

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

ODESSA JUNIOR COLLEGE DISTRICT

AUGUST 31, 2008 and 2007

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ORGANIZATIONAL DATA

For the Year Ended August 31, 2008

BOARD OF TRUSTEES



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Ms. Ray Ann Zant	Secretary
Mr. David R. Turner	Assistant Secretary

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**TERM EXPIRES
MAY,**

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Mr. Gary S. Johnson	Odessa, Texas	2014
Mr. Ralph M. McCain	Odessa, Texas	2012
Mr. JE "Coach" Pressly	Odessa, Texas	2014
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	2014



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Ms. Connie May	Executive Director of Financial Services



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Odessa, Texas
Midland, 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 financial statements of Odessa Junior College District (the "District") as of and for the years ended August 31, 2008 and 2007 which collectively comprise the District's basic financial statements as listed in the table of contents. These 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, 2008 and 2007, 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 12, 2008 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

The Management's Discussion and Analysis on pages 4 through 12 is not a required part of the basic financial statements but is supplementary information required by 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 52 through 69 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 financial statements that collectively comprise the District's basic financial statements. 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, D and E 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 12, 2008

Management's Discussion and Analysis
For the Period Ending August 31, 2008 (Unaudited)

Management's Discussion and Analysis

Odessa Junior College District (the District) is proud to present its financial statements for Fiscal Year 2008 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, 2008 (Fiscal Year 2008), 2007 (Fiscal Year 2007), and 2006 (Fiscal Year 2006), and identify and explain changes in the District's financial picture during that time period.

Some of the financial and enrollment highlights of FY 2008 are as follows:

- Net assets increased by \$2.7 million, or 11.5%, from \$23.8 million to \$26.5 million.
- Operating expenses increased by \$2.6 million, or 7.6%, from \$33.7 million to \$36.3 million
- Long-term liabilities decreased 6.4% from \$24.4 million to \$22.8 million, primarily because of principal payments on bonds.
- Ad valorem tax revenue increased 9.9% from \$12.8 million to \$14.1 million.
- Investment income decreased by 22.5% from \$1.4 million to \$1.1 million.
- At the end of the current fiscal year, total revenues exceeded total expenses by \$2.7 million.
- Unduplicated headcount of students enrolled in credit classes increased by 4.1% from 6,277 to 6,535.
- Total contact hours from both credit and noncredit instruction decreased by 0.3% from 2,117,419 to 2,110,567.

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 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.

Management's Discussion and Analysis
For the Period Ending August 31, 2008 (Unaudited)

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.

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

	August 31,			Increase (Decrease)	
	2008	2007	2006	2008 to 2007	2006 to 2007
Current assets	\$ 20,386	\$21,979	\$21,132	\$ (1,593)	\$ 847
Capital assets, net of depreciation	22,744	22,045	21,432	699	613
Other non-current assets	13,244	11,435	11,584	1,809	(149)
Total assets	56,374	55,459	54,148	915	1,311
Current liabilities	7,047	7,299	7,387	(252)	(88)
Non-current liabilities	22,798	24,359	25,718	(1,561)	(1,359)
Total liabilities	29,845	31,658	33,105	(1,813)	(1,447)
Net Assets:					
Invested in capital assets, net of related debt	(976)	(3,148)	(5,114)	2,172	1,966
Restricted: nonexpendable	813	838	707	(25)	131
Restricted: expendable	5,496	5,652	5,768	(156)	(116)
Unrestricted	21,196	20,458	19,682	738	776
Total net assets	\$ 26,529	\$23,800	\$ 21,043	\$ 2,729	\$ 2,757

Figure 1

As shown in Figure 1 above, total assets increased by \$0.9 million in fiscal year 2008 and \$1.3 million in 2007. During the same periods, liabilities decreased by \$1.8 million and \$1.4 million, respectively. As a result, the total net assets increased by \$2.7 million in 2008 and \$2.8 million in 2007.

Management's Discussion and Analysis
For the Period Ending August 31, 2008 (Unaudited)

The current ratio, indicating the amount of current assets that could be quickly converted to cash if needed to pay current liabilities, decreased slightly to 2.9 to 1 at August 31, 2008, compared to a 3.0 to 1 ratio at August 31, 2007 and a 2.9 to 1 ratio at August 31, 2006.

Current assets consist mainly of cash, short-term investments, prepayments, and receivables. During fiscal year 2008, current assets decreased by 7.2% from \$22.0 million to \$20.4 million primarily due to a \$2.0 million decrease in cash and short term investments. This decrease was partially offset by increases in accounts receivable and prepaid expenses. Capital assets, net of depreciation, increased by \$699,000 during fiscal year 2008 and by \$613,000 in fiscal year 2007 as purchases of land, building improvements, and equipment continue to exceed annual depreciation charges each year.

Current liabilities declined by \$252,000 in fiscal year 2008 due to payment of an anticipated tax refund to a major taxpayer in Ector County. During fiscal year 2007, current liabilities decreased by \$88,000 reflecting lower year end accounts payable due to fewer capital projects in progress than the previous year.

Non-current liabilities decreased by \$1.6 million during fiscal year 2008 and \$1.4 million in 2007 as a result of scheduled payments of outstanding bonds.

The District's investment in capital assets (net of related debt) increased by \$2.2 million and \$2.0 millions in 2008 and 2007, respectively, as a combined result of capital purchases and principal payment on related bond debt. The increase in unrestricted net assets of \$0.7 million and \$0.8 million in 2008 and 2007, 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
For the Period Ending August 31, 2008 (Unaudited)

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

	Year Ended August 31,			Increase (Decrease)	
	2008	2007	2006	2007 to 2008	2006 to 2007
Operating revenues (details Graph 1)					
Tuition and fees (net of discounts)	\$ 3,595	\$ 3,910	\$ 3,734	\$(315)	\$ 176
Grants and contracts	7,267	6,850	8,844	417	(1,994)
Other	1,602	1,340	1,400	262	(60)
Total operating revenue	12,464	12,100	13,978	364	(1,878)
Operating expenses (details Graph 3)					
Instruction	12,698	11,937	11,520	761	417
Public Service	1,532	1,439	1,519	93	(80)
Academic Support	3,732	3,592	4,328	140	(736)
Student Services	3,175	3,084	2,894	91	190
Institutional Support	4,606	4,047	3,742	559	305
Operations & Maint of Plant	5,021	4,301	3,862	720	439
Scholarship & Fellowships	2,926	3,050	3,972	(124)	(922)
Auxiliary enterprises	1,597	1,310	1,178	287	132
Depreciation	990	952	844	38	108
	36,277	33,712	33,859	2,565	(147)
Operating loss	(23,813)	(21,612)	(19,881)	(2,201)	(1,731)
Non-operating revenue/(expense)					
State appropriation	11,302	11,265	11,003	37	262
Ad valorem taxes	14,058	12,796	11,656	1,262	1,140
Interest on debt	(1,257)	(1,347)	(1,424)	90	77
Other	2,229	1,531	1,087	698	444
Total non-operating income	26,332	24,245	22,322	2,087	1,923
Capital grants and gifts	210	124	57	85	67
Increase in net assets	2,729	2,757	2,498	(28)	259
Net assets, beginning of year	23,800	21,043	18,545	2,757	2,498
Net assets, end of year	\$ 26,529	\$23,800	\$ 21,043	\$ 2,729	\$ 2,757

Figure 2

Management's Discussion and Analysis
For the Period Ending August 31, 2008 (Unaudited)

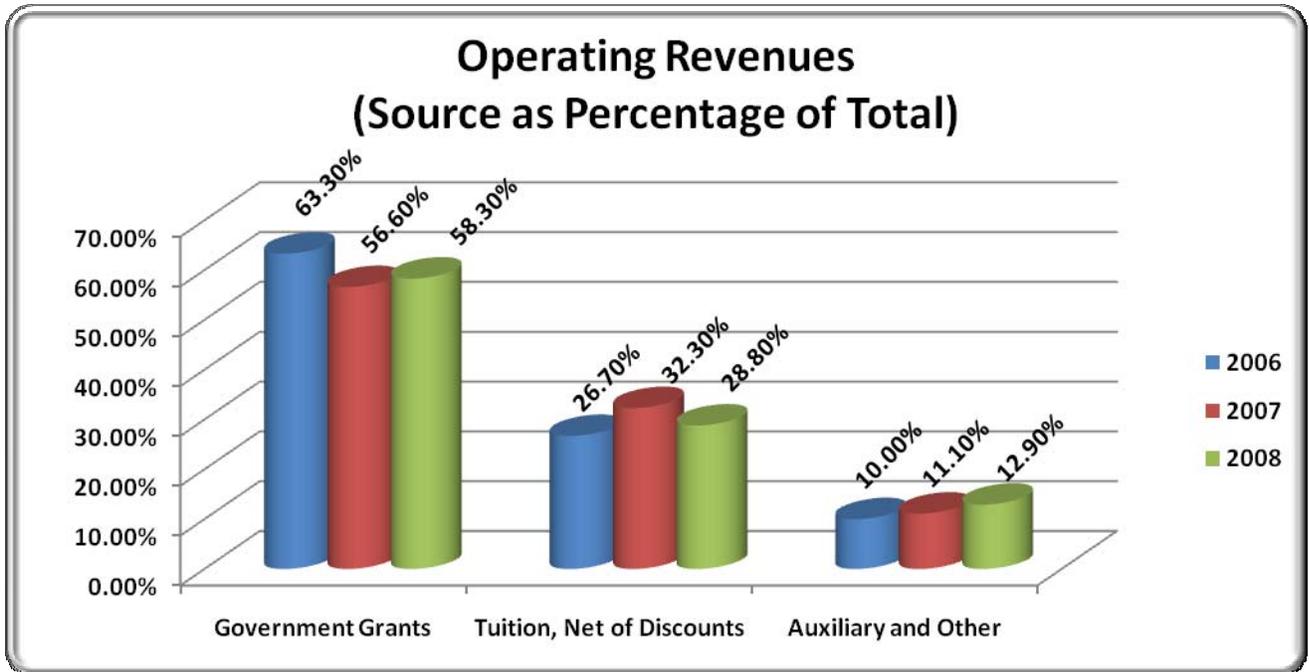
Key factors impacting revenues shown in Figure 2, and Graphs 1 and 2:

- Tuition revenue decreased by \$315,000, or 8.1%, and is attributable to a decline in semester credit hours and the offering of half price tuition for Summer 1 and 2. The tuition rate for 2008 remained the same as 2007.
- Auxiliary Revenue increased by \$164,000, or 29.1%, over 2007. The increase stems in part from a new policy requiring all dorm residents to purchase meal plans. A full year of operations at the Champions Golf facility also contributed to the increase.
- Non-operating revenues rose primarily due to an additional \$1.3 million and \$1.9 million in property tax revenues during fiscal years 2008 and 2007, respectively. Although the tax rate decreased from .19 cents in 2007 to .1817 cents in 2008, net taxable values increased by 13.2% and 15.8% in 2008 and 2007, respectively. Tax revenues increased by 9.2% and 9.8% in 2008 and 2007, respectively. Mineral values increased by 10.2% and related revenues increased by 6.4%. Real estate values increased by 10.4% while related revenues increased by 5.6%. Personal property values were up by 18.4% and related revenues increased by 17.2%. Other operating revenues increased significantly due to insurance proceeds stemming from storm and fire damage incurred during the 2008 fiscal year. The overall increase in operating revenue was off set by a 22.5% decrease in investment income. The decline is attributable to the decline in market rates.

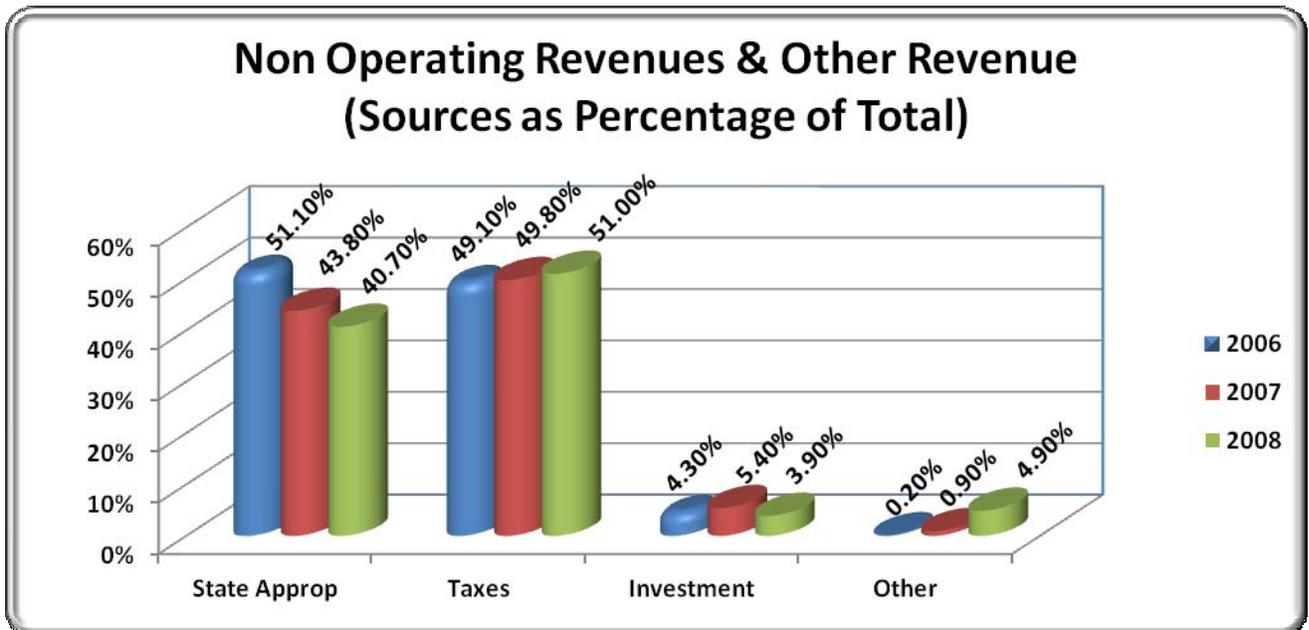
Graphs 1 and 2 illustrate the sources of operating and non-operating revenues for fiscal years 2006 through 2008. The current trend is an increasing percentage of revenue being provided by local property taxes, auxiliary and other, and government grants. Conversely, there is a downward trend in tuition, state appropriations, and investments as a percentage of total revenues.

Management's Discussion and Analysis
For the Period Ending August 31, 2008 (Unaudited)

Graph 1



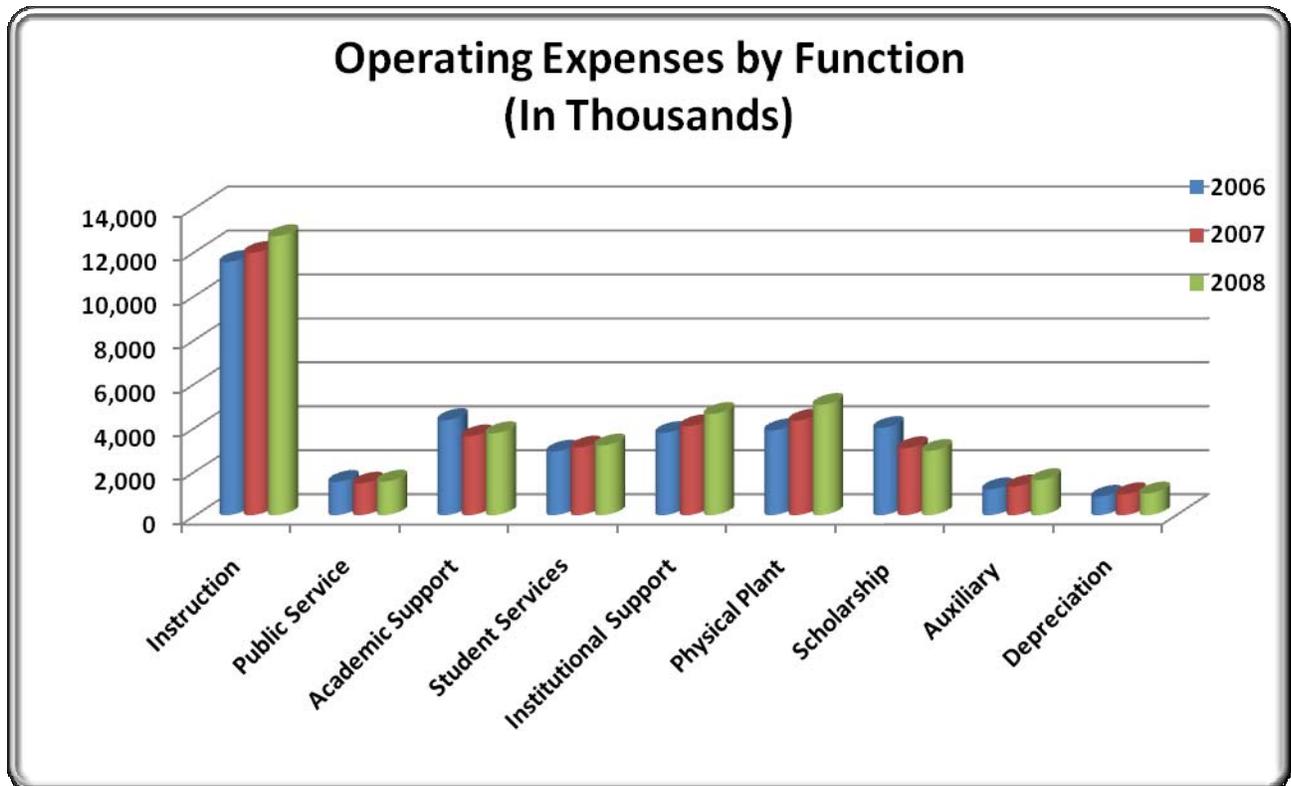
Graph 2



Management's Discussion and Analysis
For the Period Ending August 31, 2008 (Unaudited)

Graph 3 compares operating expenses classified by functional category for fiscal years 2008, 2007 and 2006. Operating expenses for fiscal year 2008 increased \$2,566,000 or 7.6% from fiscal year 2007. Fiscal year 2007 operating expenses decreased by \$147,000 or .04% over the 2006 fiscal year.

Graph 3



Key factors impacting operating expenses by functional expense categories:

- Auxiliary enterprises expenditures increased 21.9% from \$1,310,000 in 2007 to \$1,597,000 in fiscal year 2008 for several reasons. The contributing factors for the increase include a full year of operating expenditures for the Champions Golf satellite facility, a new requirement for all dorm residents to purchase meal plans, and the addition of Cross Country and Dance athletic programs.
- Physical Plant expenses increased by 16.7% from \$4,301,000 in 2007 to \$5,021,000 in 2008. The increase is attributable to higher energy costs, and repairs to damage caused by two major hail storms, a major fire at the Graham Center Ranch satellite facility, and minor fire in the Fine arts building on the main campus. The increase from 2006 to 2007 was 9.7% was due to higher energy costs and more deferred maintenance projects.

Management's Discussion and Analysis
For the Period Ending August 31, 2008 (Unaudited)

- Institutional Support expenditures increased 13.8% from \$4,047,629 in 2007 to \$4,606,924 in 2008. The increase is due to additional marketing expenditures and an upgrade for the institution's active portal website. Annual salary increases also contributed to the increase.
- Increases in expenses for Instruction and Public Support are due to expansion of programs, expansion of summer class offerings, salary increases, and expenditures of federal grant funds.

Capital Assets and Long Term Debt Activity

At August 31, 2008 and 2007, 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 2008, 2007, and 2006 are shown below in Figure 3.

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

	Year Ended August 31,			Increase (Decrease)	
	2008	2007	2006	2007 to 2008	2006 to 2007
Land	\$ 3,004	\$ 2,978	\$ 2,586	\$ 26	\$ 392
Buildings and improvements	25,164	24,864	24,465	300	399
Other improvements and related construction in progress	5,477	4,903	4,903	574	-
Furniture and equipment	5,677	5,003	4,454	674	549
Library materials	2,358	2,344	2,332	14	12
Subtotal	41,680	40,092	38,740	1,588	1,352
Less: Accumulated depreciation	(18,936)	(18,047)	(17,308)	(889)	(739)
Net Capital Assets	\$ 22,744	\$ 22,045	\$ 21,432	\$ 699	\$ 613

Figure 3

Investment in Land increased due to the purchase of a property contiguous to the Odessa College campus for possible future expansion. The increase in Buildings and Improvements consists of heating, ventilation, and air conditioning (HVAC) upgrades in the Learning Resource Center (LRC) and Travis Hall and roof replacements due to hail damage. Construction In Progress increased because of several unfinished projects as of August 31, 2008. These projects included the Rudy Acosta Pavilion, the Saulsbury Room renovations, roofing and HVAC projects, and preparation for demolition of the Parker Downs Dormitory. Furniture and Equipment increased as Perkins and Title V Coop funds were used to purchase instructional equipment in several vocational programs and to strengthen distance learning deliverables. In addition, two nursing and one computer technology computer labs received complete upgrades.

Management's Discussion and Analysis
For the Period Ending August 31, 2008 (Unaudited)

Total long-term indebtedness was \$24.3 million and \$25.7 million at August 31, 2008 and 2007, respectively. Principal payments of \$1.4 million and \$1.4 million were made during the 2008 and 2007 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 bond rating for Odessa College remains steady at A2.

Economic Factors That Will Affect the Future

The local economy in Ector County has remained strong and the Permian Basin area continued to carry one of the lowest unemployment rates in the country. One of the largest effects of the booming economy for the District has been the substantial growth in the property tax base in Ector County. The tax valuation grew 13.2% from 2007 and 15.8% from 2006. The two years of substantial tax valuation growth has resulted in increased ad valorem tax revenue for the District. The District's Board of Trustees understands this trend is not likely to continue and has made every effort to invest these additional dollars wisely. The Board of Trustees continues to direct much of the increased funding into reserves for deferred maintenance projects and technology replacements.

At the time of the printing of these financial statements, it is clear that the Permian Basin economy has begun to trend with the rest of the nation. The District anticipates a larger student enrollment for 2009 as the oil and gas economy slows, the job market begins to shrink, and the workforce begins to find a college education an essential option for their long term career goals. In addition, the District has also adopted a new tuition rate slated to be in effect Spring of 2009. The District anticipates these two factors will have a favorable impact on revenue for fiscal year 2009.

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>2008</u>	<u>2007</u>
ASSETS:		
Current Assets		
Cash and cash equivalents (Notes 2 and 4)	\$ 16,498,006	17,021,706
Short-term investments (Notes 2 and 4)	-	1,467,169
Accounts receivable, net (Note 14)	2,715,950	2,054,433
Inventories (Note 2)	4,512	4,605
Notes receivable – current, net	68,097	556,945
Prepaid items	1,057,661	831,439
Escrow deposits	<u>41,915</u>	<u>42,367</u>
Total Current Assets	<u>20,386,141</u>	<u>21,978,664</u>
Noncurrent Assets:		
Restricted cash and cash equivalents (Notes 2 and 4)	246,650	766,141
Endowment investments (Notes 2, 3 and 4)	813,199	838,000
Other long-term investments (Notes 2, 3 and 4)	11,171,051	8,720,140
Notes receivable – noncurrent, net	79,268	97,494
Unamortized bond issuance costs	933,905	1,013,386
Capital assets, net of accumulated depreciation (Notes 2 and 5)	<u>22,743,976</u>	<u>22,044,847</u>
Total Noncurrent Assets	<u>35,988,049</u>	<u>33,480,008</u>
Total Assets	<u>\$ 56,374,190</u>	<u>55,458,672</u>
LIABILITIES:		
Current Liabilities:		
Accounts payable (Note 14)	\$ 1,964,753	2,080,811
Accrued liabilities	8,837	250,646
Accrued compensable absences (Notes 6 and 12)	55,907	49,816
Funds held for others	312,253	319,833
Deferred revenue – tuition and fees (Note 2)	2,918,885	2,848,343
Deferred revenue – other (Note 2)	217,715	257,202
Capital lease payable – current portion (Notes 6 and 7)	48,713	67,589
Bonds payable – current portion (Notes 6, 7 and 8)	<u>1,520,000</u>	<u>1,425,000</u>
Total Current Liabilities	<u>7,047,063</u>	<u>7,299,240</u>
Noncurrent Liabilities:		
Capital lease payable – noncurrent (Notes 6 and 7)	28,431	72,580
Bonds payable – noncurrent (Notes 6, 7 and 8)	22,760,000	24,280,000
Other noncurrent liabilities (Note 6)	<u>9,610</u>	<u>6,553</u>
Total Noncurrent Liabilities	<u>22,798,041</u>	<u>24,359,133</u>
Total Liabilities	<u>29,845,104</u>	<u>31,658,373</u>

Odessa Junior College District
STATEMENTS OF NET ASSETS (CONTINUED)

Exhibit 1

August 31,

	<u>2008</u>	<u>2007</u>
NET ASSETS:		
Invested in capital assets, net of related debt	\$ (975,858)	(3,147,507)
Restricted for:		
Nonexpendable:		
Student aid	813,199	838,000
Expendable:		
Student aid	140,207	261,498
Instructional programs	139,490	80,659
Loans	9,451	9,451
Debt service	5,190,743	5,221,947
Other	15,845	78,455
Unrestricted	<u>21,196,009</u>	<u>20,457,796</u>
Total Net Assets (Schedule D)	<u>26,529,086</u>	<u>23,800,299</u>
Total Liabilities and Net Assets	\$ <u>56,374,190</u>	<u>55,458,672</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>2007</u>	<u>2006</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 552,342	314,545
Pledges receivable	<u>43,575</u>	<u>4,790</u>
Total current assets	595,917	319,335
MARKETABLE SECURITIES AT FAIR VALUE	4,554,498	4,012,765
PLEDGES RECEIVABLE – NONCURRENT	<u>55,000</u>	<u>1,650</u>
Total assets	\$ <u>5,205,415</u>	<u>4,333,750</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable	\$ 13,909	1,975
Deferred revenue	<u>2,758</u>	<u>2,758</u>
Total current liabilities	<u>16,667</u>	<u>4,733</u>
NET ASSETS		
Unrestricted:		
Undesignated	689,851	571,951
Designated for Half-Century scholarships	205,155	205,155
Designed for Health Science scholarships	105,872	-
Temporarily restricted	1,431,666	850,131
Permanently restricted	<u>2,756,204</u>	<u>2,701,780</u>
Total net assets	<u>5,188,748</u>	<u>4,329,017</u>
Total current liabilities and net assets	\$ <u>5,205,415</u>	<u>4,333,750</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>2008</u>	<u>2007</u>
OPERATING REVENUES:		
Tuition and fees (net of discounts of \$2,444,752 and \$2,458,767, respectively)	\$ 3,595,275	3,910,433
Federal grants and contracts	6,845,520	6,474,738
State grants and contracts	420,991	374,577
Non-governmental grants and contracts	72,805	25,000
Sales and services of educational activities	287,031	274,853
Investment income (program restricted)	38,241	45,348
Auxiliary enterprises	724,989	561,477
Other operating revenue	<u>479,477</u>	<u>433,247</u>
Total operating revenues (Schedule A)	<u>12,464,329</u>	<u>12,099,673</u>
OPERATING EXPENSES:		
Instruction	12,697,579	11,936,927
Public service	1,532,070	1,439,317
Academic support	3,732,400	3,592,330
Student services	3,174,839	3,083,879
Institutional support	4,606,916	4,047,629
Operation and maintenance of plant	5,020,643	4,300,627
Scholarships and fellowships	2,926,236	3,049,701
Auxiliary enterprises	1,596,876	1,309,457
Depreciation	<u>989,846</u>	<u>951,847</u>
Total operating expenses (Schedule B)	<u>36,277,405</u>	<u>33,711,714</u>
OPERATING LOSS	<u>(23,813,076)</u>	<u>(21,612,041)</u>
NON-OPERATING REVENUES (EXPENSES):		
State appropriations	11,302,166	11,265,247
Property taxes for maintenance and operations	14,058,141	12,795,621
Gifts – noncapital	459,604	323,532
Investment income – not restricted to programs	1,074,785	1,387,099
Interest on capital – related debt	(1,257,115)	(1,346,677)
Loss on disposal of capital assets	(125,626)	(101,477)
Other non-operating revenues	899,879	789
Other non-operating expenses	<u>(79,481)</u>	<u>(79,481)</u>
Total non-operating revenues (Schedule C)	<u>26,332,353</u>	<u>24,244,653</u>
Income before other revenues	<u>2,519,277</u>	<u>2,632,612</u>

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

	<u>2008</u>	<u>2007</u>
OTHER REVENUES:		
Private capital gifts and grants	\$ 208,460	-
Additions to permanent endowment	<u>1,050</u>	<u>124,537</u>
Total other revenues	<u>209,510</u>	<u>124,537</u>
Increase in Net Assets	2,728,787	2,757,149
Net assets – beginning of year	<u>23,800,299</u>	<u>21,043,150</u>
Net assets – end of year	\$ <u>26,529,086</u>	<u>23,800,299</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, 2007 and 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2007</u>	<u>Total 2006</u>
Revenues, gains and other support:					
Contributions (including pledges)	\$ -	605,715	-	605,715	283,135
Earnings (loss) on investments	19,480	231,230	54,424	305,134	246,736
Net unrealized gains (losses) on marketable securities	107,979	-	-	107,979	212,023
Net assets released from restrictions through satisfaction of program restrictions	<u>255,410</u>	<u>(255,410)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>382,869</u>	<u>581,535</u>	<u>54,424</u>	<u>1,018,828</u>	<u>741,894</u>
Expenses:					
Scholarships	135,409	-	-	135,409	177,309
General and administrative	<u>23,688</u>	<u>-</u>	<u>-</u>	<u>23,688</u>	<u>9,563</u>
Total expenses	<u>159,097</u>	<u>-</u>	<u>-</u>	<u>159,097</u>	<u>186,872</u>
CHANGES IN NET ASSETS	223,772	581,535	54,424	859,731	555,022
Net assets at beginning of year	<u>777,106</u>	<u>850,131</u>	<u>2,701,780</u>	<u>4,329,017</u>	<u>3,773,995</u>
Net assets at end of year	\$ <u>1,000,878</u>	<u>1,431,666</u>	<u>2,756,204</u>	<u>5,188,748</u>	<u>4,329,017</u>

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

Odessa Junior College District
STATEMENTS OF CASH FLOWS

Exhibit 3

Years ended August 31,

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from students and other customers	\$ 4,177,145	4,791,981
Receipts from grants and contracts	4,374,396	4,534,139
Receipts from loan collections from students and employees	728,933	1,171,654
Other receipts	517,718	478,595
Payments to or on behalf of employees	(19,157,769)	(18,407,262)
Payments to suppliers for goods or services	(10,794,057)	(8,587,177)
Payments of scholarships	(3,001,567)	(3,110,001)
Loans issued to student and employees	(194,671)	(1,292,858)
Other cash payments	<u>(226,129)</u>	<u>306,133</u>
Net cash used by operating activities	<u>(23,576,001)</u>	<u>(20,114,796)</u>
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES:		
Receipts from state allocations	11,302,166	11,265,247
Receipts from ad valorem taxes	14,055,763	12,775,218
Receipts from gifts and grants other than for capital purposes	441,821	459,270
Other cash receipts	-	789
Receipts from student organization and other agencies	1,294,088	332,982
Payments to student organization and other agencies	(1,301,668)	(416,450)
Deposit with escrow agents	<u>452</u>	<u>(14,286)</u>
Net cash provided by non-capital and related financing activities	<u>25,792,622</u>	<u>24,402,770</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from capital lease financing	-	190,648
Proceeds from capital grant	62,500	-
Proceeds from sale of capital assets	47,521	18,223
Proceeds from insurance recoveries	899,879	-
Purchases of capital assets	(1,644,795)	(1,676,823)
Payments on capital debt and leases	<u>(2,745,140)</u>	<u>(2,732,155)</u>
Net cash used by capital and related financing activities	<u>(3,380,035)</u>	<u>(4,200,107)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Receipts from sale and maturity of investments	16,810,008	8,300,000
Receipts from investments earnings	1,020,489	1,200,612
Purchases of investments	<u>(17,710,274)</u>	<u>(9,424,911)</u>
Net cash provided by investing activities	<u>120,223</u>	<u>75,701</u>
Increase (decrease) in cash and cash equivalents	(1,043,191)	163,568
Cash and cash equivalents – September 1	<u>17,787,847</u>	<u>17,624,279</u>
Cash and cash equivalents – August 31	\$ <u>16,744,656</u>	<u>17,787,847</u>

Odessa Junior College District

Exhibit 3

STATEMENTS OF CASH FLOWS (CONTINUED)

Years ended August 31,

	2008	2007
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating loss	\$ (23,813,076)	(21,612,041)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	989,846	951,847
Changes in assets and liabilities:		
Receivable, net:		
Tuition and fees receivable, net	(437,089)	79,976
State and federal operating grants receivable	121,104	304,787
Private grants receivable	(340,756)	709
Employee receivable	(8,987)	944
Sales and services receivable, net	(28,239)	102,003
Auxiliary receivable, net	49,283	56,007
Inventories	93	(1,769)
Other assets	(226,222)	307,902
Accounts payable	(187,426)	132,548
Accrued payroll liabilities	(241,809)	(100,427)
Deferred revenue:		
Deferred tuition and fees revenue	70,542	(190,401)
Other deferred revenue	(39,487)	42,793
Compensated absences	6,091	(53,955)
Accrued workers comp	3,057	(6,712)
Loans to students and employees	507,074	(129,007)
Total adjustments	237,075	1,497,245
Net cash used by operating activities	\$ <u>(23,576,001)</u>	<u>(20,114,796)</u>

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

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS

August 31, 2008 and 2007

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. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

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, 2008 and 2007

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 by December 1.

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 consist of consumable physical plant and food service supplies. Inventories are stated at the lower of cost, determined using the first-in, first-out method, or market. They are charged to expense as consumed.

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 fiscal period for classes or activities to be held in the following period.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2008 and 2007

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. The District reports as a BTA and as a single, proprietary fund. 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. 45

In addition to pensions, many state and local governmental employers provide OPEB as part of the total compensation offered to attract and retain the services of qualified employees. OPEB includes *postemployment healthcare*, as well as other forms of postemployment benefits (for example, life insurance) when provided separately from a pension plan. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

The approach followed in this Statement generally is consistent with the approach adopted in Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, with modifications to reflect differences between pension benefits and OPEB. Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses financial statement and disclosure requirements for reporting by administrators or trustees of OPEB plan assets or by employers or sponsors that include OPEB plan assets as trust or agency funds in their financial reports.

This Statement generally provides for prospective implementation—that is, that employers set the beginning net OPEB obligation at zero as of the beginning of the initial year. Implementation is required in three phases based on a government's total annual revenues in the first fiscal year ending after June 15, 1999.

The definitions and cutoff points for that purpose are the same as those in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. This Statement is effective for periods beginning after December 15, 2006, for *phase 1 governments* (those with total annual revenues of \$100 million or more); after December 15, 2007, for *phase 2 governments* (those with total annual revenues of \$10 million or more but less than \$100 million); and after December 15, 2008, for *phase 3 governments* (those with total annual revenues of less than \$10 million). Earlier implementation is encouraged.

GASBS No. 50

GASB Statement 50, *Pension Disclosures*, became effective for periods beginning after June 15, 2007 and amends certain portions of GASB Statement 25 and Statement 27. This statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits. (OPEB)

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2008 and 2007

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

13. *Reclassifications*

Certain reclassifications have been made to the 2007 presentation to conform to the 2008 presentation.

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, 2008 and 2007, the carrying amount of the District's deposits was \$2,411,701 and \$2,165,574, respectively; and bank balances equaled \$3,281,967 and \$2,836,593. Bank balances of \$147,398 and \$123,353 are covered by federal depository insurance and \$3,134,568 and \$2,713,241 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 \$14,318,705 and \$15,607,574 in state approved public investment pools at August 31, 2008 and 2007, respectively.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2008 and 2007

NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

Cash and Deposits			
		<u>2008</u>	<u>2007</u>
Bank Deposits			
Demand Deposits	\$	683,971	675,084
Transit Items		(870,265)	(671,020)
Time Deposits		<u>2,597,995</u>	<u>2,161,509</u>
		<u>2,411,701</u>	<u>2,165,573</u>
Cash and Cash Equivalents			
Public Funds Investment Pools		14,318,705	15,607,574
Petty Cash on Hand		<u>14,250</u>	<u>14,700</u>
Total Cash and Deposits	\$	<u>16,744,656</u>	<u>17,787,847</u>

Reconciliation of Deposits and Investments to Exhibit 1

<u>Type of Security</u>		<u>Market Value August 31, 2008</u>	<u>Market Value August 31, 2007</u>
Total Cash and Deposits	\$	16,744,656	17,787,847
Total Investments		<u>11,984,250</u>	<u>11,025,309</u>
Total Deposits and Investments	\$	<u>28,728,906</u>	<u>28,813,156</u>
Current Cash and Temporary Investments (Exh. 1)	\$	16,498,006	17,021,706
Restricted Cash and Temporary Investments (Exh. 1)		246,650	766,141
Agency Cash and Temporary Investments (Exh. 1)		-	1,467,169
Endowment Investments (Exh. 1)		813,199	838,000
Other Long-Term Investments (Exh. 1)		<u>11,171,051</u>	<u>8,720,140</u>
Total Deposits and Investments	\$	<u>28,728,906</u>	<u>28,813,156</u>

As of August 31, 2008, 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>11,984,250</u>	<u>-</u>	<u>-</u>	<u>11,984,250</u>
Total Fair Value	\$ <u>11,984,250</u>	<u>-</u>	<u>-</u>	<u>11,984,250</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>9,558,140</u>	<u>5,056,640</u>	<u>1,499,400</u>	<u>3,002,100</u>

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2008 and 2007

NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)

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.

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, 2008 and 2007 are reported below:

Investment Type	Credit Rating
U.S. Government Agencies – FHLB	S&P: AAAe; COMP: NR; Moody's: NA
U.S. Government Agencies – FHLMC	S&P: AAAe; COMP: NR; Moody's: Aaa; FI: AAAe
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 (29.5%), FHLMC (12.2%).

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, 2008 was as follows:

	Balance September 1, 2007	Increases	Decreases	Balance August 31, 2008
Not Depreciated:				
Land	\$ 2,978,059	25,718	-	3,003,777
Construction in progress	-	573,849	-	573,849
Total Capital Assets – Non-Depreciated	2,978,059	599,567	-	3,577,626
Other Capital Assets:				
Buildings and building improvements	24,863,901	351,557	51,516	25,163,942
Other real estate improvements	4,903,032	-	-	4,903,032
Total Buildings and Other Improvements	29,766,933	351,557	51,516	30,066,974
Library books	2,344,647	113,733	99,871	2,358,509
Furniture, machinery and equipment	5,002,685	817,473	142,835	5,677,323
Total Capital Assets – Depreciable	37,114,265	1,282,763	294,222	38,102,806
Accumulated Depreciation:				
Buildings and building improvements	12,473,170	412,157	9,148	12,876,179
Other real estate improvements	2,265,048	129,961	-	2,395,009
Total Buildings and Other Improvements	14,732,218	542,118	9,148	15,271,188
Library books	31,305	23,780	-	55,085
Furniture, machinery and equipment	3,277,954	423,948	91,719	3,610,183
Total Accumulated Depreciation	18,047,477	989,846	100,867	18,936,456
Net Capital Assets	\$ 22,044,847	892,484	193,355	22,743,976

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2008 and 2007

NOTE 5 – CAPITAL ASSETS (CONTINUED)

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	<u>4,903,032</u>	-	-	<u>4,903,032</u>
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	<u>4,453,880</u>	<u>776,680</u>	<u>227,875</u>	<u>5,002,685</u>
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	<u>2,135,087</u>	<u>129,961</u>	-	<u>2,265,048</u>
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	<u>3,130,576</u>	<u>360,680</u>	<u>213,302</u>	<u>3,277,954</u>
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>

NOTE 6 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended August 31, 2008 was as follows:

	Balance September 1, 2007	Additions	Reductions	Balance August 31, 2008	Due Within One Year
Bonds					
Revenue bonds and notes	\$ 25,705,000	-	1,425,000	24,280,000	1,520,000
General obligation bonds	-	-	-	-	-
Total Bonds	<u>25,705,000</u>	<u>-</u>	<u>1,425,000</u>	<u>24,280,000</u>	<u>1,520,000</u>
Leases					
Capital Leases	<u>140,169</u>	-	<u>63,025</u>	<u>77,144</u>	<u>48,713</u>
Total Capital Leases	<u>140,169</u>	<u>-</u>	<u>63,025</u>	<u>77,144</u>	<u>48,713</u>
Other Liabilities					
Accrued compensable absences	49,816	6,091	-	55,907	55,907
Accrued workers compensation	<u>6,553</u>	<u>3,057</u>	-	<u>9,610</u>	-
Total Other Liabilities	<u>56,369</u>	<u>9,148</u>	<u>-</u>	<u>65,517</u>	<u>55,907</u>
Total Long-Term Liabilities	\$ <u>25,901,538</u>	<u>9,148</u>	<u>1,488,025</u>	<u>24,422,661</u>	<u>1,624,620</u>

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2008 and 2007

NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

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>
<u>Bonds</u>					
Revenue bonds and notes	\$ 27,040,000	-	1,335,000	25,705,000	1,425,000
General obligation bonds	-	-	-	-	-
Total Bonds	<u>27,040,000</u>	<u>-</u>	<u>1,335,000</u>	<u>25,705,000</u>	<u>1,425,000</u>
<u>Leases</u>					
Capital Leases	-	<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>
<u>Other Liabilities</u>					
Accrued compensable absences	103,771	-	53,955	49,816	49,816
Accrued workers compensation	<u>13,265</u>	-	<u>6,712</u>	<u>6,553</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>

NOTE 7 – DEBT AND LEASE OBLIGATIONS

Debt service obligations at August 31, 2008 were as follows:

For the Year Ended		<u>General Obligation Bonds</u>		<u>Revenue Bonds</u>		
		<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$	-	-	1,520,000	1,168,857	2,688,857
2009		-	-	1,595,000	1,092,781	2,687,781
2010		-	-	1,675,000	1,014,700	2,689,700
2011		-	-	1,760,000	930,500	2,690,500
2012		-	-	1,850,000	840,250	2,690,250
2013-2017		-	-	10,765,000	2,677,875	13,442,875
2018-2022		<u>-</u>	<u>-</u>	<u>5,115,000</u>	<u>258,875</u>	<u>5,373,875</u>
Total	\$	<u>-</u>	<u>-</u>	<u>24,280,000</u>	<u>7,983,838</u>	<u>32,263,838</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.

<u>For the Year Ended</u> <u>August 31,</u>		<u>Capital</u> <u>Leases</u>
2009	\$	48,713
2010		28,431
2011		<u>-</u>
Total minimal lease payments		77,144
Less: Applicable interest		<u>(5,753)</u>
Total	\$	<u>71,391</u>

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2008 and 2007

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:

	<u>Balance</u> <u>Sept. 1, 2007</u>	<u>Issued</u>	<u>Refunded or</u> <u>Retired</u>	<u>Balance</u> <u>Aug. 31, 2008</u>
Series 1998A Bonds	\$ 24,030,000	-	25,000	24,005,000
Series 1998B Bonds	<u>1,675,000</u>	-	<u>1,400,000</u>	<u>275,000</u>
Total Bonds	\$ <u>25,705,000</u>	<u>-</u>	<u>1,425,000</u>	<u>24,280,000</u>

As of August 31, 2008, there were no defeased bonds outstanding.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2008 and 2007

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, 2008 and 2007 were \$429,102 and \$475,615, respectively.

Future minimum rental payments are as follows:

For the Year Ended August 31,	Operating Leases
2009	\$ 163,030
2010	91,652
2011	22,993
2012	<u>800</u>
Total	\$ <u>278,475</u>

NOTE 10 – EMPLOYEES' RETIREMENT PLAN

The State of Texas has joint contributory retirement plans for almost all its employees. One of the primary plans in which the District participates is administered by the Teacher Retirement System of Texas.

Teacher Retirement System of Texas

Plan Description. The Odessa Junior College District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan. TRS issues a publicly available financial report with required supplementary information which can be obtained from www.trs.state.tx.us, under the TRS Publications heading.

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.4% for fiscal years 2008 and 2007 and a state contribution rate of 6.58% for fiscal year 2008 and 6.0% for fiscal year 2007. In certain instances the reporting district is required to make all or a portion of the state's 6.58% contribution for fiscal year 2008 and 6.00% for fiscal year 2007.

Optional Retirement Plan

Plan Description. 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 and operates under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2008 and 2007

NOTE 10 – EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Optional Retirement Plan (Continued)

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The percentages of participant salaries currently contributed by the state and each participant are 6.58% and 6.65%, respectively. The District contributes 1.31% for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program.

The retirement expense to the State for the District was \$819,111 and \$737,168 for the fiscal years ended August 31, 2008 and 2007, respectively. This amount represents the portion of expended appropriations made by the State Legislature on behalf of the District.

The total payroll for all District employees was \$16,951,214 and \$16,263,478 for fiscal years 2008 and 2007, respectively. The total payroll of employees covered by the Teacher Retirement System was \$9,563,537 and \$9,129,026 and the total payroll of employees covered by the Optional Retirement Program was \$5,181,313 and \$5,343,683 for fiscal years 2008 and 2007, 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, 2008 and 2007, 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, 2008 and 2007 in the amounts of \$55,907 and \$49,816 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

The District receives federal, state and local grants that are subject to review and audit by grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. The District's management believes such disallowances, if any, will not have a material effect on the basic financial statements.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2008 and 2007

NOTE 14 – DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables at August 31, 2008 and 2007 were as follows:

	<u>2008</u>	<u>2007</u>
Tuition and fees receivable	\$ 792,160	345,954
Taxes receivable	1,334,786	1,318,568
Federal receivable	737,126	804,291
State receivable	41,796	95,735
Interest receivable	119,432	123,810
Other receivables	<u>1,123,091</u>	<u>761,473</u>
Subtotal	4,148,391	3,449,831
Allowance for doubtful accounts	<u>(1,432,441)</u>	<u>(1,395,398)</u>
Total	\$ <u>2,715,950</u>	<u>2,054,433</u>

Payables at August 31, 2008 and 2007 were as follows:

	<u>2008</u>	<u>2007</u>
Vendors payable – operations	\$ 983,487	1,114,351
Vendors payable – capital	126,645	55,277
Students payable	834,440	909,771
Payroll deductions payable	<u>20,181</u>	<u>1,412</u>
Total	\$ <u>1,964,753</u>	<u>2,080,811</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 2008 and 2007 for which monies have not been received nor funds expended totaled \$7,110,654 and \$7,709,484, respectively. Of these amounts, \$6,363,921 and \$7,253,291 were from federal contract and grant awards; \$568,047 and \$337,201 were from state contract and grant awards; and \$178,686 and \$118,992 were from private contract and grant awards for the fiscal years ended August 31, 2008 and 2007, respectively.

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

In addition to the pension benefits described, 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

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2008 and 2007

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

funding of health care benefits. Premiums are based on benefits paid during the previous year. The state's contribution per full-time employee was \$361 per month for HealthSelect coverage and \$381 per month for HMO FirstCare coverage for the year ended August 31, 2008 (\$343 and \$316 per month, respectively, for fiscal year 2007).

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

	<u>2008</u>	<u>2007</u>
Number of retirees receiving benefits	<u>151</u>	<u>146</u>
Cost of state's contribution	\$ 685,653	674,826
Cost of local contribution	<u>47,591</u>	<u>51,918</u>
Total cost of benefits for retirees	\$ <u>733,244</u>	<u>726,744</u>
Number of active employees receiving benefits	<u>337</u>	<u>334</u>
Cost of state's contribution	\$ 1,285,664	1,278,837
Cost of federal grant contribution	152,465	152,465
Cost of local contribution	<u>348,891</u>	<u>405,937</u>
Total cost of benefits for active employees	\$ <u>1,787,020</u>	<u>1,837,239</u>

NOTE 17 – AD VALOREM TAX

The District's ad valorem property tax is levied each October 1st 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>2008</u>	<u>2007</u>
Assessed valuation of the District (at January 1, 2007 and 2006)	\$ 9,694,085,284	8,367,048,635
Less: exemptions	(1,648,824,601)	(1,289,667,039)
Less: abatements	<u>(414,693,143)</u>	<u>(335,154,422)</u>
Net assessed valuation of the District	\$ <u>7,630,567,540</u>	<u>6,742,227,174</u>

At August 31:

	<u>2008</u>			<u>2007</u>		
	<u>Current</u>	<u>Debt</u>		<u>Current</u>	<u>Debt</u>	
	<u>Operations</u>	<u>Service</u>	<u>Total</u>	<u>Operations</u>	<u>Service</u>	<u>Total</u>
Authorized tax rate per \$100 valuation	\$.20	.50	.70	0.20	0.50	0.70
Assessed tax rate per \$100 valuation	\$.1817	-	.1817	0.19	-	0.19

Taxes levied (including adjustments to the certified levies) for the years ended August 31, 2008 and 2007 were \$13,678,857 and \$12,795,834, 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, 2008 and 2007

NOTE 17 – AD VALOREM TAX (CONTINUED)

At August 31:	2008			2007		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current taxes collected \$	13,453,097	-	13,453,097	12,486,286	-	12,486,286
Delinquent taxes collected	315,078	14,192	329,270	282,267	12,714	294,981
Penalties and interest collected	230,491	10,382	240,873	191,624	8,631	200,255
Total collections \$	<u>13,998,666</u>	<u>24,574</u>	<u>14,023,240</u>	<u>12,960,177</u>	<u>21,345</u>	<u>12,981,522</u>

Tax collections for the years ended August 31, 2008 and 2007 were 97.43% and 97.58%, 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 has no unrelated business income tax liability for the years ended August 31, 2008 and 2007.

NOTE 19 – COMPONENT UNITS

Odessa College Foundation, Incorporated (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*, an 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.

NOTE 20 POST EMPLOYMENT BENEFITS OTHER THAN PENSION

(In accordance with GASB Statement 45)

Plan Description. Odessa Junior College District contributes to the State Retiree Health Plan (SRHP), a cost sharing, multiple-employer, defined benefit post employment healthcare plan administered by the Employees Retirement System of Texas (ERS). SRHP provides medical benefits to retired employees of participating universities, community colleges, and state agencies in accordance with Chapter 1551, Texas Insurance Code. Benefit and contribution provisions of the SRHP are authorized by State law and may be amended by the Texas Legislature.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2008 and 2007

NOTE 20 POST EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

ERS issues a publically available financial report that includes financial statements and required supplementary information for SRHP. The report may be obtained form ERS via their website at <http://www.ers.state.tx.us/>.

Funding Policy. Section 1551.055 of Chapter 1551, Texas Insurance Code provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS board of trustees. Plan members or beneficiaries receiving benefits pay any premium over and above the employer contribution.

The employer's share of the cost of retiree healthcare coverage to the current year is know as the implicit rate subsidy. It is the difference between the claims costs for the retirees and the amounts contributed by the retiree. The ERS board of trustees sets the employer contribution rate based on the implicit rate subsidy which is actuarially determined in accordance with the parameters of GASB statement 45.

The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

The District's contribution to SRHP for the years ended August 31, 2008, 2007, and 2006 were \$47,591, \$51,918, and \$48,774, respectively, which equaled the required contributions each year.

REQUIRED SUPPLEMENTAL INFORMATION

Odessa Junior College District

Schedule A

SCHEDULE OF OPERATING REVENUES

**Year Ended August 31, 2008
With Memorandum Totals for the Year Ended August 31, 2007**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2008 Total</u>	<u>2007 Total</u>
Tuition:						
State-funded credit courses						
In-district resident tuition	\$ 2,156,907	-	2,156,907	-	2,156,907	2,338,939
Out-of-district resident tuition	1,266,993	-	1,266,993	-	1,266,993	1,293,675
Non-resident tuition	290,793	-	290,793	-	290,793	317,250
TPEG credit set aside *	199,437	-	199,437	-	199,437	213,579
State-funded continuing education	498,540	-	498,540	-	498,540	554,047
TPEG non-credit set aside *	31,823	-	31,823	-	31,823	35,359
Non-state funded educational programs	<u>209,015</u>	-	<u>209,015</u>	-	<u>209,015</u>	<u>204,571</u>
Total tuition	<u>4,653,508</u>	-	<u>4,653,508</u>	-	<u>4,653,508</u>	<u>4,957,420</u>
Fees:						
Student use fees	757,787	-	757,787	-	757,787	826,280
Institutional/course fees	360,173	-	360,173	-	360,173	312,724
Student service fees	-	-	-	80,882	80,882	86,802
Laboratory fees	135,259	-	135,259	-	135,259	148,645
Other fees	<u>43,123</u>	<u>9,295</u>	<u>52,418</u>	-	<u>52,418</u>	<u>37,327</u>
Total fees	<u>1,296,342</u>	<u>9,295</u>	<u>1,305,637</u>	<u>80,882</u>	<u>1,386,519</u>	<u>1,411,778</u>
Scholarship allowances and discounts:						
Scholarship allowances	(501,602)	(77,660)	(579,262)	-	(579,262)	(580,717)
Local remissions and exemptions	(6,874)	-	(6,874)	-	(6,874)	(2,314)
State remissions and exemptions	(109,702)	-	(109,702)	(680)	(110,382)	(96,118)
TPEG allowances	(140,259)	-	(140,259)	-	(140,259)	(108,983)
Federal grants to students	-	(1,498,592)	(1,498,592)	-	(1,498,592)	(1,558,043)
State grants to students	-	<u>(109,383)</u>	<u>(109,383)</u>	-	<u>(109,383)</u>	<u>(112,590)</u>
Total scholarship allowances	<u>(758,437)</u>	<u>(1,685,635)</u>	<u>(2,444,072)</u>	<u>(680)</u>	<u>(2,444,752)</u>	<u>(2,458,765)</u>
Total net tuition and fees	<u>5,191,413</u>	<u>(1,676,340)</u>	<u>3,515,073</u>	<u>80,202</u>	<u>3,595,275</u>	<u>3,910,433</u>
Other operating revenues:						
Federal grants and contracts	74,680	6,770,840	6,845,520	-	6,845,520	6,474,738
State grants and contracts	-	420,991	420,991	-	420,991	374,577
Nongovernmental grants and contracts	-	72,805	72,805	-	72,805	25,000
Sales and services of educational activities	287,031	-	287,031	-	287,031	274,853
Investment income (program restricted)	-	36,422	36,422	1,819	38,241	45,348
General operating revenues	<u>461,551</u>	<u>17,926</u>	<u>479,477</u>	-	<u>479,477</u>	<u>433,247</u>
Total other operating revenues	<u>823,262</u>	<u>7,318,984</u>	<u>8,142,246</u>	<u>1,819</u>	<u>8,144,065</u>	<u>7,627,763</u>

Odessa Junior College District

Schedule A

SCHEDULE OF OPERATING REVENUES (CONTINUED)

**Year Ended August 31, 2008
With Memorandum Totals for the Year Ended August 31, 2007**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2008 Total</u>	<u>2007 Total</u>
Auxiliary enterprises:						
Bookstore	\$ -	-	-	176,980	176,980	175,551
Food service	-	-	-	386,810	386,810	281,607
Student housing	-	-	-	10,196	10,196	818
Other auxiliaries	-	-	-	<u>151,003</u>	<u>151,003</u>	<u>103,501</u>
Total net auxiliary enterprises	-	-	-	<u>724,989</u>	<u>724,989</u>	<u>561,477</u>
Total Operating Revenues	\$ <u>6,014,675</u>	<u>5,642,644</u>	<u>11,657,319</u>	<u>807,010</u>	<u>12,464,329</u> (Exhibit 2)	<u>12,099,673</u> (Exhibit 2)

* In accordance with Education Code 56.033, \$231,261 and \$248,938 for years ending August 31, 2008 and 2007, 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, 2008
With Memorandum Totals for the Year Ended August 31, 2007**

	<u>Salaries & Wages</u>	<u>Staff Benefits</u>		<u>Other Expenses</u>	<u>2008 Total</u>	<u>2007 Total</u>
		<u>State</u>	<u>Local</u>			
Unrestricted - Educational Activities						
Instruction	\$ 8,001,532	-	595,093	1,218,981	9,815,606	9,445,988
Public service	775,945	-	35,285	177,216	988,446	875,861
Academic support	1,645,845	-	105,151	637,707	2,388,703	2,414,309
Student services	1,538,754	-	103,847	454,195	2,096,796	1,968,538
Institutional support	2,003,418	-	533,862	1,497,193	4,034,473	3,682,522
Operation and maintenance of plant	883,126	-	204,472	3,543,575	4,631,173	4,300,778
Scholarship and fellowships	-	-	-	566,045	566,045	471,900
Total Unrestricted Educational Activities	<u>14,848,620</u>	<u>-</u>	<u>1,577,710</u>	<u>8,094,912</u>	<u>24,521,242</u>	<u>23,159,896</u>
Restricted - Educational Activities						
Instruction	684,804	1,434,493	77,927	684,749	2,881,973	2,490,939
Public service	211,261	114,164	45,085	173,114	543,624	563,457
Academic support	311,204	419,163	87,157	526,173	1,343,697	1,178,020
Student services	452,215	370,081	99,197	156,550	1,078,043	1,115,341
Institutional support	22,855	452,527	2,393	94,668	572,443	365,106
Operation and maintenance of plant	789	-	-	388,681	389,470	(150)
Scholarship and fellowships	-	-	-	2,360,191	2,360,191	2,577,800
Total Restricted Educational Activities	<u>1,683,128</u>	<u>2,790,428</u>	<u>311,759</u>	<u>4,384,126</u>	<u>9,169,441</u>	<u>8,290,513</u>
Total Educational Activities	16,531,748	2,790,428	1,889,469	12,479,038	33,690,683	31,450,409
Auxiliary Enterprises	419,466	-	75,438	1,101,972	1,596,876	1,309,458
Depreciation Expense – Buildings and other real estate improvements	-	-	-	542,118	542,118	575,218
Depreciation Expense – Equipment and furniture	-	-	-	447,728	447,728	376,629
Total Operating Expenses	\$ <u>16,951,214</u>	<u>2,790,428</u>	<u>1,964,907</u>	<u>14,570,856</u>	<u>36,277,405</u> (Exhibit 2)	<u>33,711,714</u> (Exhibit 2)

Odessa Junior College District

Schedule C

SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES

**Year Ended August 31, 2008
With Memorandum Totals for the Year Ended August 31, 2007**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2008 Total</u>	<u>2007 Total</u>
NON-OPERATING REVENUES:					
State appropriations:					
Education and general support	\$ 8,473,764	-	-	8,473,764	8,473,763
State group insurance	-	1,971,317	-	1,971,317	1,953,664
State retirement matching	-	819,111	-	819,111	737,168
Nursing shortage reduction grant	-	37,975	-	37,975	100,653
Total state appropriations	<u>8,473,763</u>	<u>2,828,403</u>	<u>-</u>	<u>11,302,166</u>	<u>11,265,248</u>
Property taxes for maintenance and operations	14,058,141	-	-	14,058,141	12,795,621
Gifts – noncapital	53,902	382,049	23,653	459,604	323,532
Investment income – not restricted to programs	1,074,785	-	-	1,074,785	1,387,098
Other non-operating revenues	899,879	-	-	899,879	789
Total Non-Operating Revenues	<u>24,560,470</u>	<u>3,210,452</u>	<u>23,653</u>	<u>27,794,575</u>	<u>25,772,288</u>
NON-OPERATING EXPENSES:					
Interest on capital-related debt	1,257,115	-	-	1,257,115	1,346,677
Loss on disposal of capital assets	125,626	-	-	125,626	101,477
Other non-operating expenses	79,481	-	-	79,481	79,481
Total Non-Operating Expenses	<u>1,462,222</u>	<u>-</u>	<u>-</u>	<u>1,462,222</u>	<u>1,527,635</u>
Net Non-Operating Revenues	\$ <u>23,098,248</u>	<u>3,210,452</u>	<u>23,653</u>	<u>26,332,353</u> (Exhibit 2)	<u>24,244,653</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	\$ 17,383,014	-	-	-	17,383,014	17,383,014	-	
Board designated	13,018	-	-	-	13,018	-	13,018	
Restricted	-	295,542	-	-	295,542	-	295,542	
Auxiliary enterprises	14,972	-	-	-	14,972	14,972	-	
Loans	164,389	9,451	-	-	173,840	-	173,840	
Endowment	-	-	813,199	-	813,199	-	813,199	
Plant								
Renewal and replacement	3,620,616	-	-	-	3,620,616	-	3,620,616	
Debt service	-	5,190,743	-	-	5,190,743	-	5,190,743	
Investment in plant	-	-	-	(975,858)	(975,858)	-	(975,858)	
Total Net Assets, August 31, 2008	21,196,009	5,495,736	813,199	(975,858)	26,529,086 (Exhibit 1)	17,397,986	9,131,100	
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	
Net Increase (Decrease) in Net Assets	\$ 1,583,975	(1,002,037)	(24,801)	2,171,650	2,728,787 (Exhibit 2)	705,534	2,023,253	

Odessa Junior College District

Schedule E

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended August 31, 2008

<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	\$ 158,225
Higher Education – Institutional Aid Title V COOP	84.031S	P031S040013	783,107
Federal College Work Study	84.033A	P033A064089	102,769
Trio Student Support Services	84.042A	P042A050150	261,831
Trio Upward Bound	84.047A	P047A031053	279,964
Federal Pell Grant	84.063P	P063P062294	3,155,176
Trio Educational Opportunity Centers Program	84.066A	P066A020203	211,069
Bilingual Education-Professional Development	84.195N	T195N020198	100,063
Academic Competitiveness Grant	84.375A	P375A062294	<u>73,893</u>
Subtotal Direct Programs			<u>5,126,097</u>
Pass-through from:			
Texas Education Agency			
Adult Basic Education	84.002A	41000701	<u>344,930</u>
Subtotal Adult Basic Education			<u>344,930</u>
Pass-through from:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education - Basic	84.048	74235	415,247
Carl Perkins Tech Prep Passed through from Midland College	84.243	61714	<u>75,795</u>
Subtotal Carl Perkins			<u>491,042</u>
Federal Funds Passed through Directly to Students			
Byrd Honors Scholarships	84.185	N/A	<u>1,500</u>
Total U.S. Department of Education			<u>5,963,569</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>48,927</u>
Total U.S. Department of Agriculture			<u>48,927</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>536,717</u>
Total U.S. Department of Labor			<u>536,717</u>
<u>U.S. Department of Health and Human Services</u>			
Pass-through from:			
West Texas Opportunities			
Designated Vendor Program	93.573		1,400
Pass-through from:			
Greater Opportunities of Permian Basin Head Start Program	93.600	O6CH5616	<u>200,043</u>
Total U.S. Department of Health and Human Services			<u>201,443</u>
Total Federal Financial Assistance			\$ <u>6,750,656</u>

Notes to Schedule on following page.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year Ended August 31, 2008

Note 1: FEDERAL ASSISTANCE RECONCILIATION

Federal revenues per Schedule A:	
Federal grants and contracts revenue	\$ 6,845,520
Add: Financial Assistance Passed through Directly to Students (Byrd Honors Scholarships)	1,500
Less: Expenditures Not Subject to A-133 Audit (Note 3)	<u>(96,364)</u>
Total Federal Revenues Per Schedule of Expenditures of Federal Awards	\$ <u>6,750,656</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>96,364</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	\$ 6,000	-	6,000
84.000 Federal Family Education Loan Program	<u>894,185</u>	-	<u>894,185</u>
	\$ <u>900,185</u>	-	<u>900,185</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>90,584</u>
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Odessa Junior College District

Schedule F

SCHEDULE OF EXPENDITURES OF STATE AWARDS

Year Ended August 31, 2008

Grantor Agency / Program Title	Grant Contract Number	Disbursements and Expenditures
Texas Education Agency State Adult Education	1000501	\$ 67,484
Texas Higher Education Coordinating Board		
Texas College Work Study	9400179M	15,227
Texas Grant I	-	209,380
Texas Grant II	-	39,790
College for Texas Campaign	-	37,317
College Connection	-	39,003
P-16 Advisory Grant		12,235
Nursing Shortage Reduction Grant		37,974
Texas Law Enforcement Officer Standards in Education Agency LEOSE Training Grant	-	<u>555</u>
Total Expenditures of State Awards		\$ <u>458,965</u>

NOTE 1: STATE ASSISTANCE RECONCILIATION

State revenues per Exhibit A:		
Operating Revenues:		
State grants and contracts		\$ <u>420,991</u>
State revenues per Schedule C:		
Non-Operating Revenues:		
Nursing shortage reduction grant		<u>37,974</u>
Total Expenditures Per Schedule of Expenditures of State Awards		\$ <u>458,965</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, 2008, and have issued our report thereon dated December 12, 2008. 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 audit 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 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 and its operation 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 laws, regulations, contracts, and grant agreements, noncompliance with which could have

Compliance and Other Matters (Continued)

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, 2008, no instances of noncompliance were found.

This report is intended for the information 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.

Johnson Miller & Co., CPA's PC

Odessa, Texas
December 12, 2008



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**

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* that are applicable to each of its major federal programs for the year ended August 31, 2008. The District's major federal 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 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*. Those standards, OMB Circular A-133 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 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 on 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 programs for the year ended August 31, 2008.

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 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 non compliance 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 internal control over compliance is 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 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., CPAs PC". The signature is written in a cursive, flowing style.

Odessa, Texas
December 12, 2008

Odessa Junior College District

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

August 31, 2008

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 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? **No matters were reported.**

Odessa Junior College District

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

August 31, 2008

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
84.0315	Title V COOP
17.269	Community Based Job Training Grant – Welding Training Center
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, 2008	None
August 31, 2007	None

Odessa Junior College District

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS (CONTINUED)

August 31, 2008

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, 2007

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 2008
(unaudited)
(amounts expressed in thousands)

For the Fiscal Year Ended August 31,

	2008	2007	2006	2005	2004	2003	2002
Invested in capital assets, net of related debt	(976)	(3,148)	(5,114)	(7,115)	(8,978)	(8,501)	(10,440)
Restricted - expendable	5,496	6,498	6,599	6,662	8,743	8,912	8,549
Restricted - nonexpendable	813	838	707	672	670	657	640
Unrestricted	21,196	19,612	18,851	18,325	17,338	17,993	18,896
Total primary government net assets	\$ 26,529	\$ 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 2002-2008 are available. Amounts prior to FY2008 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 2008
(unaudited)

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

	2008	2007	2006	2005	2004	2003	2002
Tuition and Fees (Net of Discounts)	\$3,595	\$3,910	\$3,734	\$2,978	\$2,644	\$2,468	\$2,634
Governmental Grants and Contracts							
Federal Grants and Contracts	6,846	6,475	8,512	8,970	7,619	7,748	6,241
State Grants and Contracts	421	375	332	562	1,200	849	456
Non-Governmental Grants and Contracts	73	25	120	29	111	88	98
Sales and services of educational activities	287	275	262	262	273	288	290
Investment Income	38	45	37	20	14	48	62
Auxiliary enterprises	725	562	502	516	466	540	1,290
Other Operating Revenues	479	433	479	429	463	504	617
Total Operating Revenues	12,464	12,100	13,978	13,766	12,790	12,533	11,688
State Appropriations	11,302	11,265	11,003	10,564	10,486	11,134	11,455
Ad Valorem Taxes	14,058	12,796	11,656	10,346	9,407	9,055	8,874
Gifts	460	323	221	199	261	310	433
Investment income	1,075	1,387	1,033	496	495	419	776
Other non-operating revenues	900	1	25	14	13	27	-
Total Non-Operating Revenues	27,795	25,772	23,938	21,619	20,662	20,945	21,538
Total Revenue	\$ 40,259	\$ 37,872	\$ 37,916	\$ 35,385	\$ 33,452	\$ 33,478	\$ 33,226

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

	2008	2007	2006	2005	2004	2003	2002
Tuition and fees (net of discounts)	9.02%	10.44%	9.85%	8.42%	7.90%	7.37%	7.93%
Governmental grants and contracts							
Federal grants and contracts	17.00%	17.10%	22.55%	25.41%	22.82%	23.28%	18.97%
State grants and contracts	1.05%	0.99%	0.88%	1.59%	3.59%	2.54%	1.37%
Non-governmental grants and contracts	0.18%	0.07%	0.32%	0.08%	0.33%	0.26%	0.29%
Sales and services of educational activities	0.71%	0.73%	0.69%	0.74%	0.82%	0.86%	0.87%
Auxiliary enterprises	1.80%	1.48%	1.32%	1.46%	1.39%	1.61%	3.88%
Other operating revenues	1.19%	1.14%	1.26%	1.21%	1.38%	1.51%	1.86%
Total Operating Revenues	30.96%	31.95%	36.87%	38.91%	38.23%	37.43%	35.18%
State appropriations	28.07%	29.74%	29.02%	29.85%	31.35%	33.26%	34.48%
Ad valorem taxes	34.92%	33.79%	30.74%	29.24%	28.12%	27.05%	26.71%
Gifts	1.14%	0.85%	0.58%	0.56%	0.78%	0.93%	1.30%
Investment income	2.67%	3.66%	2.72%	1.40%	1.48%	1.25%	2.34%
Other non-operating revenues	2.24%	0.00%	0.07%	0.04%	0.04%	0.08%	0.00%
Total Non-Operating Revenues	69.04%	68.05%	63.13%	61.10%	61.77%	62.56%	64.82%
Total Revenue	100.00%						

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2008 are available.

Odessa Junior College District
Statistical Supplement 3
Program Expenses by Function
Fiscal Years 2002 to 2008
(unaudited)

For the Year Ended August 31.

(amounts expressed in thousands)

	2008	2007	2006	2005	2004	2003	2002
Instruction	\$12,698	\$11,937	\$11,520	\$11,769	\$11,895	\$11,938	\$11,550
Research	-	-	-	-	-	-	-
Public service	1,532	1,439	1,519	1,297	1,806	2,146	2,111
Academic support	3,732	3,592	4,329	3,598	2,837	2,943	2,814
Student services	3,175	3,084	2,894	3,246	2,829	2,613	2,283
Institutional support	4,606	4,048	3,742	3,984	3,697	3,308	3,388
Operation and maintenance of plant	5,021	4,301	3,862	3,521	3,614	3,404	3,543
Scholarships and fellowships	2,926	3,050	3,971	3,503	2,956	2,618	2,412
Auxiliary enterprises	1,597	1,309	1,178	1,223	1,241	1,394	2,475
Depreciation	990	952	844	750	780	829	771
Total Operating Expenses	36,277	33,712	33,859	32,891	31,655	31,193	31,347
Interest on capital related debt	1,257	1,347	1,424	1,501	1,573	1,639	1,702
Loss on disposal of fixed assets	126	101	112	147	135	182	93
Other non-operating	79	80	79	79	79	53	10
Total Non-Operating Expenses	1,462	1,528	1,615	1,727	1,787	1,874	1,805
Total Expenses	\$ 37,739	\$ 35,240	\$ 35,474	\$ 34,618	\$ 33,442	\$ 33,067	\$ 33,152

For the Year Ended August 31.

(amounts expressed in thousands)

	2008	2007	2006	2005	2004	2003	2002
Instruction	33.65%	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%	0.00%
Public service	4.06%	4.08%	4.28%	3.75%	5.40%	6.49%	6.37%
Academic support	9.89%	10.19%	12.20%	10.39%	8.48%	8.90%	8.49%
Student services	8.41%	8.75%	8.16%	9.38%	8.46%	7.90%	6.89%
Institutional support	12.20%	11.49%	10.55%	11.51%	11.05%	10.00%	10.22%
Operation and maintenance of plant	13.30%	12.20%	10.89%	10.17%	10.81%	10.29%	10.69%
Scholarships and fellowships	7.75%	8.65%	11.19%	10.12%	8.84%	7.92%	7.28%
Auxiliary enterprises	4.23%	3.71%	3.32%	3.53%	3.71%	4.22%	7.47%
Depreciation	2.62%	2.70%	2.38%	2.17%	2.33%	2.51%	2.33%
Total Operating Expenses	96.13%	95.66%	95.45%	95.01%	94.66%	94.33%	94.56%
Interest on capital related debt	3.33%	3.82%	4.01%	4.34%	4.70%	4.96%	5.13%
Loss on disposal of fixed assets	0.33%	0.29%	0.32%	0.42%	0.40%	0.55%	0.28%
Other non-operating	0.21%	0.23%	0.22%	0.23%	0.24%	0.16%	0.03%
Total Non-Operating Expenses	3.87%	4.34%	4.55%	4.99%	5.34%	5.67%	5.44%
Total Expenses	100.00%						

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2008 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
2007	\$ -	\$ 42	\$ 57	\$ -	\$ 10	\$ 1	\$ -	\$ -	\$ -	\$ 636	\$ 816	0.00%	0.00%
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%

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
2007	\$ 150	\$ 72	\$ 72	\$ -	\$ 10	\$ 1	\$ -	\$ -	\$ -	\$ 1,146	\$ 1,146	0.00%	0.00%
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%

Note: Includes basic enrollment tuition and fees but excludes course based fees such as laboratory fees, testing fees and certification fees.

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)
2007-08	9,694,085	2,063,518	7,630,567	78.71%	\$ 0.181700	\$ -	\$ 0.181700
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

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	FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Non-Credit Vocational	Total Contact Hours	State Appropriation per Contact Hour	
2007-08	\$ 11,302	3,206	\$ 3,525	1,188	628	294	2,110	\$ 5.36	
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	

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)										#
		2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	
Occidental Permian LTD	Oil & Gas	\$ 845,024	\$ 610,832	\$ 514,882	\$ 449,259	\$ 342,424	\$ 324,562	\$ 338,998	\$ 380,089	\$ -	\$ -	-
Conocophoillips	Oil & Gas	372,529	231,750	212,867	172,712	127,058	80,308	-	-	-	-	-
XTO Energy	Oil & Gas	313,628	223,288	147,857	82,277	-	-	-	-	-	-	-
Oxy USA WTP LP	Oil & Gas	296,757	212,925	188,176	119,146	89,841	62,490	56,016	58,424	-	-	-
Apache Corporation	Oil & Gas	286,547	-	-	-	-	-	-	-	-	-	-
Flint Hills/Huntsman Polmers (Chemicals	180,234	184,317	282,588	229,892	242,777	353,970	358,838	383,379	438,085	457,104	-
Oxy USA Inc.	Oil & Gas	129,370	-	-	-	-	-	-	-	-	-	-
Four Star Oil and Gas	Oil & Gas	116,096	132,860	167,372	123,514	109,559	62,758	80,607	94,530	68,050	53,504	-
Energen Resources	Oil & Gas	100,632	66,137	-	-	-	-	-	-	-	-	-
Oncore Electric Delivery	Utility	84,067	-	-	-	72,286	73,009	75,393	-	-	-	-
Anadarko Petroleum Corp.	Oil & Gas	-	248,127	229,934	193,987	113,847	78,661	88,417	113,259	81,656	71,127	-
TXU Electric Delivery Co.	Utility	-	82,686	81,073	77,387	-	-	-	73,629	-	-	-
BP American Production Co.	Oil & Gas	-	51,858	52,168	43,699	36,772	34,498	-	-	-	-	-
Southwestern Bell	Utility	-	-	-	-	36,475	-	44,225	44,232	43,627	43,326	-
Texas Utilities Electric Co.	Utility	-	-	-	-	-	-	-	-	69,202	66,654	-
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 Sevcies	Oil & Gas	-	-	-	-	-	37,303	-	-	-	-	-
Phillips Petroleum CO.	Oil & Gas	-	-	-	-	-	-	71,433	55,011	45,086	34,021	-
Texaco E & P Inc	Oil & Gas	-	-	-	-	-	-	51,761	56,715	44,294	37,722	-
Altura Energy, LTD	Oil & Gas	-	-	-	-	-	-	-	-	244,566	177,120	-
GPM Gas Corporation	Oil & Gas	-	-	-	-	-	-	-	-	54,820	60,538	-
Ameripol Synpol Corp.	Manufact.	-	-	-	-	-	-	-	-	43,631	46,797	-
Totals		\$ 2,724,884	\$ 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	
Total Taxable Assessed Value		\$ 7,630,567	\$ 6,742,227	\$ 5,819,986	\$ 5,045,468	\$ 4,630,647	\$ 4,490,861	\$ 4,485,964	\$ 4,037,859	\$ 3,871,676	\$ 3,889,853	

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year										#
		2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	
Occidental Permian LTD	Oil & Gas	12.5%	9.1%	8.8%	8.9%	7.4%	7.2%	7.6%	9.4%	0.0%	0.0%	0.0% #
Anadarko Petroleum Corp.	Oil & Gas	5.5%	3.4%	3.7%	3.4%	2.7%	1.8%	0.0%	0.0%	0.0%	0.0%	0.0% #
Conocophoillips	Oil & Gas	4.7%	3.3%	2.5%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0% #
XTO Energy	Oil & Gas	4.4%	3.2%	3.2%	2.4%	1.9%	1.4%	1.2%	1.4%	0.0%	0.0%	0.0% #
Oxy USA WTP LP	Oil & Gas	4.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0% #
Apache Corporation	Oil & Gas	2.7%	2.7%	4.9%	4.6%	5.2%	7.9%	8.0%	9.5%	11.3%	11.8%	11.8% #
Flint Hills/Huntsman Polmers (Chemicals	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0% #
Oxy USA Inc.	Oil & Gas	1.7%	2.0%	2.9%	2.4%	2.4%	1.4%	1.8%	2.3%	1.8%	1.4%	1.4% #
Four Star Oil and Gas	Oil & Gas	1.5%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0% #
TXU Electric Delivery Co.	Utility	1.2%	0.0%	0.0%	0.0%	1.6%	1.6%	1.7%	0.0%	0.0%	0.0%	0.0% #
Energen Resources	Oil & Gas	0.0%	3.7%	4.0%	3.8%	2.5%	1.8%	2.0%	2.8%	2.1%	1.8%	1.8% #
BP American Production Co.	Oil & Gas	0.0%	1.2%	1.4%	1.5%	0.0%	0.0%	0.0%	1.8%	0.0%	0.0%	0.0% #
Oncore Eletric Delivery	Utility	0.0%	0.8%	0.9%	0.9%	0.8%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0% #
Southwestern Bell	Utility	0.0%	0.0%	0.0%	0.0%	0.8%	0.0%	1.0%	1.1%	1.1%	1.1%	1.1% #
Texas Utilities Electric Co.	Utility	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.8%	1.7%	1.7% #
Encore Operating LP	Oil & Gas	0.0%	0.0%	1.0%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0% #
Chevron USA Inc.	Oil & Gas	0.0%	0.0%	0.0%	0.0%	1.6%	1.6%	1.1%	1.3%	0.0%	0.0%	0.0% #
Duke Energy Field Sevcies	Oil & Gas	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0% #
Phillips Petroleum CO.	Oil & Gas	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.6%	1.4%	1.2%	0.9%	0.9% #
Texaco E & P Inc	Oil & Gas	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%	1.4%	1.1%	1.0%	1.0% #
Altura Energy, LTD	Oil & Gas	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.3%	4.6%	4.6% #
GPM Gas Corporation	Oil & Gas	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%	1.6%	1.6% #
Ameripol Synpol Corp.	Manufact.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%	1.2%	1.2% #
Totals		40.42%	30.33%	33.27%	30.76%	26.85%	26.29%	27.09%	32.52%	29.26%	26.94%	#

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 (c + d + e)	Percentage of Current Levy
2008	\$ 13,864	\$ (56)	\$ 13,808	\$ 13,453	97.43%	\$ -	\$ -	\$ 13,453	97.43%
2007	12,810	(230)	12,580	12,486	99.26%	-	(85)	12,401	98.58%
2006	11,640	(80)	11,560	11,260	97.40%	108	57	11,425	98.83%
2005	10,091	(34)	10,057	9,740	96.85%	168	38	9,946	98.89%
2004	9,261	103	9,364	9,005	96.16%	242	27	9,274	99.03%
2003	8,982	(12)	8,970	8,584	95.69%	291	19	8,894	99.15%
2002	8,900	(46)	8,854	8,567	96.76%	206	15	8,788	99.26%
2001	8,011	76	8,087	7,761	95.97%	262	11	8,034	99.34%
2000	7,681	(2)	7,679	7,424	96.68%	204	5	7,633	99.41%
1999	7,717	(11)	7,706	7,465	96.87%	204	3	7,672	99.56%

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)									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Bonded Debt										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes	-	-	-	-	-	-	-	-	-	-
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Debt										
Revenue bonds	\$ 24,280	\$ 25,705	\$ 27,040	\$ 28,295	\$ 29,475	\$ 30,585	\$ 31,630	\$ 32,615	\$ 33,540	\$ 34,415
Notes	-	-	-	-	-	-	-	-	-	-
Capital lease obligations	77	140	-	-	-	-	-	-	-	-
Total Outstanding Debt	\$ 24,357	\$ 25,845	\$ 27,040	\$ 28,295	\$ 29,475	\$ 30,585	\$ 31,630	\$ 32,615	\$ 33,540	\$ 34,415
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	\$ 187.98	\$ 202.77	\$ 215.73	\$ 225.75	\$ 237.14	\$ 248.76	\$ 258.50	\$ 269.84	\$ 276.91	\$ 281.05
Per Student	7,397	7,622	7,833	6,966	8,178	8,098	9,195	9,910	10,136	10,295
As a percentage of Taxable Assessed Value	0.32%	0.38%	0.46%	0.56%	0.64%	0.68%	0.71%	0.81%	0.87%	0.88%

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)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Taxable Assessed Value	\$ 7,630,567	\$ 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
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	38,153	33,711	29,100	25,227	23,153	22,454	22,430	20,189	19,358	19,449
Less: Funds Restricted for Repayment of G.O.Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	38,153	33,711	29,100	25,227	23,153	22,454	22,430	20,189	19,358	19,449
Current Year Debt Service Requirements	-	-	-	-	-	-	-	-	-	-
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 38,153	\$ 33,711	\$ 29,100	\$ 25,227	\$ 23,153	\$ 22,454	\$ 22,430	\$ 20,189	\$ 19,358	\$ 19,449
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	
2008	\$ 4,654	\$ 758	\$ 177	\$ 397	\$ 2,428	\$ 152	\$ 1,114	\$ 9,680	\$ 1,520	\$ 1,257	\$ 2,777	3.49
2007	4,957	826	176	282	1,383	148	1,432	9,204	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

**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
	2007	129,570	(a)	(a)	3.4%
(b)	2006	126,649	\$ 3,671,385	\$ 28,989	4.2%
(b)	2005	124,522	3,251,858	26,115	5.0%
(b)	2004	123,497	2,916,387	23,615	6.0%
(b)	2003	122,195	2,791,096	22,841	6.7%
(b)	2002	121,881	2,698,998	22,145	6.8%
(b)	2001	120,633	2,651,350	21,979	5.0%
	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%

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 2001-2006 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 2008
(unaudited)**

#	Employer	Number of Employees	Percentage of Total Employment (1)
1	Ector County ISD	3,340	4.83%
2	Medical Center Hospital	1,786	2.58%
3	Saulsbury Companies	1,165	1.69%
4	Holloman Construction	1,000	1.45%
5	Wal-Mart Supercenter	923	1.34%
6	City of Odessa	867	1.25%
7	Odessa Regional Medical Center	740	1.07%
8	Odessa College	710	1.03%
9	Haliburton Services	685	0.99%
10	University of Texas of the Permian Basin	659	0.95%
11	Ector County	617	0.89%
12	Nurses Unlimited	582	0.84%
13	Weatherford CPS	553	0.80%
14	Telvista	550	0.80%
15	Bobby Cox Companies, Inc.	457	0.66%
16	Investment Corporation of America	447	0.65%
17	Texas Tech University Health Sciences Center	412	0.60%
18	Flint Hills Resources	403	0.58%
19	First American Home Buyers	380	0.55%
20	Family Dollar	379	0.55%
21	Albertson's	306	0.44%
22	HEB	279	0.40%
23	Lowes Market Place	257	0.37%
24	Sewell Ford Motor Co.	253	0.37%
25	Southwest Convenience Stores	220	0.32%
26	NOV Tuboscope	202	0.29%
27	Jones Brothers Dirt & Paving	195	0.28%
	Total Principal Employers	18,367	26.57%
	 Total Ector County Workforce (1)	 69,122	 100.00%

Source:

Odessa Chamber of Commerce
Information as of August 2008

Note:

Percentages are calculated using the midpoints of the ranges.

Statistical Supplement 14
Faculty, Staff, and Administrators Statistics
Last Ten Fiscal Years
(unaudited)

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Faculty										
Full-Time	118	126	123	126	124	130	131	127	128	137
Part-Time	130	163	170	179	156	178	161	184	147	170
Total	248	289	293	305	280	308	292	311	275	307
Percent										
Full-Time	47.6%	43.6%	42.0%	41.3%	44.3%	42.2%	44.9%	40.8%	46.5%	44.6%
Part-Time	52.4%	56.4%	58.0%	58.7%	55.7%	57.8%	55.1%	59.2%	53.5%	55.4%
Staff and Administrators										
Full-Time	220	249	246	249	262	266	271	278	266	250
Part-Time	306	306	292	343	339	327	331	317	292	275
Total	526	555	538	592	601	593	602	595	558	525
Percent										
Full-Time	41.8%	44.9%	45.7%	42.1%	43.6%	44.9%	45.0%	46.7%	47.7%	47.6%
Part-Time	58.2%	55.1%	54.3%	57.9%	56.4%	55.1%	55.0%	53.3%	52.3%	52.4%
FTSE per Full-time Faculty	27.9	26.9	28.1	32.2	29.1	29.1	26.3	25.9	25.9	24.4
FTSE per Full-Time Staff	15.0	13.6	14.0	16.3	13.8	14.2	12.7	11.8	12.4	13.4
Average Annual Faculty Salary	\$48,625	\$44,280	\$41,929	\$41,372	\$39,434	\$40,032	\$39,635	\$38,509	\$37,383	\$34,413

Statistical Supplement 15
Enrollment Details
Last Five Fiscal Years
(unaudited)

Student Classification	Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
	Number	Percent								
0-30 hours	5,330	88.23%	5,203	83.34%	5,780	84.32%	6,646	95.27%	7,172	94.46%
31-60 hours	671	11.11%	1,002	16.05%	1,036	15.11%	309	4.43%	404	5.32%
> 60 hours	40	0.66%	38	0.61%	39	0.57%	21	0.30%	17	0.22%
Total	6,041	100.00%	6,243	100.00%	6,855	100.00%	6,976	100.00%	7,593	100.00%

Semester Hour Load	Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
	Number	Percent								
2 or less semester hours	746	12.35%	956	15.31%	1,203	17.55%	1,618	23.19%	1,717	22.61%
3-5 semester hours	1,754	29.03%	1,624	26.01%	1,715	25.02%	1,519	21.77%	1,980	26.08%
6-8 semester hours	1,455	24.09%	1,420	22.75%	1,283	18.72%	1,253	17.96%	1,417	18.66%
9-11 semester hours	719	11.90%	665	10.65%	819	11.95%	789	11.31%	795	10.47%
12-14 semester hours	1,023	16.93%	1,186	19.00%	1,408	20.54%	1,328	19.04%	1,202	15.83%
15-17 semester hours	293	4.85%	299	4.79%	338	4.93%	353	5.06%	367	4.83%
18 or more semester hours	51	0.84%	93	1.49%	89	1.30%	116	1.66%	115	1.51%
Total	6,041	100.00%	6,243	100.00%	6,855	100.00%	6,976	100.00%	7,593	100.00%

Average course load	8.3	8.4	8.4	8.1	7.8
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Tuition Status	Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
	Number	Percent								
Texas Resident (in-District)	3,923	64.94%	4,157	66.59%	4,582	66.84%	4,686	67.17%	5,050	67.01%
Texas Resident (out-of-District)	1,869	30.94%	1,934	30.98%	2,114	30.84%	2,132	30.56%	2,352	31.21%
Non-Resident Tuition	194	3.21%	146	2.34%	145	2.12%	130	1.86%	119	1.58%
Tuition Exempt	55	0.91%	6	0.10%	13	0.19%	28	0.40%	15	0.20%
Visiting Student	-	0.00%	-	0.00%	1	0.01%	-	0.00%	-	0.00%
Total	6,041	100.00%	6,243	100.00%	6,855	100.00%	6,976	100.00%	7,536	100.00%

Statistical Supplement 16
Student Profile
Last Five Fiscal Years
(unaudited)

Gender	Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
	Number	Percent								
Female	3,379	55.93%	3,371	54.00%	3,921	57.20%	4,180	59.92%	4,139	54.51%
Male	2,662	44.07%	2,872	46.00%	2,934	42.80%	2,796	40.08%	3,454	45.49%
Total	6,041	100.00%	6,243	100.00%	6,855	100.00%	6,976	100.00%	7,593	100.00%

Ethnic Origin	Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
	Number	Percent								
White	2,748	45.49%	2,915	46.69%	3,153	46.00%	3,389	48.58%	4,001	52.69%
Hispanic	2,965	49.08%	3,015	48.29%	3,282	47.88%	3,136	44.95%	3,152	41.51%
African American	211	3.49%	214	3.43%	275	4.01%	309	4.43%	325	4.28%
Asian	57	0.94%	52	0.83%	85	1.24%	90	1.29%	69	0.91%
Foreign	20	0.33%	12	0.19%	13	0.19%	10	0.14%	12	0.16%
Native American	40	0.66%	34	0.54%	46	0.67%	39	0.56%	34	0.45%
Unknown		0.00%	1	0.02%	1	0.01%	3	0.04%	-	0.00%
Total	6,041	100.00%	6,243	100.00%	6,855	100.00%	6,976	100.00%	7,593	100.00%

Age	Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
	Number	Percent								
Under 18	810	13.41%	744	11.92%	682	9.95%	675	9.68%	752	9.90%
18 - 21	1,897	31.40%	1,949	31.22%	2,222	32.41%	2,166	31.05%	2,084	27.45%
22 - 24	689	11.41%	704	11.28%	773	11.28%	724	10.38%	760	10.01%
25 - 35	1,393	23.06%	1,459	23.37%	1,626	23.72%	1,651	23.67%	1,841	24.25%
36 - 50	926	15.33%	1,056	16.91%	1,138	16.60%	1,308	18.75%	1,593	20.98%
51 & over	326	5.40%	331	5.30%	414	6.04%	452	6.48%	563	7.41%
Total	6,041	100.00%	6,243	100.00%	6,855	100.00%	6,976	100.00%	7,593	100.00%

Average Age Credit	23.80	24.00	24.40	24.20	24.70
Average Age CE	38.00	37.50	36.10	37.00	37.70

Statistical Supplement 17
Transfers to Senior Institutions
2006 Fall Students as of Fall 2007
(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	332	31	21	384	53.71%
2	Texas Tech University	92	3	2	97	13.57%
3	Angelo State University	37	2	2	41	5.73%
4	Texas A & M University	29	1	0	30	4.20%
5	The University of Texas at Austin	22	1	0	23	3.22%
6	Sul Ross State University	16	3	2	21	2.94%
7	West Texas A & M University	13	1	0	14	1.96%
8	Texas Tech University Health Science Center	4	6	4	14	1.96%
9	The University of Texas at Arlington	11	2	0	13	1.82%
10	Texas State University	11	1	0	12	1.68%
11	The University of Texas at San Antonio	9	2	1	12	1.68%
12	University of North Texas	11	0	0	11	1.54%
13	Midwestern State University	5	2	0	7	0.98%
14	Tarleton State University	5	0	0	5	0.70%
15	Sam Houston State University	3	1	0	4	0.56%
16	Texas Women's University	3	1	0	4	0.56%
17	The University of Texas at Dallas	3	1	0	4	0.56%
18	The University of Texas at Tyler	2	2	0	4	0.56%
19	Texas A & M University at Galveston	3	0	0	3	0.42%
20	The University of Texas Medical Branch at Galveston	2	0	0	2	0.28%
21	Lamar University	1	0	0	1	0.14%
22	Prairie View A&M University	1	0	0	1	0.14%
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 A & M University at Corpus Christi	1	0	0	1	0.14%
26	The University of Texas at El Paso	1	0	0	1	0.14%
27	University of Houston at Victoria	1	0	0	1	0.14%
28	University of Houston-Clear Lake	1	0	0	1	0.14%
29	University of Houston-Downtown	1	0	0	1	0.14%
30	The University of Texas at Brownsville	0	1	0	1	0.14%
Totals	622	61	32	715	100.00%	

Statistical Supplement 18
Schedule of Capital Asset Information
Fiscal Years 2004 to 2008
(unaudited)

	Fiscal Year						
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Academic buildings	14	14	14	14	15	15	16
Square footage (in thousands)	418	418	418	418	460	527	460
Libraries	1	1	1	1	1	1	1
Learning Resources area (in thousands)	28	28	28	28	28	28	28
Student Study area (in thousands)	8	8	8	8	8	8	8
Shelving (in linear feet, in thousands)	11	11	11	11	11	11	11
Number of Volumes (in thousands)	112	112	112	112	112	111	111
Administrative and support buildings	6	6	6	5	4	4	5
Square footage (in thousands)	119	119	119	98	91	91	91
Dormitories	1	-	-	2	2	2	2
Square footage (in thousands)	3	-	-	21	28	28	28
Number of Beds	24	-	-	134	134	134	134
Apartments	1	1	1	1	1	1	-
Square footage (in thousands)	75	75	75	75	75	75	-
Number of beds	213	213	213	213	213	213	-
Dining Facilities	1	1	1	1	1	1	1
Square footage (in thousands)	8	8	8	8	8	8	8
Average daily customers	300	225	225	225	300	350	350
Athletic Facilities	7	7	7	7	7	7	7
Square footage (in thousands)	692	692	692	692	692	653	653
Stadiums	1	1	1	1	1	1	1
Gymnasiums	2	2	2	2	2	2	2
Fitness Centers	1	1	1	1	1	1	1
Tennis Court	1	1	1	1	1	1	1
Ranch	1	1	1	1	1	1	1
Ball Field	2	2	2	2	2	2	1
Theater	1	1	1	1	1	1	1
Globe Theater	14	14	14	14	14	14	14
Plant facilities	4	4	4	4	4	4	4
Square footage (in thousands)	46	46	46	46	46	46	46
Transportation							
Cars	19	16	16	16	15	15	15
Light Trucks/Vans	30	29	29	26	26	25	25
Buses	2	2	2	-	-	-	-