54%	2.62%	1.87%	1.56%	1.09%	0.99%	1.19%	0.00%	0.00%	0.96%
Huntsman Polmers Corp.	Chemicals	2.20%	3.94%	3.61%	4.20%	6.16%	6.33%	7.81%	9.42%	9.80%	3.30%
Four Star Oil and Gas	Oil & Gas	1.59%	2.33%	1.94%	1.90%	1.09%	1.42%	1.93%	1.46%	1.15%	1.46%
TXU Electric Delivery Co.	Utility	0.99%	1.13%	1.21%	0.00%	0.00%	0.00%	1.50%	0.00%	0.00%	0.00%
Energen Resources	Oil & Gas	0.79%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BP American Production Co.	Oil & Gas	0.62%	0.73%	0.69%	0.64%	0.60%	0.00%	0.00%	0.00%	0.00%	0.00%
Oncore Electric Delivery	Utility	0.00%	0.00%	0.00%	1.25%	1.27%	1.33%	0.00%	0.00%	0.00%	0.00%
Southwestern Bell	Utility	0.00%	0.00%	0.00%	0.63%	0.00%	0.78%	0.90%	0.94%	0.93%	0.00%
Texas Utilities Electric Co.	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.49%	1.43%	1.36%
Encore Operating LP	Oil & Gas	0.00%	0.83%	0.94%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Chevron USA Inc.	Oil & Gas	0.00%	0.00%	0.00%	1.25%	1.27%	0.88%	1.09%	0.00%	0.00%	0.00%
Duke Energy Field Sevices	Oil & Gas	0.00%	0.00%	0.00%	0.00%	0.65%	0.00%	0.00%	0.00%	0.00%	0.00%
Phillips Petroleum CO.	Oil & Gas	0.00%	0.00%	0.00%	0.00%	0.00%	1.26%	1.12%	0.97%	0.73%	1.28%
Texaco E & P Inc	Oil & Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.91%	1.16%	0.95%	0.81%	1.25%
Altura Energy, LTD	Oil & Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.26%	3.80%	5.86%
GPM Gas Corporation	Oil & Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.18%	1.30%	1.21%
Ameripol Synpol Corp.	Manufact.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.94%	1.00%	0.98%
Totals		24.44%	26.99%	24.36%	21.52%	20.54%	21.44%	26.75%	24.36%	22.46%	20.15%

Odessa Junior College District
Statistical Supplement 8
Property Tax Levies and Collections
Last Ten Tax Years
(unaudited)
(amounts expressed in thousands)

Fiscal Year Ended August 31	Total Current Tax Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections - Year of Levy (c)	Percentage	Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Total Collections	Percentage of Current Levy
2007	\$ 12,810	\$ (14)	\$ 12,796	\$ 12,486	97.58%	\$ -	\$ -	\$ 12,486	97.58%
2006	11,640	(75)	11,565	11,260	97.36%	-	108	11,368	98.30%
2005	10,091	(32)	10,059	9,740	96.83%	114	54	9,908	98.50%
2004	9,261	104	9,365	9,005	96.15%	213	29	9,247	98.73%
2003	8,982	(11)	8,971	8,584	95.69%	270	21	8,875	98.93%
2002	8,900	(45)	8,855	8,567	96.75%	193	13	8,773	99.08%
2001	8,011	76	8,087	7,761	95.97%	253	9	8,023	99.21%
2000	7,681	(2)	7,679	7,424	96.68%	200	4	7,628	99.34%
1999	7,717	(9)	7,708	7,465	96.85%	201	3	7,669	99.50%
1998	7,741	55	7,796	7,598	97.46%	160	2	7,760	99.54%
1997	7,256	(22)	7,234	7,035	97.25%	178	1	7,214	99.72%

Source: Ector County Appraisal District and District records.

(a) As reported in notes to the financial statements for the year of the levy.

(b) As of August 31st of the current reporting year.

(c) Property tax only - does not include penalties and interest

(d) Represents cumulative collections of prior years not collected in the current year or the year of the tax levy.

(e) Represents current year collections of prior years' levies.

Total Collections = C + D + E

Odessa Junior College District
Statistical Supplement 9
Ratios of Outstanding Debt
Last Ten Fiscal Years
(unaudited)

For the Year Ended August 31 (amounts expressed in thousands)

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General Bonded Debt										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes	-	-	-	-	-	-	-	-	-	-
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Debt										
Revenue bonds	\$25,705	\$27,040	\$28,295	\$29,475	\$30,585	\$31,630	\$32,615	\$33,540	\$34,415	\$34,915
Notes	-	-	-	-	-	-	-	-	-	1,703
Capital lease obligations	140	-	-	-	-	-	-	-	-	-
Total Outstanding Debt	\$25,845	\$27,040	\$28,295	\$29,475	\$30,585	\$31,630	\$32,615	\$33,540	\$34,415	\$36,618
General Bonded Debt Ratios										
Per Capita	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Per Student	-	-	-	-	-	-	-	-	-	-
As a percentage of Taxable Assessed Value	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Outstanding Debt Ratios										
Per Capita	\$202.77	\$215.73	\$225.75	\$237.14	\$248.76	\$258.50	\$269.84	\$276.91	\$281.05	\$296.40
Per Student	7,622	7,833	6,966	8,178	8,098	9,195	9,910	10,136	10,295	10,950
As a percentage of Taxable Assessed Value	0.38%	0.46%	0.56%	0.64%	0.68%	0.71%	0.81%	0.87%	0.88%	0.94%

Notes: Ratios calculated using population and TAV from current year. Debt per student calculated using full-time-equivalent enrollment.

Odessa Junior College District
Statistical Supplement 10
Legal Debt Margin Information
Last Ten Fiscal Years
(unaudited)

For the Year Ended August 31 (amount expressed in thousands)

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Taxable Assessed Value	\$ 6,742,227	\$ 5,819,986	\$ 5,045,468	\$ 4,630,647	\$ 4,490,861	\$ 4,485,963	\$ 4,037,858	\$ 3,871,675	\$ 3,889,852	\$ 3,901,652
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	33,711	29,100	25,227	23,153	22,454	22,430	20,189	19,358	19,449	19,508
Less: Funds Restricted for Repayment of G.O.Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	33,711	29,100	25,227	23,153	22,454	22,430	20,189	19,358	19,449	19,508
Current Year Debt Service Requirements	-	-	-	-	-	-	-	-	-	-
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 33,711	\$ 29,100	\$ 25,227	\$ 23,153	\$ 22,454	\$ 22,430	\$ 20,189	\$ 19,358	\$ 19,449	\$ 19,508
Net Current Requirements as a % of Statutory Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Texas Education Code Section 130.122 limits the debt service tax levy of community colleges to \$0.50 per hundred dollars taxable assessed valuation.

**Odessa Junior College District
Statistical Supplement 11
Pledged Revenue Coverage
Last Ten Fiscal Years
(unaudited)**

Revenue Bonds

Fiscal Year	Pledged Revenues (\$000 omitted)								Debt Service Requirements (\$000 omitted)			Coverage Ratio
	Tuition	General Use Fee	Bookstore Revenues	Room & Board Revenues	Operating Fees	Gifts & Grants	Interest Earned	Total	Principal	Interest	Total	
2007	\$ 4,957	\$ 826	\$ 176	\$ 282	\$ 1,383	\$ 148	\$ 1,433	\$ 9,205	\$ 1,425	\$ 1,342	\$ 2,767	3.33
2006	4,814	916	182	275	1,090	161	1,071	8,509	1,255	1,424	2,679	3.18
2005	4,981	909	173	356	1,013	61	517	8,010	1,180	1,501	2,681	2.99
2004	4,018	906	166	461	1,067	359	510	7,487	1,110	1,573	2,683	2.79
2003	3,360	908	173	527	1,303	310	467	7,048	1,045	1,640	2,685	2.62
2002	2,932	838	965	489	1,752	-	839	7,815	985	1,702	2,687	2.91
2001	2,291	931	1,537	434	1,743	319	1,229	8,484	925	1,760	2,685	3.16
2000	2,186	981	1,557	490	2,088	209	1,234	8,745	875	1,813	2,688	3.25
1999	2,446	974	1,538	424	1,672	538	1,148	8,740	500	2,009	2,509	3.48
1998	2,500	972	1,413	461	1,543	273	835	7,997	-	1,189	1,189	6.73

**Odessa Junior College District
Statistical Supplement 12
Demographic and Economic Statistics - Taxing District
Last Ten Fiscal Years
(unaudited)**

Calendar Year	District Population	District Personal Income (thousands of dollars)	District Personal Income Per Capita	District Unemployment Rate
2006	127,462	(a)	(a)	4.2%
(b) 2005	125,267	3,205,616	25,590	5.0%
(b) 2004	124,221	2,913,858	23,457	6.0%
(b) 2003	122,857	2,791,096	22,718	6.7%
(b) 2002	122,354	2,698,998	22,059	6.8%
(b) 2001	120,873	2,651,350	21,936	5.0%
(b) 2000	120,733	2,546,460	21,093	6.4%
1999	122,450	2,340,632	19,115	9.7%
1998	123,544	2,457,290	19,890	5.3%
1997	121,749	2,281,576	18,740	5.8%

Sources:

Population of City of Odessa from Odessa Chamber of Commerce
 Personal income and Population from U.S. Bureau of Economic Analysis.
 Unemployment rate from Odessa Chamber of Commerce

Notes:

- a. Information not yet available
- b. Years 2000-2005 district population and personal income are updated to reflect revised numbers from the Bureau of Economic Analysis

**Odessa Junior College District
Statistical Supplement 13
Principal Employers
As of August 2007
(unaudited)**

Employer	Number of Employees	Percentage of Total Employment (1)
Ector County ISD	3,430	5.08%
Medical Center Hospital	1,680	2.49%
Saulsbury Companies	1,392	2.06%
City of Odessa	850	1.26%
Wal-Mart Supercenter	847	1.25%
Haliburton Services	813	1.20%
Odessa College	710	1.05%
Odessa Regional Medical Center	710	1.05%
University of Texas of the Permian Basin	659	0.98%
Holloman Construction	650	0.96%
Televista	612	0.91%
Ector County	608	0.90%
Weatherford CPS	550	0.81%
Nurses Unlimited	525	0.78%
Investment Corporation of America	500	0.74%
First American Home Buyers	449	0.67%
Bobby Cox Companies, Inc.	435	0.64%
Texas Tech University Health Sciences Center	400	0.59%
Flint Hills Resources	400	0.59%
Family Dollar	370	0.55%
Albertson's	315	0.47%
Tuboscope, ICO, Inc.	304	0.45%
HEB	245	0.36%
Sewell Ford Motor Co.	230	0.34%
Lowes Market Place	219	0.32%
Southwest Convenience Stores	215	0.32%
Jones Brothers Dirt & Paving	206	0.31%
Total Principal Employers	18,324	27.15%
Total Ector County Workforce (1)	67,500	100.00%

Source:

Odessa Chamber of Commerce
Information as of August 2007

Note:

Percentages are calculated using the midpoints of the ranges.

Odessa Junior College District
Statistical Supplement 14
Faculty, Staff, and Administrators Statistics
Last Nine Fiscal Years
(unaudited)

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Faculty										
Full-Time	126	123	126	124	130	131	127	128	137	137
Part-Time	163	170	179	156	178	161	184	147	170	181
Total	289	293	305	280	308	292	311	275	307	318
Percent										
Full-Time	43.6%	42.0%	41.3%	44.3%	42.2%	44.9%	40.8%	46.5%	44.6%	43.1%
Part-Time	56.4%	58.0%	58.7%	55.7%	57.8%	55.1%	59.2%	53.5%	55.4%	56.9%
Staff and Administrators										
Full-Time	249	246	249	262	266	271	278	266	250	259
Part-Time	306	292	343	339	327	331	317	292	275	280
Total	555	538	592	601	593	602	595	558	525	539
Percent										
Full-Time	44.9%	45.7%	42.1%	43.6%	44.9%	45.0%	46.7%	47.7%	47.6%	48.1%
Part-Time	55.1%	54.3%	57.9%	56.4%	55.1%	55.0%	53.3%	52.3%	52.4%	51.9%
FTSE per Full-time Faculty	26.9	28.1	32.2	29.1	29.1	26.3	25.9	25.9	24.4	24.4
FTSE per Full-Time Staff	13.6	14.0	16.3	13.8	14.2	12.7	11.8	12.4	13.4	12.9
Average Annual Faculty Salary	\$44,280	\$41,929	\$41,372	\$39,434	\$40,032	\$39,635	\$38,509	\$37,383	\$34,413	\$37,405

Odessa Junior College District
Statistical Supplement 16
Student Profile
Last Five Fiscal Years
(unaudited)

Gender	Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent								
Female	3,371	54.00%	3,921	57.20%	4,180	59.92%	4,139	54.51%	4,036	52.11%
Male	2,872	46.00%	2,934	42.80%	2,796	40.08%	3,454	45.49%	3,709	47.89%
Total	6,243	100.00%	6,855	100.00%	6,976	100.00%	7,593	100.00%	7,745	100.00%

Ethnic Origin	Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent								
White	2,915	46.69%	3,153	46.00%	3,389	48.58%	4,001	52.69%	4,163	53.75%
Hispanic	3,015	48.29%	3,282	47.88%	3,136	44.95%	3,152	41.51%	3,109	40.14%
African American	214	3.43%	275	4.01%	309	4.43%	325	4.28%	332	4.29%
Asian	52	0.83%	85	1.24%	90	1.29%	69	0.91%	87	1.12%
Foreign	12	0.19%	13	0.19%	10	0.14%	12	0.16%	19	0.25%
Native American	34	0.54%	46	0.67%	39	0.56%	34	0.45%	35	0.45%
Unknown	1	0.02%	1	0.01%	3	0.04%	-	0.00%	-	0.00%
Total	6,243	100.00%	6,855	100.00%	6,976	100.00%	7,593	100.00%	7,745	100.00%

Age	Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent								
Under 18	744	11.92%	682	9.95%	675	9.68%	752	9.90%	927	11.97%
18 -21	1,949	31.22%	2,222	32.41%	2,166	31.05%	2,084	27.45%	2,078	26.83%
22 - 24	704	11.28%	773	11.28%	724	10.38%	760	10.01%	707	9.13%
25 - 35	1,459	23.37%	1,626	23.72%	1,651	23.67%	1,841	24.25%	1,837	23.72%
36 - 50	1,056	16.91%	1,138	16.60%	1,308	18.75%	1,593	20.98%	1,696	21.90%
51 & over	331	5.30%	414	6.04%	452	6.48%	563	7.41%	500	6.46%
Total	6,243	100.00%	6,855	100.00%	6,976	100.00%	7,593	100.00%	7,745	100.00%
Average Age Credit	24.00		24.40		24.20		24.70		24.50	
Average Age CE	37.50		36.10		37.00		37.70		37.20	

**Odessa Junior College District
Statistical Supplement 17
Transfers to Senior Institutions
2004 Fall Students as of Fall 2005
(Includes only public senior colleges in Texas)
(unaudited)**

	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of Odessa College Transfer Students	% of Odessa College Transfer Students	
1	The University of Texas at Permian Basin	358	31	6	395	56.11%
2	Texas Tech University	91	6	3	100	14.20%
3	Angelo State University	35	6	2	43	6.11%
4	Texas A & M University	26	0	0	26	3.69%
5	The University of Texas at Austin	24	0	0	24	3.41%
6	The University of Texas at Arlington	13	0	0	13	1.85%
7	West Texas A & M University	12	0	0	12	1.70%
8	Texas State University	11	1	0	12	1.70%
9	The University of Texas at San Antonio	11	2	0	13	1.85%
10	University of North Texas	10	0	0	10	1.42%
11	Sul Ross State University	9	2	1	12	1.70%
12	Tarleton State University	6	2	0	8	1.14%
13	Texas Tech University Health Science Center	4	2	2	8	1.14%
14	The University of Texas at El Paso	4	0	0	4	0.57%
15	Texas A & M University at Corpus Christi	3	0	0	3	0.43%
16	The University of Texas at Dallas	3	0	0	3	0.43%
17	Midwestern State University	2	1	0	3	0.43%
18	Prairie View A&M University	2	0	0	2	0.28%
19	Texas A & M University at Galveston	2	0	0	2	0.28%
20	Texas Women's University	2	0	0	2	0.28%
21	The University of Texas at Tyler	2	0	0	2	0.28%
22	Sam Houston State University	1	1	0	2	0.28%
23	Stephen F. Austin State University	1	0	0	1	0.14%
24	Texas A & M University at Commerce	1	0	0	1	0.14%
25	Texas Southern University	1	0	0	1	0.14%
26	University of Houston at Victoria	1	0	0	1	0.14%
27	Univ. of North Texas SW Medical Center at Dallas	1	0	0	1	0.14%
Totals		636	54	14	704	100.00%

**Odessa Junior College District
Statistical Supplement 18
Schedule of Capital Asset Information
Fiscal Years 2002 to 2007
(unaudited)**

	Fiscal Year					
	2007	2006	2005	2004	2003	2002
Academic buildings	14	14	14	15	15	16
Square footage (in thousands)	418	418	418	460	527	460
Libraries	1	1	1	1	1	1
Learning Resources area (in thousands)	28	28	28	28	28	28
Student Study area (in thousands)	8	8	8	8	8	8
Shelving (in linear feet, in thousands)	11	11	11	11	11	11
Number of volumes (in thousands)	112	112	112	112	111	111
Administrative and support buildings	6	6	5	4	4	5
Square footage (in thousands)	119	119	98	91	91	91
Dormitories	-	-	2	2	2	2
Square footage (in thousands)	-	-	21	28	28	28
Number of beds	-	-	134	134	134	134
Apartments	1	1	1	1	1	-
Square footage (in thousands)	75	75	75	75	75	-
Number of beds	213	213	213	213	213	-
Dining Facilities	1	1	1	1	1	1
Square footage (in thousands)	8	8	8	8	8	8
Average daily customers	225	225	225	300	350	350
Athletic Facilities	7	7	7	7	7	7
Square footage (in thousands)	692	692	692	692	653	653
Stadiums	1	1	1	1	1	1
Gymnasiums	2	2	2	2	2	2
Fitness Centers	1	1	1	1	1	1
Tennis Court	1	1	1	1	1	1
Ranch	1	1	1	1	1	1
Ball Field	1	1	1	1	1	1
Theater	1	1	1	1	1	1
Globe Theater	14	14	14	14	14	14
Plant facilities	4	4	4	4	4	4
Square footage (in thousands)	46	46	46	46	46	46
Transportation						
Cars	16	16	16	15	15	15
Light Trucks/Vans	29	29	26	26	25	25
Buses	2	2	-	-	-	-