



**ODESSA
COLLEGE**

**Financial Statements and
Independent Auditors' Report**



DELIVERING more TO OUR COMMUNITY

**Odessa Junior College District
August 31, 2014 and 2013**

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ODESSA JUNIOR COLLEGE DISTRICT

ORGANIZATIONAL DATA

For the Year Ended August 31, 2014

BOARD OF TRUSTEES



OFFICERS

Dr. Tara Deaver	President
Mr. Royce Bodiford	Vice President
Mr. Neil Grape	Secretary
Mr. Bruce Shearer	Assistant Secretary

MEMBERS

TERM EXPIRES MAY,

Mr. Richard C. Abalos	Odessa, Texas	2017
Mr. Royce Bodiford	Odessa, Texas	2019
Mr. Tommy Clark	Odessa, Texas	2019
Dr. Tara Deaver	Odessa, Texas	2017
Mr. Neil Grape	Odessa, Texas	2019
Mr. Gary S. Johnson	Odessa, Texas	2015
Mr. JE "Coach" Pressly	Odessa, Texas	2015
Mr. Bruce Shearer	Odessa, Texas	2017
Ms. Ray Ann Zant	Odessa, Texas	2015



PRINCIPAL ADMINISTRATIVE & FINANCIAL OFFICERS

Dr. Gregory D. Williams	President
Ms. Virginia E. Chisum, CPA	Vice President for Business Affairs
Ms. Valerie Jones	Vice President for Instruction
Dr. Tanya Wood	Vice President for Advancement & Chief of Staff
Dr. Don Wood	Vice President for Institutional Effectiveness
Ms. Kim McKay	Vice President for Student Services & Enrollment Management
Mr. Shawn Shreves	Vice President for Information Technology
Ms. Brandy Ham	Executive Director of Finance



Independent Auditors' Report

The Board of Trustees
Odessa Junior College District
Odessa, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Odessa Junior College District (the "District") as of and for the years ended August 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of August 31, 2014 and 2013, and the respective changes in financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 - 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The organizational data and statistical supplement on page 1 and pages 62 through 73 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 also not a required part of the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the *Provisions of the State of Texas Single Audit Circular*, and is not a required part of the basic purpose financial statements. In addition, the supplementary data presented in schedules A, B, C and D is presented for additional purposes and is not a required part of the basic financial statements.

The schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report December 4, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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 4, 2014

Management's Discussion and Analysis

INTRODUCTION

The Management's Discussion and Analysis provides an overview of the Odessa Junior College District's ("the District") financial activities for the years ended August 31, 2014 (Fiscal Year 2014), 2013 (Fiscal Year 2013), and 2012 (Fiscal Year 2012). In conformity with Government Accounting Standards Board (GASB) Statement No. 34, the discussion focuses on currently known facts, decisions, and conditions and is intended to assist the reader in the interpretation of the financial statements and notes that follow this analysis.

Some of the financial and enrollment highlights of Fiscal Year 2014 are as follows:

- The District's assets exceeded liabilities by \$46.7 million at the end of fiscal year 2014, compared to \$41.6 million and \$36.9 million at the end of fiscal years 2013 and 2012, respectively. Of these amounts, the unrestricted net position totaled \$19.5 million, \$19.1 million, and \$17.9 million for fiscal years 2014, 2013, and 2012. This unrestricted net position is available to meet any of the District's ongoing obligations.
- The District's net position as a whole was strengthened as total revenues exceeded total expenses by \$5.1 million in fiscal year 2014. Revenues exceeded expenses by \$4.6 million and \$5.2 million in fiscal years 2013 and 2012.
- The District's total debt decreased during fiscal year 2014 by \$2.3 million to \$87.6 million after decreasing during 2013 by \$2.3 million to \$89.9 million. The decreases during both fiscal years were due to scheduled debt service payments on revenue and general obligation bonds. In fiscal year 2012, the debt increased by \$4.5 million to \$92.1 million due to the issuance of a campus housing revenue bond.
- Capital assets (net of depreciation) increased by approximately \$25.4 million in 2014, by \$26.7 million in 2013, and by \$11.3 million in 2012.
- Total duplicated headcount of students enrolled in fundable courses (both credit and non-credit) increased by 5.4% to 20,110 for the 2013-14 academic year from a total of 19,085 during 2012-13 and 21,261 during 2011-12. Total semester credit hours also increased by 2.3% to 99,861 for 2013-14, compared to 97,604 during 2012-13 and 98,533 during 2011-12.
- Total contact hours from both credit and noncredit instruction increased by 1.7% to 2,303,999 in 2013-14 from 2,267,590 in 2012-13 and 2,384,618 in 2011-12. The increases came from higher enrollments in career and technical instruction, both credit and non-credit. There was a slight decrease in general academic course enrollments.

BASIC FINANCIAL STATEMENTS

There are three basic financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. These statements should be read in conjunction with the notes to the basic financial statements.

Management's Discussion and Analysis
For the Period Ending August 31, 2014 (Unaudited)

Financial statements for the District's component unit, the Odessa College Foundation, are issued independently of the District. The Foundation's Statement of Financial Position and Statement of Activities for its most recently completed fiscal years of 2013 and 2012 are presented as discrete reports on pages 25 and 28 of the District's basic financial statements. Complete financial statements for the Foundation can be obtained from the Foundation at 201 West University Blvd, Odessa, TX 79764.

- **The Statement of Net Position**

The Statement of Net Position (Exhibit 1) reports the assets, liabilities, and resulting net position 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 Position includes assets and liabilities, both current and non-current, and net position.

- 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, restricted cash, long-term investments, and other assets not classified as current.
- Non-current liabilities include bonds payable and other long-term commitments.

Net position is the difference between total assets and total liabilities. Net position is one way to measure the financial health of the District as they represent the amount of resources available to finance future activities. Over time, the increases and decreases in net position 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.

- Invested in Capital Assets, Net of Related Debt, reflects the District's equity in property, plant and equipment.
- Restricted Net Position has external limitations on the way in which it may be used.
- Unrestricted Net Position is available to use for any lawful purpose of the District.

- **The Statement of Revenues, Expenses, and Changes in Net Position**

The Statement of Revenues, Expenses, and Changes in Net Position (Exhibit 2) explains "why" the net position has increased or decreased during the year. It 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, (b) Non-Operating Revenues and Expenses, and (c) Other Revenue.

Management's Discussion and Analysis
For the Period Ending August 31, 2014 (Unaudited)

Generally, operating revenues are received in exchange for providing goods and services to the various customers of the District. Operating revenues include:

- Tuition and fees
- Federal and state grants
- Sales and services of educational activities
- Auxiliary and other operating revenues

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. Depreciation is included as an operating expense.

Non-operating revenues are funds received for which goods and services are not directly provided to those providing the revenue. Non-operating revenues include:

- State legislative appropriations
- Local property taxes
- Federal student aid grants
- Non-capital gifts and investment income

Other revenue includes capital contributions, additions to endowments, and special and extraordinary items.

The District, 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), all Texas community colleges will display an operating deficit before taking into account other support. Essentially, this operating deficit represents the net cost 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.

- **The Statement of Cash Flows**

The final statement presented is the Statement of Cash Flows which analyzes the cash activities of the District for the year. This statement helps readers assess the District's ability to generate future cash flows and its ability to meet obligations as they come due. The statement is divided into five parts:

- Cash provided by or used for operating activities
- Cash flows from non-capital financing activities
- Cash flows from investing activities
- Cash provided by or used for capital related financing activities, and
- Cash used for acquisition and construction of capital items.

Management's Discussion and Analysis
For the Period Ending August 31, 2014 (Unaudited)

CONDENSED COMPARATIVE FINANCIAL INFORMATION

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

	Year Ended August 31,			Increase (Decrease)	
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2013 to</u> <u>2014</u>	<u>2012 to</u> <u>2013</u>
Current assets	\$ 31,945	\$ 38,058	\$ 40,812	\$ (6,113)	\$ (2,754)
Capital assets, net of depreciation	91,865	66,498	39,793	25,367	26,705
Other non-current assets	22,081	37,857	60,119	(15,791)	(22,274)
Total assets	145,891	142,413	140,724	3,463	1,677
Current liabilities	13,371	11,420	11,955	1,951	(535)
Non-current liabilities	85,877	89,418	91,838	(3,542)	(2,420)
Total liabilities	99,248	100,838	103,793	(1,591)	(2,955)
Net Position:					
Invested in capital assets, net of related debt	15,208	13,987	12,022	1,221	1,965
Restricted: nonexpendable	845	838	829	6	9
Restricted: expendable	11,043	7,683	6,156	3,347	1,515
Unrestricted	19,547	19,067	17,924	480	1,143
Total net position	\$ 46,643	\$ 41,575	\$ 36,931	\$ 5,054	\$ 4,632
Current Ratio	2.39	3.33	3.41		

Figure 1 Note: FY2013 and FY2012 have been restated to account for GASB Statement 65 changes and a prior period adjustment.

As shown in Figure 1 above, total assets increased by \$3.5 million in fiscal year 2014 and by \$1.7 million in fiscal year 2013. During the same periods, total liabilities decreased by \$1.6 million in 2014 and by \$2.9 million in 2013. As a result, the total net position increased by \$5.1 million in 2014 and by \$4.6 million in 2013.

The current ratio, sometimes called the liquidity ratio, measures the District's ability to pay short-term obligations. It is calculated by dividing the current assets by the current liabilities. The current ratio has decreased to 2.39 at the end of fiscal year 2014, compared to 3.33 and 3.41 for fiscal years 2013 and 2012, respectively. The 2014 decrease is the result of less cash being classified as current assets (currently needed for Vision 2015 construction projects) as well as an increase in the current portion of bonds payable within the next 12 months.

Current assets consist mainly of cash, short-term investments, receivables, and prepayments. In addition, all of the bond proceeds projected to be expended within the next fiscal year are classified as current assets.

Management's Discussion and Analysis
For the Period Ending August 31, 2014 (Unaudited)

During fiscal year 2014:

- There was a decrease of \$6,113,000 in current assets due to a decrease in short term investments, cash and cash equivalents that must be available for operations and construction during the next 12 months.

During fiscal year 2013:

- There was a decrease of \$2.8 million in current assets as cash and short-term investments increased by \$2 million and the previous year's large Pell receivable declined by \$2.2 million.

During fiscal year 2012:

- Current assets increased by 7.7% from \$29.9 million to \$40.8 million primarily due to an increase of \$2.1 million in federal Pell grant receivable. This was due to a timing difference in the draw-down of fall awards as the fall 2011 draw-down occurred in late August (before year-end) in fiscal 2011 while the fall 2012 draw-down did not occur until early September.

Capital assets, net of depreciation, increased by 38%, or \$25.4 million, during 2014 while increasing \$26.7 million during 2013. In accordance with GASB Statements No. 34 and 35, the District does not record the cost of its capital assets as an expense at the time of acquisition/completion of the asset, but rather shows the expense systematically over the expected life of the asset as depreciation expense. The purchases of land, building improvements, and equipment continue to exceed annual depreciation charges each year.

During fiscal 2014:

- Construction in Progress decreased by approximately \$15 million as construction completed on six Vision 2015 projects. Those projects were reclassified into the Buildings category of assets, as listed below. The remaining Construction in Progress consists of the Williams Continuing Education Center, Wilkerson Hall, Spur Building - Phase 2, and the Commons Landscape improvements.
- Buildings increased by \$40.1 million as construction was completed on the Wood Math & Science Building, the Saulsbury Campus Center, the Fire Technology Training Center, the Sedate Hall Welding Labs, and the Spur Building – Phase 1.
- Other land improvements increase by \$855 thousand as construction was completed on the IT Infrastructure improvements.
- Major equipment purchases included \$50,000 for a 6' fire truck, \$135,000 for Steinway pianos, \$104,000 for transportation equipment (a ranch truck, a maintenance man lift, and a driver's education car.).
- Grant-funded instructional equipment purchases included \$21,000 from Carl Perkins Grant, \$149,000 from the Texas Nursing Shortage Reduction Grant, and \$240,000 from the Texas Workforce Skills Development Oil and Gas Grant.

Management's Discussion and Analysis
For the Period Ending August 31, 2014 (Unaudited)

During fiscal 2013:

- The old bread store and adjoining land north of the campus was purchased for \$175,000 for future expansion, and a lot south of 23rd Street was purchased for \$25,000 for future parking.
- Construction in Progress increased by approximately \$21 million as construction progressed on six Vision 2015 projects, including the Wood Math & Science Building, the Campus Center, the Fire Technology Training Center, the Sedate Hall Welding Labs, the Central Services Building, and the Commons Landscape and Infrastructure improvements.
- Buildings increased by \$6.2 million as construction was completed on the Culinary Arts Center and the Softball/Tennis Complex.
- Major equipment purchases included \$343,000 for Culinary Arts kitchen equipment, \$50,000 for Steinway pianos, \$157,000 for computer and network equipment.
- Grant-funded instructional equipment purchases included \$67,000 from Carl Perkins Grant, \$125,000 from the Title V Rural Areas Distance Learning Grant, and \$25,000 from the Texas Nursing Shortage Reduction Grant.

During fiscal 2012:

- Land adjacent to the campus south of 23rd Street was purchased for \$130,000.
- Construction in Progress increased by approximately \$5 million as demolition, construction and design continued on several Vision 2015 capital improvement projects, including the Culinary Arts Center, the Math and Science Building, the Softball/Tennis Complex, and the Campus Center.
- Buildings increased by \$6.7 million due to the purchase of a \$6.3 million student housing facility and the purchase of a storage building complex south of campus.
- Major equipment purchases funded by grants included \$271,000 from the Title V Rural Areas Distance Learning Grant and \$51,000 from Carl Perkins funds.
- Other equipment purchases included \$227,000 for buses and other vehicles, \$196,000 for a new scoreboard, and \$72,000 for Steinway pianos.
- These additions to capital were offset by an increase in accumulated depreciation of \$1.4 million.

Total liabilities decreased by \$1.6 million in fiscal year 2014 and by \$2.9 million in fiscal 2013. The major changes were in non-current liabilities which decreased by \$3.5 million in 2014 and by \$2.4 million in 2013. The major contributing factors are explained below.

During fiscal 2014:

- Accounts payable related to construction and vendor purchases increased by \$475,000, reflective of higher construction activity at year-end.
- The current portion of bonds payable increased by \$1,120,000 due to scheduled increases in principle payments due within the next 12 months related to outstanding bonds.
- Non-current liabilities decreased by \$3.5 million due to principle payments on lease and bond obligations. There were no additions to long-term debt in 2014.

Management's Discussion and Analysis
For the Period Ending August 31, 2014 (Unaudited)

During fiscal 2013:

- Accounts payable related to construction and vendor purchases declined by \$441,000.
- The current portion of bonds payable increased by \$125,000 due to scheduled increases in principle payments due within the next 12 months related to outstanding bonds.
- Non-current liabilities decreased by \$2.4 million due to principle payments on lease and bond obligations. There were no additions to long-term debt in 2013.

During fiscal 2012:

- Accounts payable increased by a net of \$335,000. Year-end payables related to construction and equipment purchases increased by \$682,000 while payables to students and other vendors decreased by \$348,000. In addition, a contingent liability of \$469,000 was recorded, representing the state's share of TRS retirement benefits that remained unpaid by the state at year-end.
- The current portion of bonds payable increased by \$310,000 due to scheduled debt service payments due within the next 12 months related to the 2009 revenue bonds, the 2011 general obligation bonds, and the newly issued 2012 revenue bonds.
- Non-current liabilities increased by \$4.5 million due to the issuance of \$6.3 million in revenue bonds for the acquisition of student housing facility, offset by a principal payment of \$1.8 million on the 2009 revenue bond.

Overall, the District's net position increased by \$5.1 million during fiscal 2014, by \$4.6 million during 2013, and by \$5.2 million during 2012. The net position represent the District's equity, some of which is restricted for certain uses and some of which in unrestricted.

During fiscal 2014:

- The Net Investment in Capital Assets, representing the net value of the District's capital assets (land, buildings, and equipment) less the related debt, increased by almost \$1.2 million.
- The Restricted Net Position increased approximately \$3.35 million. The major increases were related to a \$3 million donation restricted for the construction of the Saulsbury Campus Center and investment income related to the unexpended bond funds. This net position will decrease over time as these funds are spent on construction and debt service.
- The Unrestricted Net Position increased by approximately \$480 thousand. The increase reflects an excess of unrestricted revenues over unrestricted expenses of \$800,000 in the maintenance and operating fund, offset by a net decrease of approximately \$328,000 in the plant renewal and replacement funds.

Management's Discussion and Analysis
For the Period Ending August 31, 2014 (Unaudited)

During fiscal 2013:

- The Net Investment in Capital Assets increased by almost \$2 million due to Vision 2015 construction projects.
- The Restricted Net Position increased approximately \$1.5 million. The major increases were related to a \$1 million donation restricted for the construction of the Wood Math & Science Building and investment income related to the unexpended bond funds. Assets restricted for debt service payments also increased by \$142,000 during the year. This net position will decrease over time as these funds are spent on construction and debt service.
- The Unrestricted Net Position increased by approximately \$1.1 million due to an excess of unrestricted revenues over unrestricted expenses.

During fiscal 2012:

- The Net Investment in Capital Assets, representing the net value of the District's capital assets (land, buildings, and equipment) less the related debt, increased \$2.3 million. Capitalized assets increased by \$11.3 million while the related long-term debt increased by \$9 million.
- Restricted Net Position increased approximately \$2.6 million. The major increases were related to a \$3 million donation restricted for the construction of the Wood Math & Science Building and investment income related to the unexpended bond funds. During the same time, assets restricted for debt service decreased by \$0.7 million.
- Unrestricted Net Position increased by approximately \$243,000 due to an excess of unrestricted revenues over unrestricted expenses.

Management's Discussion and Analysis
For the Period Ending August 31, 2014 (Unaudited)

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

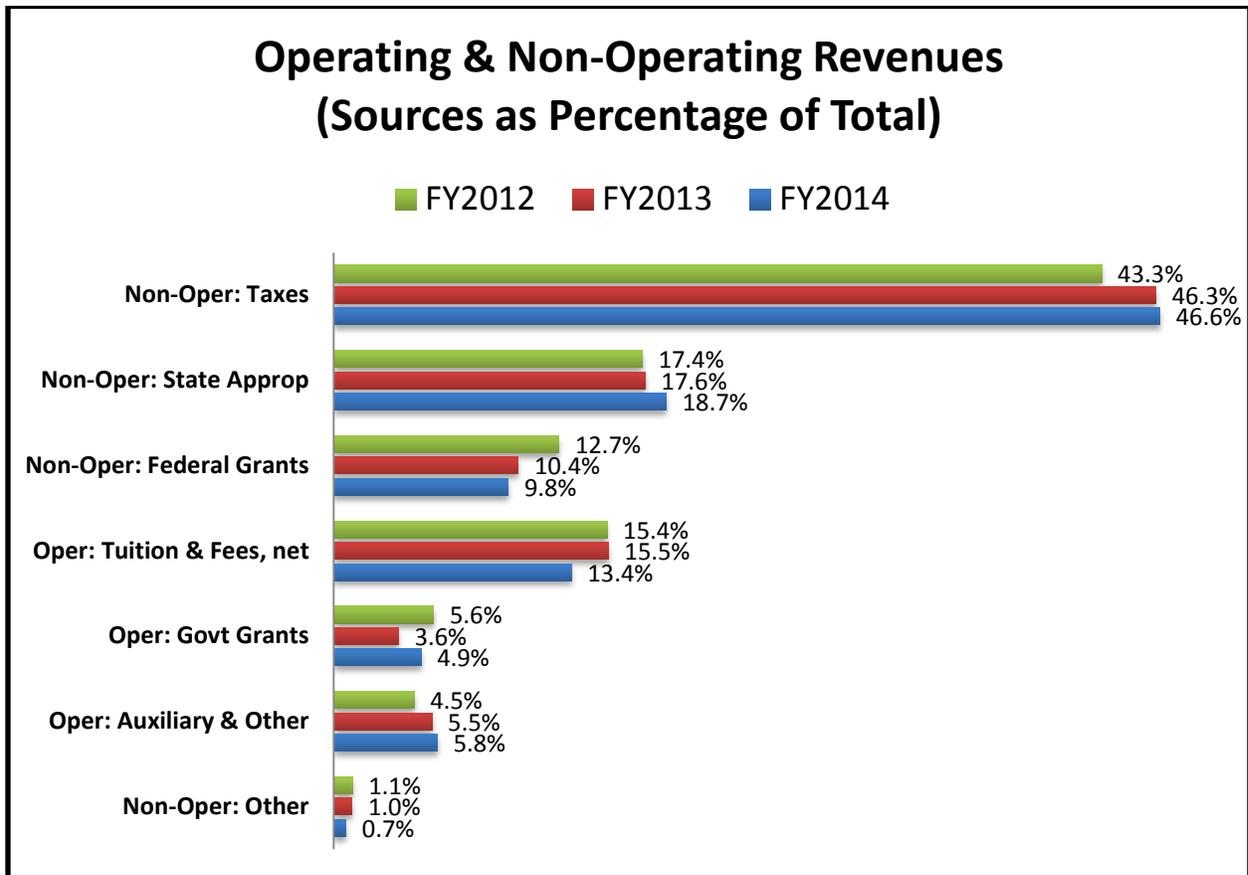
	Year Ended August 31,			Increase (Decrease)	
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2013 to 2014</u>	<u>2012 to 2013</u>
Operating revenues					
Tuition and fees (net of discounts)	\$ 6,947	\$ 7,579	\$ 7,463	\$ (632)	\$ 116
Grants and contracts	2,550	1,787	2,730	763	(943)
Other	3,026	2,710	2,194	316	516
Total operating revenue	<u>12,523</u>	<u>12,076</u>	<u>12,387</u>	<u>447</u>	<u>(311)</u>
Operating expenses					
Instruction	17,536	14,747	15,272	2,789	(525)
Public Service	1,179	908	1,210	271	(302)
Academic Support	4,208	4,049	4,138	159	(89)
Student Services	3,677	2,813	2,914	864	(101)
Institutional Support	6,400	6,464	5,797	(64)	667
Operations & Maint of Plant	3,679	3,388	3,351	291	37
Scholarship & Fellowships	4,547	4,713	5,237	(166)	(524)
Auxiliary enterprises	2,164	1,872	1,675	292	197
Depreciation	1,836	1,575	1,449	261	126
Total operating expenses	<u>45,226</u>	<u>40,529</u>	<u>41,043</u>	<u>4,697</u>	<u>(514)</u>
Operating loss	(32,703)	(28,453)	(28,656)	(4,250)	203
Non-operating revenue/(expense)					
State appropriation	9,721	8,597	8,427	1,124	170
Ad valorem taxes	24,150	22,695	20,976	1,455	1,719
Federal Revenue, non operating	5,102	5,093	6,153	9	(1,060)
Interest on debt	(4,909)	(4,884)	(5,206)	(25)	322
Other	358	507	511	(149)	(4)
Total non-operating income	<u>34,422</u>	<u>32,008</u>	<u>30,861</u>	<u>2,414</u>	<u>1,147</u>
Other revenue					
Capital grants and gifts	3,349	1,089	3,023	2,260	(1,934)
Increase in net position	<u>5,068</u>	<u>4,644</u>	<u>5,228</u>	<u>424</u>	<u>(584)</u>
Net assets, beginning of year	<u>41,575</u>	<u>36,931</u>	<u>31,703</u>	<u>4,644</u>	<u>5,228</u>
Net assets, end of year	<u>\$ 46,643</u>	<u>\$ 41,575</u>	<u>\$ 36,931</u>	<u>\$ 5,068</u>	<u>\$ 4,644</u>

Figure 2 Note: FY2013 and FY2012 have been restated to account for GASB Statement 65 changes and a prior period adjustment.

Revenues

Graph 1 below illustrates the sources of operating and non-operating revenues for fiscal years 2014, 2013, and 2012. As evidenced by the graph, the majority of revenue is derived from non-operating sources.

The current trend of the Non-Operating Revenues is an increasing percentage of revenue being provided by ad valorem taxes and state appropriations and a decreasing percentage by federal grants. The percent of total revenue provided by taxes and state appropriations has increased for each of fiscal years 2014, 2013, and 2012, while the percentage from federal grants has decreased over the same time period. The recent trend of Operating Revenues shows a decreasing percentage from tuition and fees and governmental grants, while auxiliary and other revenue has increased slightly.



Graph 1

Operating Revenues:

Key factors impacting Operating Revenues are explained below:

During fiscal 2014:

- Tuition and Fee Revenue, net of discounts, decreased by \$632,000, or about 8%. Gross tuition and fees actually increased by \$240,000 due to an increase in semester credit hours. At the same time, scholarship allowances and discounts increased by \$872,000 due to local remissions and exemptions, the academic progress discount, and the first full year of the first class free discount.
- State Operating Grants increased by \$899,000 due to a Texas Workforce Commission skills development grant partnering with Chevron USA Inc.

During fiscal 2013:

- Tuition and Fee Revenue, net of discounts, increased only slightly by \$116,000. Gross tuition and fees actually decreased by \$170,000 due to a dip in semester credit hours. At the same time, scholarship allowances and discounts declined by \$286,000 due to continued decline in federal student aid grants applied to tuition.
- Federal Operating Grants decreased by \$835,000 or 38%. Funding of the Title V distance learning grant decreased by \$400,000 for 2013 due to decreased activity. In addition, the conclusion of two U.S. Department of Education grants (for Upward Bound and pre-engineering) and a U.S. Department of Labor grant (ARRA-Pathways out of Poverty) resulted in an additional decrease of \$371,000.
- State Operating Grants also decreased by \$108,000 due to a reduction in State Adult Basic Education grants, AVID training grants, and the end of a Texas Workforce Commission machine training grant.

During fiscal 2012:

- Tuition and Fee Revenue, net of discounts, increased by \$3.2 million. Gross tuition and fees increased by \$1.5 million due to an increase in student enrollment and higher tuition and fee rates. In addition, scholarship allowances and discounts declined by \$1.7 million due to a decline in federal student aid grants applied to tuition.
- Federal Operating Grants decreased by \$298,000 or 11.8%, due to the end of the two U.S. Department of Labor job training grants, the CCRA pre-engineering grant, and reduced funding from the Carl Perkins basic grant.
- Sales and Services of Educational Activities increased by \$78,000, or 18.6%, due to a full year of increased rates and higher enrollments at the Children's Center.

Non-Operating Revenues:

Non-Operating Revenues increased by \$2.4 million in 2014 after decreasing by \$1.1 million in 2013 and increasing \$2.9 million during 2012. Key factors impacting Non-Operating Revenues are discussed below:

During fiscal 2014:

- Total State Appropriations increased by \$1,124,000, or 12%, due to a reallocation of state funding based on prior year enrollments as well as a slight increase in state funding of group health insurance premiums.
- Property Tax revenue increased by \$1,455,000, or 6%, due to higher property values. Total assessed valuations increased by 12.8% while the tax rate declined by 7.5%.

During fiscal 2013:

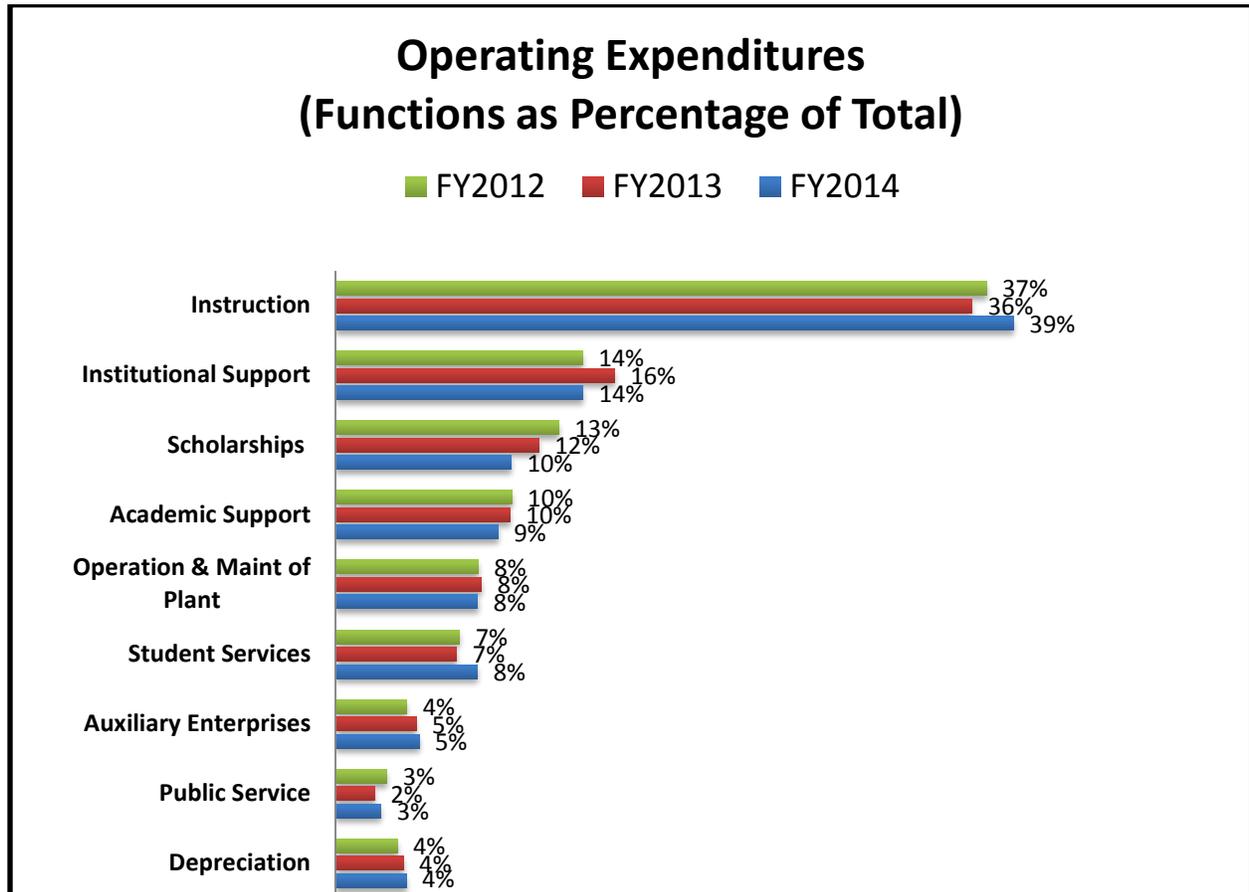
- Total State Appropriations increased by \$170,000, or 2%, due to a reallocation of state funding based on prior year enrollments as well as a slight increase in state funding of group health insurance premiums.
- Property Tax revenue increased by \$1,314,000, or 7.7%, due to higher property values. Total assessed valuations increased by 12.8% while the tax rate declined by 4.1%. The major increases in values came from personal property (up 25%) and minerals (up 11%).
- Federal Grants for Title IV student aid decreased by \$1,060,000, or 17%, as the number of Pell grant awards decreased from 1,966 in fiscal 2012 to 1,686 in fiscal 2013.

During fiscal 2012:

- State Appropriation declined by \$2,376,000 or 22%, including decreases of \$1,018,000 in general revenue allocation and \$1,385,000 in health insurance and retirement benefits. The District's allocation from the state nursing shortage reduction grant increased by \$67,000.
- Property Tax revenue increased by \$4,949,000, or 30.9%, due to higher property values and a new tax levy for debt service. The new debt service tax rate was set at \$0.03686 while the rate for maintenance and operations remained unchanged at \$0.1584. Taxable appraised values increased for minerals (up 6.4%), industrial property (up 12.5%), and personal property (up 12.8%).
- Federal Grants for Title IV student aid decreased by \$1,400,000, or 18.3%, as the number of Pell grant awards decreased from 2,266 in fiscal 2011 to 1,966 in fiscal 2012.

Operating Expenses by Functional Classification

Functional classifications are the traditional categories that have been used to show expenses. They represent the type of programs and services provided. Graph 2 below compares operating expenses classified by functional category for fiscal years 2014, 2013 and 2012.



Graph 2

Management's Discussion and Analysis
For the Period Ending August 31, 2014 (Unaudited)

As shown in Figure 2, total Operating Expenses increased by \$4.7 million or 10.4% in 2014, after a slight decrease of \$514,000 or 1.2%, during 2013, and a significant decrease of \$1,395,000, or 3.3% during 2012. Key factors impacting operating expenses by functional expense categories are described below:

During fiscal 2014:

- Instructional expenditures increased by \$2,789,000, or 18.9%, due to an increase in salary of \$325,000 due to filling open instruction positions during the year, as well as an increase in other expenses of \$2,160,000 with resulted from non-capitalized equipment purchases related to the completion of Vision 2015 construction projects.
- Public Service expenditures increased by \$271,000, or 29.8%, primarily due to increases in adult basic education and sports center salaries, increases in retirement benefits no longer paid by the state, increases in information technology support, and equipment purchases for the Sports Center.
- Student services expenditures increased by \$864,000, or 30.7%. The increases were primarily the result of filling several key professional positions, purchasing new social networking software, additional information technology support, and higher retirement costs no longer paid by the state.
- Scholarship expenditures decreased by \$166,000, or 3.5%, due to a continued decrease in the number of students receiving Pell grants.
- Depreciation expenditures increased by \$261,000, or 16.6%, due to the increase in capitalized assets related to the Vision 2015 campus improvement projects.

During fiscal 2013:

- Instructional expenditures declined by \$525,000, or 3.4%, due to a decline in salaries of \$244,000 that resulted from several faculty openings during the year, as well as a decline in contracted instruction of \$308,000 from a decrease in the enrollment of continuing education students.
- Public Service restricted expenditures declined by \$345,000, or 91.7%, primarily due to the Upward Bound federal grant not being awarded during the year resulting in a decrease of \$294,000. In addition, fewer renovations were made to the Sports Center facilities as compared to fiscal 2012.
- Academic Support restricted expenditures declined by \$340,000, or 31.6%, due primarily to a decline in Title V spending and a decrease in AVID professional development expenses.
- Institutional Support increased by \$768,000, or 13.2%, due to new positions in Institutional Effectiveness and Information Technology on campus as well as the board approved salary increases.
- Scholarship expenditures decreased by \$524,000, or 10%, due to a continued decline in the number of students receiving Pell grants. At the same time, the amount of TPEG and TEXAS grants increased by about \$112,000.
- Depreciation expenditures increased by \$126,000, or 8.7%, due to the increase in capitalized assets.

Management's Discussion and Analysis
For the Period Ending August 31, 2014 (Unaudited)

During fiscal 2012:

- Public Service expenditures declined by \$122,000, or 9.2% due to the sale of KOCV-FM, the District's public radio station.
- Academic Support expenditures increased by \$333,000, or 8.8%, due to increases salaries and operating expenditures related to the Title V Rural Areas Distance Learning Grant and the AVID training grant.
- Institutional Support decreased by \$517,000, or 8.2%, due to a decreases in election costs, marketing expenses, and state-paid benefits.
- Physical Plant expenditures decreased by \$354,000, or 9.6% due to several open positions and a decrease in property insurance expense. In addition, there were no major construction projects and fewer renovation projects in 2012.
- Scholarship expenditures decreased by \$899,000, or 14.7%, from the 2011 amount. Two major changes in financial aid affected the award to students starting in FY2011: (1) stricter requirements on the appeal process for satisfactory progress and (2) elimination of additional Pell funds for the summer terms.
- Depreciation expenditures increased by \$74,000, or 5.4%, due to the increase in capitalized assets.

Other Revenues consist mainly of capital contributions in the form of gifts and grants as well as additions to permanent endowments. Capital contributions for fiscal 2014 were \$3.3 million compared to \$1.1 million in 2013 and \$3 million in 2012. A \$3 million gift was received from the Saulsbury Family Foundation to aid in the construction of the new campus center. A \$1 million anonymous gift was received in honor of Dr. Greg Williams to aid in the construction of the new continuing education building. In 2012, a \$3 million donation was received from the Clay & Louise Wood Family Foundation for the new math and science building.

Management's Discussion and Analysis
For the Period Ending August 31, 2014 (Unaudited)

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets, net of depreciation, was \$91.9 million at the end of fiscal 2014, compared to \$66.5 million in 2013, and \$39.8 million in 2012. A summary of capitalized assets for fiscal years 2014, 2013, and 2012 is shown below in Figure 3. This information is also presented in Note 5 of the Financial Statements. Details of capital asset activity can be found on pages 5-6 of this Management's Discussion and Analysis report.

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

	Year Ended August 31,			Increase (Decrease)	(Decrease)
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2013 to</u>	<u>2012 to</u>
				<u>2014</u>	<u>2013</u>
Land	\$ 4,196	\$ 4,196	\$ 3,996	\$ 0	\$ 200
Buildings and improvements	82,485	42,349	36,156	40,136	6,193
Other land improvements	7,665	6,810	6,654	855	156
Construction in progress	11,555	26,310	5,438	(14,755)	20,872
Furniture and equipment	10,872	10,032	9,173	840	859
Library materials	2,377	2,392	2,394	(15)	(2)
Subtotal	119,150	92,089	63,811	27,061	28,278
Less: Accumulated depreciation	(27,285)	(25,591)	(24,018)	(1,694)	(1,573)
Net Capital Assets	\$ 91,865	\$ 66,498	\$ 39,793	\$ 25,367	\$ 26,705

Figure 3

The District is in the midst of a \$79 million, multi-year campus improvement project called "Vision 2015". Funding is coming from a \$68.5 million general obligation bond passed in November 2010 as well as private capital donations. Vision 2015 improvements will result in the addition of 7 new buildings and renovations to 6 existing facilities.

Management's Discussion and Analysis
For the Period Ending August 31, 2014 (Unaudited)

Debt Administration

The District had outstanding debt of \$87.6 million as of August 31, 2014, and \$89.9 million and \$92.2 million as of August 31, 2013 and 2012, respectively. No new debt was issued during 2014. Fiscal 2012 saw an increase of \$6.3 million in revenue bond debt related to the purchase of the student housing facility and new capital leases of \$161,000 for buses. Principal payments on long-term debt totaled \$2,325,000 in 2014, \$2,275,000 in 2013, and \$1,985,000 in 2012. Details of the outstanding long-term liabilities by type as of August 31, 2014, 2013, and 2012 can be seen below in Figure 4.

**Outstanding Debt
(thousands of dollars)**

	Year Ended August 31,		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Obligation Bonds	\$ 68,340	\$ 68,470	\$ 68,500
Revenue Bonds	19,185	21,340	23,470
Capital Lease Notes	40	80	195
Total Outstanding Debt	\$ 87,565	\$ 89,890	\$ 92,165

Figure 4

On April 30, 2014, Standard & Poor's Ratings Services revised its outlook to positive from stable on the District's series 2009 and 2012 revenue bonds. At the same time, S&P affirmed its "A" underlying rating on the bonds. According to S&P,

"The positive outlook reflects our view of the district's consistent operating performance in the past three years aided by strong increases in its property tax base and above-average financial resource ratios for the 'A' rating category. We believe that the potential cyclical nature of the enrollment base remains a credit risk given a predominantly enrollment-based state funding formula (almost 90% of the district's current state funding is based on contact-hours, an enrollment-based measure). We expect the district to manage its operations and budget to accommodate potential enrollment fluctuations."

On March 1, 2013, Moody's Investors Service affirmed the "A1" underlying rating on the District's series 2009 revenue bonds. The rationale for the affirmation included the following statements of strengths:

"Booming local economy and increased property values... Consistently healthy operating performance with a three-year operating margin of 7.6% in FYs 2010-2012 and operating cash flow of 22.3% in FY2012. Active budget management and growth in tax support have enabled the college to offset decreases in enrollment and have successfully offset recent cuts in state support for operations and maintenance over the last two years."

Both the 2009 and 2012 revenue bonds are covered by municipal bond insurance policies issued by Assured Guarantee Municipal Corp. (AGM).

Management's Discussion and Analysis
For the Period Ending August 31, 2014 (Unaudited)

The 2011 General Obligation bonds were assigned ratings of "AA-" from both Fitch Ratings ("Fitch") and Standard & Poor's Ratings Services ("S&P").

Economic Factors That Will Affect the Future

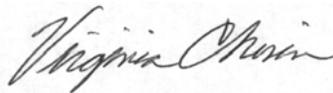
The economic position of the District is influenced in part by the economic position of the nation, the state of Texas, and of Ector County. While the state of Texas is currently recovering from the recent national recession, the local economy has remained strong. Ector County continues to enjoy an extremely low unemployment rate, and oil-related business activity and retail indicators are continuing to rise. The District has benefitted from increases in taxable values, and this positive trend is expected to continue, although at a more moderate rate. Tuition revenues are stable as a result of healthy enrollment and tuition rate increases.

The District has compensated for reduced state support through conservative budgeting combined with increases in enrollment, tuition, and local property tax revenue. After making severe cuts to state funding in 2011, the Texas 83rd Legislative Session resulted in an 8.1% increase in state funds for community colleges for fiscal years 2014 and 2015. The legislature also enacted a student success funding model and codified a 50/50 cost sharing of benefits between the state and the local districts. In addition, the District continues to receive the support of the Odessa community, as indicated by the recent successful bond election and increased levels of donations to the District and the OC Foundation.

While it is not possible to predict the effects of future economic conditions, management believes the District has a solid and stable financial position and is well equipped to handle the increasing demands for a better educated workforce. The District continually monitors its internal and external environments for factors that may affect its financial position in either the short-term or long-term. Administration 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.

Requests for Information

This annual financial report is designed to provide interested stakeholders with a general overview of the District's finances and to show the District's accountability for the money it receives. Questions concerning the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer at Odessa College, 201 West University Blvd, Odessa, TX 79764.



Virginia Chisum, CPA, M. Ed.
Vice President for Business Affairs

FINANCIAL STATEMENTS

Odessa Junior College District
STATEMENTS OF NET POSITION

Exhibit 1

August 31,

	2014	2013 (as restated)
ASSETS:		
Current Assets		
Cash and cash equivalents (Notes 2 and 4)	\$ 22,520,254	21,928,322
Short-term investments (Notes 2 and 4)	2,926,377	9,725,411
Accounts receivable, net (Note 14)	2,949,892	3,145,541
Inventories (Note 2)	2,298	8,527
Notes receivable – current, net	1,544,794	1,346,884
Prepaid items	1,482,586	1,423,420
Escrow deposits	519,291	479,663
	31,945,492	38,057,768
Noncurrent Assets:		
Restricted cash and cash equivalents (Notes 2 and 4)	1,048,362	1,199,454
Endowment investments (Notes 2, 3 and 4)	844,523	838,423
Other long-term investments (Notes 2, 3 and 4)	16,566,400	34,723,187
Notes receivable – noncurrent, net	3,472,429	926,458
Unamortized bond insurance costs	148,184	169,978
Capital assets, net of accumulated depreciation (Notes 2 and 5)	91,864,945	66,497,639
	113,944,843	104,355,139
Total Noncurrent Assets	113,944,843	104,355,139
Total Assets	\$ 145,890,335	142,412,907
LIABILITIES:		
Current Liabilities:		
Accounts payable (Note 14)	\$ 3,214,741	2,741,061
Accrued liabilities	364,001	264,251
Accrued compensable absences (Notes 6 and 12)	479,981	454,970
Funds held for others	576,263	594,304
Deferred revenue – tuition and fees (Note 2)	4,663,145	4,154,540
Deferred revenue – other (Note 2)	628,072	885,772
Capital lease payable – current portion (Notes 6 and 7)	40,231	40,231
Bonds payable – current portion (Notes 6, 7 and 8)	3,405,000	2,285,000
	13,371,434	11,420,129
Total Current Liabilities	13,371,434	11,420,129
Noncurrent Liabilities:		
Capital lease payable – noncurrent (Notes 6 and 7)	-	40,231
Bonds payable – noncurrent (Notes 6, 7 and 8)	84,120,000	87,525,000
Unamortized bond premium	1,756,516	1,852,279
Other noncurrent liabilities (Note 6)	-	-
	85,876,516	89,417,510
Total Noncurrent Liabilities	85,876,516	89,417,510
Total Liabilities	99,247,950	100,837,639

Odessa Junior College District
STATEMENTS OF NET POSITION (CONTINUED)

Exhibit 1

August 31,

	2014	2013 (as restated)
NET POSITION:		
Invested in capital assets, net of related debt	\$ 15,207,709	13,986,558
Restricted for:		
Nonexpendable:		
Student aid	844,523	838,423
Expendable:		
Student aid	427,967	506,641
Instructional programs	625,749	200,091
Loans	9,451	9,451
Unexpended capital projects	7,696,403	4,740,302
Debt service	2,283,743	2,227,026
Unrestricted	19,546,840	19,066,776
Total Net Position (Schedule D)	46,642,385	41,575,268
Total Liabilities and Net Position	145,890,335	142,412,907

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>2013</u>	<u>2012</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 681,042	703,520
Pledges receivable	53,277	64,453
Due from Odessa College	<u>87,909</u>	<u>3,790</u>
Total current assets	822,228	771,763
MARKETABLE SECURITIES AT FAIR VALUE	6,826,958	5,819,507
PLEDGES RECEIVABLE - NONCURRENT	<u>130,000</u>	<u>177,000</u>
Total Assets	<u>\$ 7,779,186</u>	<u>6,768,270</u>

LIABILITIES AND NET ASSETS

	<u>2013</u>	<u>2012</u>
LIABILITIES		
Accounts payable	\$ 20,214	100,560
Deferred revenue	<u>2,758</u>	<u>2,758</u>
Total current liabilities	<u>22,972</u>	<u>103,318</u>
NET ASSETS		
Unrestricted		
Undesignated	971,651	246,416
Designated for Half-Century scholarships	205,155	205,155
Designated for Health Science scholarships	156,040	156,040
Temporarily restricted	2,537,251	2,287,947
Permanently restricted	<u>3,886,117</u>	<u>3,769,394</u>
Total net assets	<u>7,756,214</u>	<u>6,664,952</u>
Total current liabilities and net assets	<u>\$ 7,779,186</u>	<u>6,768,270</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 POSITION

Years ended August 31,

	2014	2013 (as restated)
OPERATING REVENUES:		
Tuition and fees (net of discounts of \$3,983,999 and \$3,112,048, respectively)	\$ 6,947,080	7,578,923
Federal grants and contracts	1,265,632	1,401,953
State grants and contracts	1,284,172	385,248
Non-governmental grants and contracts	309,161	54,942
Sales and services of educational activities	537,902	504,025
Investment income (program restricted)	13,208	15,019
Auxiliary enterprises	1,530,071	1,492,128
Other operating revenue	635,428	643,461
Total operating revenues (Schedule A)	12,522,654	12,075,699
OPERATING EXPENSES:		
Instruction	17,536,176	14,746,702
Public service	1,178,876	908,106
Academic support	4,207,880	4,048,971
Student services	3,676,706	2,813,096
Institutional support	6,400,309	6,464,064
Operation and maintenance of plant	3,678,615	3,388,401
Scholarships and fellowships	4,546,878	4,713,135
Auxiliary enterprises	2,164,270	1,872,106
Depreciation	1,836,022	1,574,999
Total operating expenses (Schedule B)	45,225,732	40,529,580
OPERATING LOSS	(32,703,078)	(28,453,881)
NON-OPERATING REVENUES (EXPENSES):		
State appropriations	9,720,591	8,596,849
Property taxes for maintenance and operations	24,150,400	22,695,211
Federal grants, non-operating	5,101,798	5,093,033
Gifts – noncapital	193,305	236,095
Investment income – not restricted to programs	261,738	324,775
Interest on capital – related debt	(4,908,793)	(4,882,744)
Loss on disposal of capital assets	(83,570)	(79,891)
Other non-operating revenues	8,014	47,552
Other non-operating expenses	(21,795)	(21,795)
Net non-operating revenues (Schedule C)	34,421,688	32,009,085
Income before other revenues	1,718,610	3,555,204

Odessa Junior College District

Exhibit 2

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(CONTINUED)**

Years ended August 31,

	<u>2014</u>	<u>2013</u> (as restated)
OPERATING REVENUES (EXPENSES):		
State capital grants	\$ 240,427	-
Private capital gifts and grants	3,094,648	1,076,780
Additions to permanent endowment	<u>13,432</u>	<u>12,383</u>
Total other revenues	<u>3,348,507</u>	<u>1,089,163</u>
Increase in Net Position	5,067,117	4,644,367
Net position – Beginning of year	41,575,268	38,380,178
Prior period adjustment – expense remaining		
Bond issue costs	-	(1,449,277)
Net position – Beginning of year – as restated	<u>-</u>	<u>36,930,901</u>
Net position – End of year	<u>\$ 46,642,385</u>	<u>41,575,268</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, 2013 and 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2013</u>	<u>Total 2012</u>
Revenues, gains and other support:					
Contributions (including pledges)	\$ 1,500	486,615	60,508	548,623	827,853
Earnings (loss) on investments	(20,060)	162,043	56,215	198,198	142,040
Net realized gains on marketable securities	(54)	-	-	(54)	399,943
Net unrealized gains (losses) on marketable securities	760,872	-	-	760,872	114,944
Net assets released from restrictions through satisfaction of program restrictions	<u>399,354</u>	<u>(399,354)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>1,141,612</u>	<u>249,304</u>	<u>116,723</u>	<u>1,507,639</u>	<u>1,484,780</u>
Expenses:					
Scholarships	334,485	-	-	334,485	180,276
Program and college support	61,206	-	-	61,206	357,312
General and administrative	<u>20,686</u>	<u>-</u>	<u>-</u>	<u>20,686</u>	<u>17,255</u>
Total expenses	<u>416,377</u>	<u>-</u>	<u>-</u>	<u>416,377</u>	<u>554,843</u>
CHANGES IN NET ASSETS	725,235	249,304	116,723	1,091,262	929,937
Net assets at beginning of year	<u>607,611</u>	<u>2,287,947</u>	<u>3,769,394</u>	<u>6,664,952</u>	<u>5,735,015</u>
Net assets at end of year	<u>\$ 1,332,846</u>	<u>2,537,251</u>	<u>3,886,117</u>	<u>7,756,214</u>	<u>6,664,952</u>

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

Odessa Junior College District

Exhibit 3

STATEMENTS OF CASH FLOWS

Years ended August 31,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from students and other customers	\$ 9,697,255	9,409,563
Receipts from grants and contracts	2,671,657	4,383,520
Receipts from loan collections from students and employees	5,606,368	5,431,853
Other receipts	648,636	658,480
Payments to or on behalf of employees	(24,070,071)	(24,065,529)
Payments to suppliers for goods or services	(12,685,509)	(9,079,048)
Payments of scholarships	(4,504,023)	(4,568,209)
Loans issued to student and employees	(5,663,769)	(5,455,491)
Other cash payments	(59,166)	(422,736)
	<u>(28,358,622)</u>	<u>(23,707,597)</u>
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES:		
Receipts from state allocations	7,602,658	6,996,733
Receipts from ad valorem taxes	24,113,339	22,615,104
Receipts from non-operating federal revenue	5,101,798	5,093,033
Receipts from gifts and grants other than for capital purposes	206,737	248,478
Receipts from student organizations and other agencies	144,786	411,057
Payments to student organizations and other agencies	(162,827)	(265,288)
Deposit with escrow agents	(39,628)	10,275
	<u>36,966,863</u>	<u>35,109,392</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from issuance of capital financing	(95,763)	(95,763)
Proceeds from capital grants and gifts	489,552	2,818,824
Proceeds from sale of capital assets	6,517	-
Proceeds from insurance recoveries	8,014	47,552
Purchases of capital assets	(26,682,197)	(28,664,387)
Payments on capital debt and leases	(7,234,025)	(7,157,487)
	<u>(33,507,902)</u>	<u>(33,051,261)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Receipts from sale and maturity of investments	32,042,416	40,541,593
Receipts from investment earnings	490,387	1,312,437
Purchases of investments	(7,192,302)	(17,856,313)
	<u>25,340,501</u>	<u>23,997,717</u>
Increase in cash and cash equivalents	440,840	2,348,251
Cash and cash equivalents – September 1	<u>23,127,776</u>	<u>20,779,525</u>
Cash and cash equivalents – August 31	<u>23,568,616</u>	<u>23,127,776</u>

Odessa Junior College District

Exhibit 3

STATEMENTS OF CASH FLOWS (CONTINUED)

Years ended August 31,

	2014	2013
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating loss	\$ (32,703,078)	(28,453,881)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	1,836,022	1,574,999
Payments made directly to ERS by state for benefits	2,117,933	1,600,116
Changes in assets and liabilities:		
Receivable, net:		
Tuition and fees receivable, net	54,577	154,761
State and federal operating grants receivable	142,757	2,275,612
Private grants receivable	(47,642)	(38,744)
Employee receivable	5,202	14,213
Sales and services receivable, net	85,296	(19,085)
Auxiliary receivable, net	9,001	26,647
Inventories	6,229	(2,862)
Other assets	(59,166)	(422,736)
Accounts payable	(137,538)	7,332
Accrued payroll liabilities	99,750	(436,839)
Deferred revenue:		
Deferred tuition and fees revenue	508,605	(340,021)
Other deferred revenue	(257,700)	316,694
Compensated absences	25,011	26,527
Loans to students and employees	(43,881)	9,670
Total adjustments	4,344,456	4,746,284
Net cash used by operating activities	\$ (28,358,622)	(23,707,597)

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

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS

August 31, 2014 and 2013

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. 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 §56.033). 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, 2014 and 2013

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 the 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, 2014 and 2013

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, Title IV grant revenue, 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. 68

GASB Statement 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, was issued June 2012. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The provisions of Statement 68 are effective for fiscal years beginning after June 15, 2014. Earlier application is encouraged.

GASBS No. 69

GASB Statement 69, *Government Combinations and Disposals of Government Operations*, was issued in January 2013. This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfer of operations. The provisions of Statement 69 are effective for financial statements for reporting beginning after December 15, 2013, and should be applied on a prospective basis. Early application is encouraged.

GASBS No. 70

GASB Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, was issued April 2013. Some governments extend financial guarantees for the obligations of another government, a not-for-profit entity, or a private entity without directly receiving equal or approximately equal value in exchange (a nonexchange transaction). As a part of this nonexchange financial guarantee, a government commits to indemnify the holder of the obligation if the entity that issued the obligation does not fulfill its payment requirements. Also, some governments issue obligations that are guaranteed by other entities in a nonexchange transaction. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. The provisions of Statement 70 are effective for financial statements for reporting beginning after June 15, 2013. Earlier application is encouraged.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2014 and 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

13. *Characterization of Title IV Grant Revenue*

In response to guidance provided by the GASB as question/answer 7.72.10 in the Implementation Guide, revenue received for federal Title IV grant programs (i.e. Pell grants) are now characterized as non-operating revenue as opposed to operating revenue.

14. *Prior Year Restatement*

In March 2012, the GASB issued statement 65, *Items Previously Reported as Assets and Liabilities*, which is effective for periods beginning after December 15, 2012. In accordance with this statement, debt issuance costs are required to be expensed in the year they are incurred.

The financial statements for 2013 have been adjusted to remove the amortization of debt issuance costs (recognized as other non-operating expenses) and corresponding assets recorded in 2012 and prior. The effect of the restatement was to increase net income by \$103,981 for 2013 and to decrease net position by \$1,449,277. Net position at the beginning of 2013 has been adjusted for the effects of the restatement on prior years.

15. *Reclassifications*

Certain reclassifications have been made to conform to the 2014 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 (Section 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.

Odessa Junior College District
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
August 31, 2014 and 2013

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits: At August 31, 2014 and 2013, the carrying amount of the District's deposits was \$12,147,000 and \$11,134,142, respectively; and bank balances equaled \$13,085,138 and \$11,326,787. Bank balances of \$512,119 and \$520,392 are covered by federal depository insurance and \$12,573,018 and \$10,806,395 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 \$11,407,280 and \$11,978,797 in state approved public investment pools at August 31, 2014 and 2013, respectively.

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

Cash and Deposits		2014	2013
Bank Deposits			
Demand Deposits	\$	10,759,749	6,069,968
Transit Items		(938,138)	(192,645)
Time Deposits		2,325,389	5,256,819
		12,147,000	11,134,142
Cash and Cash Equivalents			
Public Funds Investment Pools		11,407,280	11,978,797
Petty Cash on Hand		14,336	14,837
Total cash and Deposits	\$	23,568,616	23,127,776

Reconciliation of Deposits and Investments to Exhibit 1

Type of Security	Market Value August 31, 2014	Market Value August 31, 2013
Total Cash and Deposits	\$ 23,568,616	23,127,776
Total Investments	20,337,300	45,287,021
Total Deposits and Investments	\$ 43,905,916	68,414,797
Current Cash and Temporary Investments (Exh. 1)	\$ 22,520,254	21,928,322
Restricted Cash and Temporary Investments (Exh. 1)	1,048,362	1,199,454
Short-Term Investment (Exh. 1)	2,926,377	9,725,411
Endowment Investments (Exh. 1)	844,523	838,423
Other Long-Term Investments (Exh. 1)	16,566,400	34,723,187
Total Deposits and Investments (Exh. 1)	\$ 43,905,916	68,414,797

As of August 31, 2014, the District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities in Years		
		Less than 1	1 to 2	2 to 5
U.S. Government Securities	\$ 3,515,046	2,019,331	-	1,495,715
Certificates of Deposit	6,744,676	4,262,590	1,001,086	1,481,000
Municipal Bonds	4,675,674	1,576,109	966,995	2,132,570
Corporate Bonds	5,401,904	4,338,044	1,063,860	-
Total Fair Value	\$ 20,337,300	12,196,074	3,031,941	5,109,285

Odessa Junior College District
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2014 and 2013

NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)

As of August 31, 2013, the District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities in Years		
		Less than 1	1 to 2	2 to 5
U.S. Government Securities	\$ 7,036,668	3,499,284	2,065,741	1,471,643
Certificates of Deposit	10,180,558	6,177,156	4,003,402	-
Commercial Paper	8,999,160	8,999,160	-	-
Municipal Bonds	7,934,402	5,427,607	1,601,186	905,609
Corporate Bonds	11,136,233	5,556,656	4,466,660	1,112,917
Total Fair Value	\$ 45,287,021	29,659,863	12,136,989	3,490,169

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 bankers 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, 2014 and 2013 are reported below:

Investment Type	Credit Rating
U.S. Government Agencies – FHLB	S&P: AAA; Moody's:Aaa
U.S. Government Agencies – FFCB	S&P: AAA; Moody's:Aaa;FI: AAA
U.S. Government Agencies – FNMA	S&P: AAA; Moody's:Aaa;FI: AAA
U.S. Government Agencies – FHLMC	S&P: AAA; Moody's:Aaa;FI: AAA
Tex Pool Prime	S&P: AAAm
TexPool	S&P: AAAm
LOGIC	S&P: AAAm
Lone Star Government Overnight Fund	S&P: AAA
Lone Star Corporate Overnight Plus Fund	S&P: AAA
Municipal Bonds	S&P: A and above
Corporate Bonds	S&P: A and above

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 FNMA Government (5.7%) securities.

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

Odessa Junior College District
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
August 31, 2014 and 2013

NOTE 5 – CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2014, was as follows:

	Balance September 1, 2013	Increases	Decreases	Balance August 31, 2014
Not Depreciated:				
Land	\$ 4,196,316	-	-	4,196,316
Construction in progress	26,310,348	26,304,607	41,060,285	11,554,670
Total Capital Assets – Non-Depreciated	<u>30,506,664</u>	<u>26,304,607</u>	<u>41,060,285</u>	<u>15,750,986</u>
Other Capital Assets:				
Buildings and building improvements	42,349,012	40,136,086	-	82,485,098
Other real estate improvements	6,809,860	855,098	-	7,664,958
Total Buildings and Other Improvements	<u>49,158,872</u>	<u>40,991,184</u>	<u>-</u>	<u>90,150,056</u>
Library books	2,391,499	59,067	73,414	2,377,152
Furniture, machinery and equipment	10,031,386	998,842	158,646	10,871,582
Total Capital Assets – Depreciable	<u>61,581,757</u>	<u>42,049,093</u>	<u>232,060</u>	<u>103,398,790</u>
Accumulated Depreciation:				
Buildings and building improvements	15,398,783	829,234	6	16,228,011
Other real estate improvements	3,274,296	218,944	-	3,493,240
Total Buildings and Other Improvements	<u>18,673,079</u>	<u>1,048,178</u>	<u>6</u>	<u>19,721,251</u>
Library books	279,642	61,875	-	341,517
Furniture, machinery and equipment	6,638,061	725,969	141,967	7,222,063
Total Accumulated Depreciation	<u>25,590,782</u>	<u>1,836,022</u>	<u>141,973</u>	<u>27,284,831</u>
Net Capital Assets	<u>\$ 66,497,639</u>	<u>66,517,678</u>	<u>41,150,372</u>	<u>91,864,945</u>

Capital assets activity for the year ended August 31, 2013, was as follows:

	Balance September 1, 2012	Increases	Decreases	Balance August 31, 2013
Not Depreciated:				
Land	\$ 3,995,479	200,837	-	4,196,316
Construction in progress	5,438,136	22,939,673	2,067,461	26,310,348
Total Capital Assets – Non-Depreciated	<u>9,433,615</u>	<u>23,140,510</u>	<u>2,067,461</u>	<u>30,506,664</u>
Other Capital Assets:				
Buildings and building improvements	36,156,406	6,192,606	-	42,349,012
Other real estate improvements	6,653,726	156,134	-	6,809,860
Total Buildings and Other Improvements	<u>42,810,132</u>	<u>6,348,740</u>	<u>-</u>	<u>49,158,872</u>
Library books	2,394,112	74,665	77,278	2,391,499
Furniture, machinery and equipment	9,173,354	863,347	5,315	10,031,386
Total Capital Assets – Depreciable	<u>54,377,598</u>	<u>7,286,752</u>	<u>82,593</u>	<u>61,581,757</u>
Accumulated Depreciation:				
Buildings and building improvements	14,756,108	642,675	-	15,398,783
Other real estate improvements	3,084,694	189,602	-	3,274,296
Total Buildings and Other Improvements	<u>17,840,802</u>	<u>832,277</u>	<u>-</u>	<u>18,673,079</u>
Library books	222,657	56,985	-	279,642
Furniture, machinery and equipment	5,955,026	685,737	2,702	6,638,061
Total Accumulated Depreciation	<u>24,018,485</u>	<u>1,574,999</u>	<u>2,702</u>	<u>25,590,782</u>
Net Capital Assets	<u>\$ 39,792,728</u>	<u>28,852,263</u>	<u>2,147,352</u>	<u>66,497,639</u>

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2014 and 2013

NOTE 6 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended August 31, 2014, was as follows:

	Balance September 1, 2013	Increases	Decreases	Balance August 31, 2014	Due Within One Year
<u>Bonds</u>					
General obligation bonds, Series 2011	\$ 68,470,000	-	130,000	68,340,000	1,185,000
Revenue bonds, Series 2009	15,250,000	-	1,965,000	13,285,000	2,025,000
Revenue bonds, Series 2012	6,090,000	-	190,000	5,900,000	195,000
Total Bonds	89,810,000	-	2,285,000	87,525,000	3,405,000
<u>Leases</u>					
Capital Leases	80,462	-	40,231	40,231	40,231
Total Capital Leases	80,462	-	40,231	40,231	40,231
<u>Other Liabilities</u>					
Accrued compensation absences	454,970	25,011	-	479,981	479,981
Total Other Liabilities	454,970	25,011	-	479,981	479,981
Total Long-Term Liabilities	90,345,432	25,011	2,325,231	88,045,212	3,925,212

Long-term liability activity for the year ended August 31, 2013, was as follows:

	Balance September 1, 2012	Increases	Decreases	Balance August 31, 2013	Due Within One Year
<u>Bonds</u>					
General obligation bonds, Series 2011	\$ 68,500,000	-	30,000	68,470,000	130,000
Revenue bonds, Series 2009	17,155,000	-	1,905,000	15,250,000	1,965,000
Revenue bonds, Series 2012	6,315,000	-	225,000	6,090,000	190,000
Total Bonds	91,970,000	-	2,160,000	89,810,000	2,285,000
<u>Leases</u>					
Capital Leases	195,205	-	114,743	80,462	40,231
Total Capital Leases	195,205	-	114,743	80,462	40,231
<u>Other Liabilities</u>					
Accrued compensation absences	428,443	26,527	-	454,970	454,970
Total Other Liabilities	428,443	26,527	-	454,970	454,970
Total Long-Term Liabilities	92,593,648	26,527	2,274,743	90,345,432	2,780,201

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2014 and 2013

NOTE 7 – DEBT AND LEASE OBLIGATIONS

Debt service obligations at August 31, 2014, were as follows (amounts in 000's):

For the Year Ended August 31,	General Obligation Bonds			Revenue Bonds			Total Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 1,185	3,384	4,569	2,220	675	2,895	3,405	4,059	7,464
2016	1,395	3,357	4,752	2,285	609	2,894	3,680	3,966	7,646
2017	1,440	3,315	4,755	2,355	531	2,886	3,795	3,846	7,641
2018	1,495	3,258	4,753	2,460	437	2,897	3,955	3,695	7,650
2019	1,550	3,205	4,755	2,560	339	2,899	4,110	3,544	7,654
2020-2024	8,790	14,979	23,769	3,615	917	4,532	12,405	15,896	28,301
2025-2029	11,200	12,562	23,762	1,425	629	2,054	12,625	13,191	25,816
2030-2034	14,275	9,486	23,761	2,265	320	2,585	16,540	9,806	26,346
2035-2039	18,310	5,357	23,667	-	-	-	18,310	5,357	23,667
2040-2042	8,700	708	9,408	-	-	-	8,700	708	9,408
Total	\$ 68,340	59,611	127,951	19,185	4,457	23,642	87,525	64,068	151,593

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

For the Year Ended August 31,	Capital Leases
2015	\$ 40,231
Total minimum lease payments	40,231
Less: Amount representing interest costs	(5,829)
Present value of minimum lease payments	\$ 34,402

NOTE 8 – BONDS PAYABLE

General information related to bonds payable is summarized below:

2012 Revenue Bonds

- Consolidated Fund Revenue Bonds, Series 2012
- The bonds were issued to purchase existing student housing facilities on the Odessa College campus, to pay for related bond issuance costs, and to deposit \$438,055 in a debt service reserve fund.
- Issued on August 1, 2012
- \$6,315,000 original amount of issue; all authorized bonds have been issued.
- Source of payment – pledged revenues, including: the general use fee, the District bookstore revenues, the tuition pledge, the District cafeteria 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 \$407,000 to \$946,400, with interest rates from 2.00% to 4.00%, and with the final installment due on July 1, 2034.
- The Bonds are not subject to redemption prior to stated maturity.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2014 and 2013

NOTE 8 – BONDS PAYABLE (CONTINUED)

2011 General Obligation Bonds

- Limited Tax Bonds, Series 2011
- The bonds were issued for the acquisition, construction, renovation and equipment of school buildings in the District and to pay for related bond issuance.
- Issued on April 21, 2011.
- \$68,500,000 original amount of issue; all authorized bonds have been issued.
- Source of payment – property tax revenues; no bond reserve fund is required.
- The Bonds are due in annual installments of principal and interest varying from \$4,226,081 to \$4,755,494, with interest rates from 1.65% to 5.25%, and with the final installment due on August 15, 2041.
- The Bonds are subject to optional redemption on or after August 15, 2021.

2009 Revenue Bonds

- Consolidated Fund Revenue Refunding Bonds, Series 2009
- The bonds were issued to refund the outstanding obligations of the Series 1998-A Bonds, to pay for related bond issuance costs, and to deposit \$2,491,009 in a debt service reserve fund.
- Issued on July 15, 2009.
- \$22,720,000 original amount of issue; all authorized bonds have been issued.
- Source of payment – pledged revenues, including: the general use fee, the District bookstore revenues, the tuition pledge, the District cafeteria 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 \$2,478,600 to \$2,570,029, with interest rates from 3.00% to 4.00%, and with the final installment due on December 1, 2019.
- The Bonds are not subject to redemption prior to stated maturity.

A Summary of bond principal is as follows:

	Balance Sept. 1, 2013	Issued	Retired	Balance Aug. 31, 2014
Series 2009 Bonds	\$ 15,250,000	-	1,965,000	13,285,000
Series 2011 Bonds	68,470,000	-	130,000	68,340,000
Series 2012 Bonds	6,090,000	-	190,000	5,900,000
Total Bonds	<u>\$ 89,810,000</u>	<u>-</u>	<u>2,285,000</u>	<u>87,525,000</u>

At August 31, 2014, there were no defeased bonds outstanding.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2014 and 2013

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, 2014 and 2013 were \$164,970 and \$160,686, respectively.

Future minimum rental payments are as follows:

For the Year Ended August 31,		Operating Leases
2015	\$	158,859
2016		115,860
2017		104,875
2018		99,220
2019		66,131
Total	\$	544,945

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 College 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% of the member’s annual compensation and a state contribution rate of not less than 6% 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% and a state contribution rate of 6.8% for fiscal year 2014 and 6.4% for fiscal year 2013. Senate Bill 1812, effective September 1, 2013, limits the amount of the state’s contribution to 50% of eligible employees in the reporting district.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2014 and 2013

NOTE 10 – EMPLOYEES' RETIREMENT PLAN (CONTINUED)

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.

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. State law provides for a member contribution rate of 6.65% and a state contribution rate of 6.60% for fiscal year 2014 and 6.00% for fiscal year 2013. The College contributes 0.71% for employees who are participating in the optional retirement program. 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. Senate Bill 1812, effective September 1, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district.

The retirement expense to the State for the District was \$425,754 and \$904,829 for the fiscal years ended August 31, 2014 and 2013, respectively. This amount represents the portion of expended appropriations made by the State Legislature on behalf of the College.

The total payroll for all District employees was \$19,929,715 and \$19,388,854 for fiscal years 2014 and 2013, respectively. The total payroll of employees covered by the Teacher Retirement System was \$13,779,990 and \$12,907,014 and the total payroll of employees covered by the Optional Retirement Program was \$3,837,014 and \$4,268,222 for fiscal years 2014 and 2013, 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, 2014 and 2013, the District had no employees participating in the program.

NOTE 12 – COMPENSABLE ABSENCES

Full-time employees in 12-month positions earn annual vacation leave from 6.67 to 13.33 hours per month depending on the number of years employed with the District. The District's policy allows a full-time employee to accumulate a balance equal to one hundred fifty percent (150%) of his or her annual accrual rate. Employees with at least six months of service who terminate their employment are entitled to payment for all accumulated vacation leave. The District has recognized the accrued liability for the unpaid annual leave for the periods ending August 31, 2014 and 2013 in the amounts of \$479,981 and \$454,970, respectively.

Sick leave, which can be accumulated to a maximum of seven hundred twenty (720) hours, is earned at the 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.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2014 and 2013

NOTE 13 – PENDING LAWSUITS AND CLAIMS

In the ordinary course of business, the District is involved with various claims and potential litigation. While the ultimate liability with respect to litigation and other claims asserted against the District cannot be reasonably estimated at this time, this liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the District.

The District receives federal, state and local grants that are subject to review and audit by the 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.

NOTE 14 – DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables at August 31, 2014 and 2013 were as follows:

	2014	2013
Tuition and fees receivable	\$ 423,620	435,316
Taxes receivable	1,598,313	1,490,234
Federal receivable	336,705	737,369
State receivable	346,755	29,141
Interest receivable	142,428	271,470
Other receivables	2,012,363	1,998,355
Subtotal	4,860,184	4,961,885
 Allowance for doubtful accounts	 (1,910,292)	 (1,816,344)
Total	\$ 2,949,892	3,145,541

Payables at August 31, 2014 and 2013 were as follows:

	2014	2013
Vendors payable – operations	\$ 872,428	1,052,821
Vendors payable – capital	1,002,029	390,811
Students payable	1,340,284	1,297,429
Total	\$ 3,214,741	2,741,061

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 and Schedule C. 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, e.g., multi-year awards, or funds awarded during fiscal years 2014 and 2013 for which monies have not been received nor funds expended totaled \$4,378,920 and \$3,316,317, respectively. Of these amounts, \$3,060,579 and \$2,586,129 were from federal contract and grant awards; \$1,312,662 and \$724,510 were from state contract and grant awards; and \$5,678 and \$5,678 were from private contract and grant awards for the fiscal years ended August 31, 2014 and 2013, respectively.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2014 and 2013

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 TRS, Optional Retirement Program (“ORP”) and Employees Retirement System of Texas (“ERS”).

Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. Certain categories of employees, such as physical plant and auxiliary staff, are not eligible for state funding of health care benefits. The District uses local funds to pay the premiums for those employees. The state’s contribution was \$1,676,865 and \$1,184,606 for the years ended August 31, 2014 and 2013, respectively, for retired and active employees.

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

	2014	2013
Number of retirees receiving benefits	\$ 178	171
Cost of state’s contribution	1,107,096	989,545
Cost of local contribution	89,996	81,745
Total cost of benefits for retirees	1,197,092	1,071,290
Number of active employees receiving benefits	336	330
Cost of state’s contribution	569,769	195,061
Cost of federal grant contribution	11,642	22,707
Cost of local contribution	1,731,687	2,030,324
Total cost of benefits for active employees	\$ 2,313,098	2,248,092

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2014 and 2013

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 College district.

At August 31:

		<u>2014</u>	<u>2013</u>
Assessed valuation of the District (at January 1, 2014 and 2013)	\$	16,176,603,052	14,112,226,708
Less: exemptions		(2,195,608,120)	(1,938,552,413)
Less: abatements		<u>(192,699,830)</u>	<u>(185,363,260)</u>
Net assessed valuation of the District	\$	<u>13,788,295,102</u>	<u>11,988,311,035</u>

At August 31:

	<u>2014</u>			<u>2013</u>		
	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Authorized tax rate per \$100 valuation (Maximum per enabling legislation)	\$ 0.20	0.50	0.70	0.20	0.50	0.70
Assessed tax rate per \$100 valuation	\$ 0.14347	0.03065	0.17412	0.15120	0.03597	0.18717

Taxes levied (including adjustments to the certified levies) for the years ended August 31, 2014 and 2013 were \$24,008,868 and \$22,438,522, 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.

At August 31:

	<u>2014</u>			<u>2013</u>		
	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Current taxes collected	\$ 19,179,690	4,185,971	23,365,661	17,728,854	4,217,609	21,946,463
Delinquent taxes collected	292,963	42,122	335,085	388,243	35,152	423,395
Penalties and interest collected	\$ <u>259,283</u>	<u>39,141</u>	<u>298,424</u>	<u>256,815</u>	<u>28,746</u>	<u>285,561</u>
Total collections	<u>19,731,936</u>	<u>4,267,234</u>	<u>23,999,170</u>	<u>18,373,912</u>	<u>4,281,507</u>	<u>22,655,419</u>

Tax collections for the years ended August 31, 2014 and 2013 were 99.46% and 99.8%, respectively, of the current year adjusted 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, 2014 and 2013.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2014 and 2013

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 College. 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. The District contributes to the State Retiree Health Plan (SRHP), a cost sharing, multiple-employer, defined benefit postemployment 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.

ERS issues a publicly available financial report that includes financial statements and required supplementary information for SRHP. The report may be obtained from 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 known 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.

State contribution to SRHP made on behalf of the District for the years ended August 31, 2014, 2013 and 2012 were \$1,107,096, \$989,545 and \$892,133, respectively, and are reported as revenues and expenses in the accompanying financial statements. The District's contribution on behalf of retirees to SRHP for the years ended August 31, 2014, 2013, and 2012 were \$89,996, \$81,745, and \$81,745, respectively, which equaled the required contributions each year.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2014 and 2013

NOTE 21 – SUBSEQUENT EVENTS

Management of the District has performed an evaluation of the District's activity through December 4, 2014, the date these financial statements were available for issuance and noted no significant event that would require recording or disclosure.

REQUIRED SUPPLEMENTAL INFORMATION

Odessa Junior College District

Schedule A

SCHEDULE OF OPERATING REVENUES

**Year Ended August 31, 2014
With Memorandum Totals for the Year Ended August 31, 2013**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2014 Total</u>	<u>2013 Total</u>
Tuition:						
State-funded credit courses						
In-district resident tuition	\$ 3,559,286	-	3,559,286	-	3,559,286	3,543,377
Out-of-district tuition	2,369,328	-	2,369,328	-	2,369,328	2,219,568
Non-resident tuition	837,400	-	837,400	-	837,400	677,707
TPEG credit set aside*	300,705	-	300,705	-	300,705	326,837
State-funded continuing education	753,806	-	753,806	-	753,806	766,140
TPEG non-credit set aside*	47,422	-	47,422	-	47,422	48,923
Non-state funded educational programs	286,151	-	286,151	-	286,151	325,005
Total tuition	<u>8,154,098</u>	<u>-</u>	<u>8,154,098</u>	<u>-</u>	<u>8,154,098</u>	<u>7,907,557</u>
Fees:						
Student use fees	1,730,335	-	1,730,335	-	1,730,335	1,746,517
Institutional/course fees	686,352	-	686,352	-	686,352	677,373
Student/services fees	-	-	-	87,293	87,293	87,460
Laboratory fees	202,163	-	202,163	-	202,163	187,968
Other fees	62,111	8,722	70,833	-	70,833	84,096
Total fees	<u>2,680,961</u>	<u>8,722</u>	<u>2,689,683</u>	<u>87,293</u>	<u>2,776,976</u>	<u>2,783,414</u>
Scholarship allowances and discounts:						
Tuition bad debt allowance	(77,816)	-	(77,816)	-	(77,816)	(66,581)
Local remissions and exemptions	(842,128)	-	(842,128)	-	(842,128)	(308,785)
State remissions and exemptions	(328,320)	-	(328,320)	-	(328,320)	(289,769)
TPEG allowances	(142,034)	-	(142,034)	-	(142,034)	(125,604)
Federal grants to students	(1,602,492)	-	(1,602,492)	-	(1,602,492)	(1,339,936)
State grants to students	(165,022)	-	(165,022)	-	(165,022)	(115,066)
Local grants to students	(826,182)	-	(826,182)	-	(826,182)	(866,307)
Total scholarship allowances	<u>(3,983,994)</u>	<u>-</u>	<u>(3,983,994)</u>	<u>-</u>	<u>(3,983,994)</u>	<u>(3,112,048)</u>
Total net tuition and fees	<u>6,851,065</u>	<u>8,722</u>	<u>6,859,787</u>	<u>87,293</u>	<u>6,947,080</u>	<u>7,578,923</u>
Other operating revenues:						
Federal grants and contracts	19,007	1,246,625	1,265,632	-	1,265,632	1,401,953
State grants and contracts	-	1,284,172	1,284,172	-	1,284,172	385,248
Nongovernmental grants and contracts	25,000	284,161	309,161	-	309,161	54,942
Sales and services of educational activities	537,902	-	537,902	-	537,902	504,025
Investment income (program restricted)	-	12,856	12,856	352	13,208	15,019
General operating revenues	603,492	31,936	635,428	-	635,428	643,461
Total other operating revenues	<u>1,185,401</u>	<u>2,859,750</u>	<u>4,045,151</u>	<u>352</u>	<u>4,045,503</u>	<u>3,004,648</u>

Odessa Junior College District

Schedule A

SCHEDULE OF OPERATING REVENUES (CONTINUED)

**Year Ended August 31, 2014
With Memorandum Totals for the Year Ended August 31, 2013**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2014 Total</u>	<u>2013 Total</u>
Auxiliary enterprises:						
Bookstore	\$ -	-	-	159,653	159,653	205,930
Food service	-	-	-	519,783	519,783	462,734
Student housing	-	-	-	707,314	707,314	689,671
Other auxiliaries	-	-	-	143,321	143,321	133,793
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,530,071</u>	<u>1,530,071</u>	<u>1,492,128</u>
Total Operating Revenues	\$ <u>8,036,466</u>	<u>2,868,472</u>	<u>10,904,938</u>	<u>1,617,716</u>	<u>12,522,654</u> (Exhibit 2)	<u>12,075,699</u> (Exhibit 2)

* In accordance with Education Code 56.033, \$348,127 and \$375,760 for years ending August 31, 2014 and 2013, 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, 2014
With Memorandum Totals for the Year Ended August 31, 2013**

	Salary & Wages	Staff Benefits		Other Expenses	2014 Total	2013 Total
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 9,792,173	-	1,889,175	3,002,594	14,683,942	12,959,949
Public service	754,351	-	114,259	261,355	1,129,965	876,694
Academic support	2,123,894	-	481,267	800,545	3,405,706	3,312,703
Student services	2,116,150	-	517,979	758,894	3,393,023	2,617,295
Institutional support	2,808,290	-	848,334	2,223,288	5,879,912	6,103,031
Operation and maintenance of plant	917,145	-	255,251	2,506,219	3,678,615	3,388,401
Scholarship and fellowships	-	-	-	560,649	560,649	495,847
Total Unrestricted Educational Activities	18,512,003	-	4,106,265	10,113,544	32,731,812	29,753,920
Restricted - Educational Activities						
Instruction	637,731	1,115,003	17,068	1,082,432	2,852,234	1,786,753
Public service	1,314	32,646	-	14,951	48,911	31,412
Academic support	162,414	232,663	39,430	367,667	802,174	736,268
Student services	39,978	243,705	-	-	283,683	195,801
Institutional support	24,522	493,916	-	1,959	520,397	361,033
Scholarship and fellowships	-	-	-	3,986,229	3,986,229	4,217,288
Total Restricted Educational Activities	865,959	2,117,933	56,498	5,453,238	8,493,628	7,328,555
Total Educational Activities	19,377,962	2,117,933	4,162,763	15,566,782	41,225,440	37,082,475
Auxiliary Enterprises	551,753	-	107,556	1,504,961	2,164,270	1,872,106
Depreciation Expense – Buildings and other real estate improvements	-	-	-	1,048,178	1,048,178	832,277
Depreciation Expense – Equipment and furniture	-	-	-	787,844	787,844	742,722
Total Operating Expenses	\$ 19,929,715	2,117,933	4,270,319	18,907,765	45,225,732 (Exhibit 2)	40,529,580 (Exhibit 2)

Odessa Junior College District

Schedule C

SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES

**Year Ended August 31, 2014
With Memorandum Totals for the Year Ended August 31, 2013**

	Unrestricted	Restricted	Auxiliary Enterprises	2014 Total	2013 (as restated) Total
NON-OPERATING REVENUES:					
State appropriations:					
Education and general support	\$ 7,351,137	-	-	7,351,137	6,925,172
State group insurance	-	1,676,865	-	1,676,865	1,184,606
State retirement matching	-	441,068	-	441,068	415,510
Nursing shortage reduction grant	-	251,521	-	251,521	71,561
Total state appropriations	7,351,137	2,369,454	-	9,720,591	8,596,849
Property taxes for maintenance and operations	19,826,605	-	-	19,826,605	18,354,130
Property taxes for debt service	-	4,323,795	-	4,323,795	4,341,081
Federal revenue, non-operating	-	5,101,798	-	5,101,798	5,093,033
Gifts – noncapital	51,173	142,132	-	193,305	236,095
Investment income – not restricted to programs	261,738	-	-	261,738	324,775
Other non-operating revenues	8,014	-	-	8,014	47,552
Total Non-Operating Revenues	27,498,667	11,937,179	-	39,435,846	36,993,515
NON-OPERATING EXPENSES:					
Interest on capital-related debt	4,908,793	-	-	4,908,793	4,882,744
Loss on disposal of capital assets	83,570	-	-	83,570	79,891
Other non-operating expenses	21,795	-	-	21,795	21,795
Total Non-Operating Expenses	5,014,158	-	-	5,014,158	4,984,430
Net Non-Operating Revenues	\$ 22,484,509	11,937,179	-	34,421,688 (Exhibit 2)	32,009,085 (Exhibit 2)

Odessa Junior College District

Schedule D

SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY

**Year Ended August 31, 2014
With Memorandum Totals for the Year Ended August 31, 2013**

	Details by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation And Related Debt	Total	Yes	No
		Expendable	Non- Expendable				
Current:							
Unrestricted, undesignated	\$ 19,293,729	-	-	-	19,293,729	19,293,729	-
Unrestricted, board designated	37,060	-	-	-	37,060	-	37,060
Restricted	-	1,053,716	-	-	1,053,716	-	1,053,716
Auxiliary enterprises	11,586	-	-	-	11,586	11,586	-
Loans	268,086	9,451	-	-	277,537	-	277,537
Endowment	-	-	844,523	-	844,523	-	844,523
Plant:							
Capital projects	(63,621)	7,696,403	-	-	7,632,782	-	7,632,782
Debt service	-	2,283,743	-	-	2,283,743	-	2,283,743
Investment in plant	-	-	-	15,207,709	15,207,709	-	15,207,709
Total Net Position, August 31, 2014	19,546,840	11,043,313	844,523	15,207,709	46,642,385 (Exhibit 1)	19,305,315	27,337,070
Total Net Position, August 31, 2013 (as restated)	19,066,776	7,683,511	838,423	13,986,558	41,575,268 (Exhibit 1)	18,511,620	24,398,615
Net Increase in Net Position	\$ 480,064	3,359,802	6,100	1,221,151	5,067,117 (Exhibit 2)	793,695	2,938,455

Odessa Junior College District

Schedule E

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended August 31, 2014

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Document/ Pass Through Grantor's Number	Pass Through Disbursement and Expenditures
<u>U.S. Department of Education</u>			
Direct Programs:			
Student Financial Aid Cluster			
Federal Supplemental Educational Opportunity Grant (13-14)	84.007A	P007A134089	\$ 106,557
Federal Supplemental Educational Opportunity Grant (14-15)	84.007A	P007A144089	34,486
Subtotal			<u>141,043</u>
Federal College Work Study (12-13)	84.033A	P033A124089	7,406
Federal College Work Study (13-14)	84.033A	P033A134089	100,460
Federal College Work Study (14-15)	84.033A	P033A144089	5,985
Subtotal			<u>113,851</u>
Federal Pell Grant (13-14)	84.063P	P063P132294	2,892,804
Federal Pell Grant (14-15)	84.063P	P063P142294	2,067,949
Subtotal			<u>4,960,753</u>
Direct Student Loans	84.268	P268K132294	8,533
Title V Expanding and Improving Distance Learning in Rural Areas	84.031S	P031S100097	413,416
Pass-through from:			
Texas Workforce Commission Adult Basic Education (13-14)	84.002A	1114ABE003	472,123
Pass-through from:			
Texas Higher Education Coordinating Board Carl Perkins Vocational Education - Basic	84.048	142055	133,263
Total U.S. Department of Education			<u>6,242,982</u>
<u>National Foundation of the Arts and the Humanities</u>			
Civil War 150 – Liberty of America	45.164	-	300
Total National Foundation on the Arts and the Humanities			<u>300</u>
<u>U.S. Department of Agriculture</u>			
Pass-through from:			
Texas Department of Human Services Child and Adult Care Food Program	10.558	03004	34,704
Total U.S. Department of Agriculture			<u>34,704</u>
<u>National Science Foundation</u>			
Pass-through from:			
University at El Paso LSAMP	47.076	HRD-0703584	2,126
Total National Science Foundation			<u>2,126</u>

Notes to Schedule on following page.

Odessa Junior College District

Schedule E

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended August 31, 2014

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Document/ Pass Through Grantor's Number	Pass Through Disbursement and Expenditures
<u>U.S. Department of Health and Human Services</u>			
Pass-through from:			
Texas Education Agency Temporary Assistance for Needy Families (12-13)	93.558	1336250171110439	6,097
Pass-through from:			
Texas Workforce Commission Temporary Assistance for Needy Families (13-14)	93.558	1114ABE003	42,813
Pass-through from:			
West Texas Opportunities Designated Vendor Program	93.596	-	<u>46,941</u>
Total U.S. Department of Health and Human Services			<u>95,851</u>
Total Federal Financial Assistance			<u><u>6,375,963</u></u>

Note 1: FEDERAL ASSISTANCE RECONCILIATION

Federal revenues per Schedule A & C:	
Federal grants and contracts revenue, Operating Sch A	\$ 1,265,632
Federal grants and contracts revenue, Non-Operating Sch C	5,101,798
Federal Direct Student Loans	<u>8,533</u>
Total Federal Revenues Per Schedule of Expenditures of Federal Awards	\$ <u><u>6,375,963</u></u>

Note 2: SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

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

**NOTE 3: STUDENT LOANS PROCESSED AND ADMINISTRATIVE COSTS RECOVERED –
Not included in Schedule**

Federal Grantor CFDA Number/Program Name	Total Loans		Processed & Administrative Costs Recovered
	New Loans Processed	Administrative Costs Recovered	
<u>Department of Education</u> 84.032 Federal Family Education Loan Program	\$ <u>1,662,335</u>	<u>-</u>	<u>1,662,335</u>
Total U.S. Department of Education	\$ <u><u>1,662,335</u></u>	<u>-</u>	<u><u>1,662,335</u></u>

Odessa Junior College District

Schedule F

SCHEDULE OF EXPENDITURES OF STATE AWARDS

Year Ended August 31, 2014

Grantor Agency/Program Title	Grant contract Number	Disbursement and Expenditures
Texas Education Agency State Adult Education (12-13)	01001201	\$ 3,440
Texas Workforce Commission State Adult Education (13-14)	1114ABE003	117,393
Odessa College in Partnership with Chevron USA Inc.	1113SDF003	750,582
Odessa College Oil and Gas Initiative	1113SDF000	299,707
Pass-through from: Alamo Community College Partnership with Weatherford U.S., L.P.	1113SDF004	49,797
Texas Higher Education Coordinating Board Texas College Work Study (13-14)	-	17,591
Texas Grant I (13-14)	-	174,461
Texas Grant I (14-15)	-	14,850
TEOG (13-14)	-	46,200
TEOG (14-15)	-	9,450
State Top Ten % Schools	-	4,500
Nursing Shortage Reduction Grant	-	14,799
Nursing Shortage Reduction Grant Over 70%	-	236,721
AVID Professional Training	05834	8,531
AVID Mentorship Tutor Program	-	27,124
Texas Law Enforcement Officer Standards in Education Agency LEOSE Training Grant	-	974
Total Expenditures of State Awards		\$ 1,776,120

NOTE 1: STATE ASSISTANCE RECONCILIATION

State revenues per Exhibit 2: Operating Revenues: State grants and contracts	\$ 1,284,172
Other Revenues: State capital grants	240,427
State revenues per Schedule C: Non-Operating Revenues: Nursing shortage reduction grant	251,521
Total State Revenues per Schedule of Expenditures of State Awards	\$ 1,776,120

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



**Independent Auditors' 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, in accordance with the 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, the financial statements of Odessa Junior College District (the "District"), as of and for the year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon December 4, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Compliance and Other Matters (Continued)

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, 2014, no instances of noncompliance were found.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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 4, 2014



Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and the provisions of the State of Texas Single Audit Circular

The Board of Trustees
Odessa Junior College District
Odessa, Texas

Report on Compliance for Each Major Federal or State Program

We have audited Odessa Junior College District's (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement and the provisions of the State of Texas Single Audit Circular* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2014. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations and the provisions of the State of Texas Single Audit Circular*. Those standards and OMB Circular A-133 and the *provisions of the State of Texas Single Audit Circular* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 on compliance for each major federal or state program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal or State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal or state programs for the year ended August 31, 2014.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the *provisions of the State of Texas Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.



Odessa, Texas
December 4, 2014

Odessa Junior College District

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

August 31, 2014

The Board of Trustees
Odessa Junior College District
Odessa, Texas

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No
<u>Federal and State Awards</u>	
Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 and State of Texas Single Audit Circular	No
Any Questioned costs?	No

Odessa Junior College District

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

August 31, 2014

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.007A	Student Financial Aid Cluster: Federal Supplemental Education Opportunity Grant
84.033A	Federal College Work Study Program
84.063P	Federal Pell Grant
84.031S	Title V Expanding and Improving Distance Learning in Rural Areas
	<u>Name of State Program or Cluster</u>
N/A	Odessa College in Partnership with Chevron USA, Inc.
N/A	Odessa College Oil and Gas Initiative
N/A	Nursing Shortage Reduction Grant
N/A	Nursing Shortage Reduction Grant over 70%
Dollar threshold used to distinguish between type A and type B programs:	Federal Program Threshold \$300,000 State Program Threshold \$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	No matters were reported.
August 31, 2014	No matters were reported.
August 31, 2013	No matters were reported.

STATISTICAL SUPPLEMENT

Odessa Junior College District
Statistical Supplement 1
Net Assets by Component
Fiscal Years 2005 to 2014
(unaudited)
(amounts expressed in thousands)

	For the Fiscal Year Ended August 31,									
	2014	2013 (as restated)	2012	2011	2010	2009	2008	2007	2006	2005
Invested in capital assets, net of related debt	15,208	13,987	12,022	9,767	8,169	4,955	(976)	(3,148)	(5,114)	(7,115)
Restricted - expendable	11,043	7,683	7,605	4,820	4,633	4,953	5,496	6,498	6,599	6,662
Restricted - nonexpendable	844	838	829	807	813	774	813	838	707	672
Unrestricted	19,547	19,067	17,924	17,681	16,775	18,511	21,196	19,612	18,851	18,325
Total primary government net assets	\$ 46,642	\$ 41,575	\$ 38,380	\$ 33,075	\$ 30,390	\$ 29,193	\$ 26,529	\$ 23,800	\$ 21,043	\$ 18,544

Odessa Junior College District
Statistical Supplement 2
Revenues by Source
Fiscal Years 2005 to 2014
(unaudited)

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Tuition and Fees (Net of Discounts)	\$6,947	\$7,579	\$8,689	\$5,492	\$4,662	\$3,788	\$3,595	\$3,910	\$3,734	\$2,978
Governmental Grants and Contracts										
Federal Grants and Contracts	1,266	1,402	2,237	2,535	3,627	3,706	3,533	3,022	4,225	4,073
State Grants and Contracts	1,284	385	493	486	418	490	421	375	332	562
Non-Governmental Grants and Contracts	309	55	62	79	32	64	73	25	120	29
Sales and services of educational activities	538	504	495	417	288	252	287	275	262	262
Investment Income	13	15	15	13	15	16	38	45	37	20
Auxiliary enterprises	1,530	1,492	847	829	816	775	725	562	502	516
Other Operating Revenues	636	644	775	722	601	533	479	433	479	429
Total Operating Revenues	12,523	12,076	13,613	10,573	10,459	9,624	9,151	8,647	9,691	8,869
State Appropriations	9,720	8,597	8,427	10,803	10,873	11,388	11,302	11,265	11,003	10,564
Ad Valorem Taxes	19,827	18,354	17,040	16,027	15,153	15,399	14,058	12,796	11,656	10,346
Debt Service Taxes	4,324	4,341	3,935	-	-	-	-	-	-	-
Federal Grants, non-operating	5,102	5,093	6,153	7,570	6,441	4,631	3,313	3,453	4,287	4,897
Gifts	193	236	376	439	311	185	460	323	221	199
Investment income	262	325	420	296	442	578	1,075	1,387	1,033	496
Other non-operating revenues	8	48	1	1	195	667	900	1	25	14
Total Non-Operating Revenues	39,436	36,994	36,352	35,136	33,415	32,848	31,108	29,225	28,225	26,516
Total Revenue	\$ 51,959	\$ 49,070	\$ 49,965	\$ 45,709	\$ 43,874	\$ 42,472	\$ 40,259	\$ 37,872	\$ 37,916	\$ 35,385

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Tuition and fees (net of discounts)	13.37%	15.45%	17.39%	12.02%	10.63%	8.92%	8.93%	10.32%	9.85%	8.42%
Governmental grants and contracts										
Federal grants and contracts	2.44%	2.86%	4.48%	5.55%	8.27%	8.73%	8.78%	7.98%	11.14%	11.51%
State grants and contracts	2.47%	0.78%	0.99%	1.06%	0.95%	1.15%	1.05%	0.99%	0.88%	1.59%
Non-governmental grants and contracts	0.59%	0.11%	0.12%	0.17%	0.07%	0.15%	0.18%	0.07%	0.32%	0.08%
Sales and services of educational activities	1.04%	1.03%	0.99%	0.91%	0.66%	0.59%	0.71%	0.73%	0.69%	0.74%
Investment Income	0.03%	0.03%	0.03%	0.03%	0.03%	0.04%	0.09%	0.12%	0.10%	0.06%
Auxiliary enterprises	2.94%	3.04%	1.70%	1.81%	1.86%	1.82%	1.80%	1.48%	1.32%	1.46%
Other operating revenues	1.22%	1.31%	1.55%	1.58%	1.37%	1.25%	1.19%	1.14%	1.26%	1.21%
Total Operating Revenues	24.10%	24.61%	27.25%	23.13%	23.84%	22.66%	22.73%	22.83%	25.56%	25.06%
State appropriations	18.71%	17.52%	16.87%	23.63%	24.78%	26.81%	28.07%	29.74%	29.02%	29.85%
Ad valorem taxes	38.16%	37.40%	34.10%	35.06%	34.54%	36.26%	34.92%	33.79%	30.74%	29.24%
Debt service taxes	8.32%	8.85%	7.88%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Federal Grants, non-operating	9.82%	10.38%	12.31%	16.56%	14.68%	10.90%	8.23%	9.12%	11.31%	13.84%
Gifts	0.37%	0.48%	0.75%	0.96%	0.71%	0.44%	1.14%	0.85%	0.58%	0.56%
Investment income	0.50%	0.66%	0.84%	0.65%	1.01%	1.36%	2.67%	3.66%	2.72%	1.40%
Other non-operating revenues	0.02%	0.10%	0.00%	0.00%	0.44%	1.57%	2.24%	0.00%	0.07%	0.04%
Total Non-Operating Revenues	75.90%	75.39%	72.75%	76.87%	76.16%	77.34%	77.27%	77.17%	74.44%	74.94%
Total Revenue	100.00%									

Odessa Junior College District
Statistical Supplement 3
Program Expenses by Function
Fiscal Years 2005 to 2014
(unaudited)

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Instruction	\$17,536	\$14,747	\$15,272	\$15,266	\$14,382	\$13,461	\$12,698	\$11,937	\$11,520	\$11,769
Research	-	-	-	-	-	-	-	-	-	-
Public service	1,179	909	1,210	1,332	1,332	1,350	1,532	1,439	1,519	1,297
Academic support	4,208	4,049	4,138	3,805	4,006	4,219	3,732	3,592	4,329	3,598
Student services	3,677	2,813	2,914	2,837	3,332	3,109	3,175	3,084	2,894	3,246
Institutional support	6,400	6,464	5,796	6,313	6,089	5,211	4,606	4,048	3,742	3,984
Operation and maintenance of plant	3,679	3,388	3,351	3,705	5,036	5,015	5,021	4,301	3,862	3,521
Scholarships and fellowships	4,547	4,713	6,463	6,136	4,703	3,622	2,926	3,050	3,971	3,503
Auxiliary enterprises	2,164	1,872	1,675	1,668	1,685	1,707	1,597	1,309	1,178	1,223
Depreciation	1,836	1,575	1,448	1,375	1,315	1,084	990	952	844	750
Total Operating Expenses	45,226	40,530	42,267	42,437	41,880	38,778	36,277	33,712	33,859	32,891
Interest on capital related debt	4,909	4,883	5,206	570	650	1,461	1,257	1,347	1,424	1,501
Loss on disposal of fixed assets	83	80	85	119	90	95	126	101	112	147
Other non-operating	21	21	125	101	71	80	79	80	79	79
Total Non-Operating Expenses	5,013	4,984	5,416	790	811	1,636	1,462	1,528	1,615	1,727
Total Expenses	\$ 50,239	\$ 45,514	\$ 47,683	\$ 43,227	\$ 42,691	\$ 40,414	\$ 37,739	\$ 35,240	\$ 35,474	\$ 34,618

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Instruction	34.91%	32.40%	32.03%	35.32%	33.69%	33.31%	33.65%	33.87%	32.47%	34.00%
Research	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Public service	2.35%	2.00%	2.54%	3.08%	3.12%	3.34%	4.06%	4.08%	4.28%	3.75%
Academic support	8.38%	8.90%	8.68%	8.80%	9.38%	10.44%	9.89%	10.19%	12.20%	10.39%
Student services	7.32%	6.18%	6.11%	6.56%	7.80%	7.69%	8.41%	8.75%	8.16%	9.38%
Institutional support	12.74%	14.20%	12.16%	14.60%	14.26%	12.89%	12.20%	11.49%	10.55%	11.51%
Operation and maintenance of plant	7.32%	7.44%	7.03%	8.57%	11.80%	12.41%	13.30%	12.20%	10.89%	10.17%
Scholarships and fellowships	9.05%	10.36%	13.55%	14.19%	11.02%	8.96%	7.75%	8.65%	11.19%	10.12%
Auxiliary enterprises	4.31%	4.11%	3.51%	3.86%	3.95%	4.22%	4.23%	3.71%	3.32%	3.53%
Depreciation	3.65%	3.46%	3.04%	3.18%	3.08%	2.68%	2.62%	2.70%	2.38%	2.17%
Total Operating Expenses	90.02%	89.05%	88.64%	98.17%	98.10%	95.95%	96.13%	95.66%	95.45%	95.01%
Interest on capital related debt	9.77%	10.73%	10.92%	1.32%	1.52%	3.62%	3.33%	3.82%	4.01%	4.34%
Loss on disposal of fixed assets	0.17%	0.18%	0.18%	0.28%	0.21%	0.24%	0.33%	0.29%	0.32%	0.42%
Other non-operating	0.04%	0.05%	0.26%	0.23%	0.17%	0.20%	0.21%	0.23%	0.22%	0.23%
Total Non-Operating Expenses	9.98%	10.95%	11.36%	1.83%	1.90%	4.05%	3.87%	4.34%	4.55%	4.99%
Total Expenses	100.00%									

**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	General Services Fee	Student Activity Fee	Out of District 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
2013	\$ -	\$ 61	\$ 103	\$ 20	\$ 1	\$ -	\$ 984	\$ 1,488	2.50%	4.20%
2012	-	59	98	20	1	-	960	1,428	5.26%	7.21%
2011	-	55	90	20	1	-	912	1,332	20.63%	42.31%
2010	-	52	77	10	1	-	756	936	8.62%	0.00%
2009	-	47	67	10	1	-	696	936	9.43%	14.71%
2008	-	42	57	10	1	-	636	816	0.00%	0.00%
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%	44.70%

**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	General Services Fee	Student Activity Fees	Out of District 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
2013	\$ 150	\$ 133	\$ 133	\$ 20	\$ 1	\$ -	\$ 1,998	\$ 1,998	6.39%	6.39%
2012	150	123	123	20	1	-	1,878	1,878	5.39%	5.39%
2011	150	115	115	20	1	-	1,782	1,782	18.33%	18.33%
2010	150	102	102	10	1	-	1,506	1,506	31.41%	31.41%
2009	150	87	87	10	1	-	1,326	1,326	15.71%	15.71%
2008	150	72	72	10	1	-	1,146	1,146	0.00%	0.00%
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%

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
Fall Enrollment Details
Last Five Fiscal Years
(unaudited)**

Student Classification	Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009	
	Number	Percent								
CE Students	1,422	22.06%	1,392	21.72%	1,888	26.97%	1,828	25.97%	1,650	24.33%
0-30 hours	3,862	59.90%	3,904	60.90%	4,270	61.00%	4,362	61.97%	4,536	66.88%
31-60 hours	906	14.05%	884	13.79%	609	8.70%	773	10.98%	527	7.77%
> 60 hours	257	3.99%	230	3.59%	233	3.33%	76	1.08%	69	1.02%
Total	6,447	100.00%	6,410	100.00%	7,000	100.00%	7,039	100.00%	6,782	100.00%

Tuition Status	Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009	
	Number	Percent								
CE Students	1,422	22.06%	1,392	21.72%	1,888	26.97%	1,828	25.97%	1,650	24.33%
Texas Resident (in-District)	3,507	54.40%	3,473	54.18%	3,531	50.44%	3,595	51.07%	3,471	51.18%
Texas Resident (out-of-District)	1,293	20.06%	1,342	20.94%	1,383	19.76%	1,411	20.05%	1,481	21.84%
Non-Resident Tuition	213	3.30%	171	2.67%	166	2.37%	151	2.15%	138	2.03%
Tuition Exempt	12	0.19%	32	0.50%	32	0.46%	54	0.77%	42	0.62%
Total	6,447	100.00%	6,410	100.00%	7,000	100.00%	7,039	100.00%	6,782	100.00%

**Odessa Junior College District
Statistical Supplement 6
Annual Enrollment Data**

Annual Headcount Enrollment by Type

	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
<u>Credit Students:</u>					
General Academic	9,275	10,018	10,338	10,309	10,292
Vocational for Credit	<u>4,863</u>	<u>3,871</u>	<u>4,246</u>	<u>3,681</u>	<u>3,798</u>
Total for Credit	14,138	13,889	14,584	13,990	14,090
<u>Non-Credit Students:</u>					
Vocational (State funded)	<u>5,972</u>	<u>5,196</u>	<u>6,677</u>	<u>7,223</u>	<u>5,620</u>
TOTAL	<u>20,110</u>	<u>19,085</u>	<u>21,261</u>	<u>21,213</u>	<u>19,710</u>

*Includes non-credit equivalent hours.

Annual Headcount Enrollment*

<u>Academic Year</u>	<u>Fall</u>	<u>Spring</u>	<u>Summer Session</u>		<u>Annual Total</u>
			<u>First</u>	<u>Second</u>	
2004-05	6,976	7,419	3,851	3,215	21,461
2005-06	6,855	6,365	2,979	2,617	18,816
2006-07	6,249	6,182	2,518	2,161	17,110
2007-08	6,051	6,194	3,361	2,930	18,536
2008-09	6,623	6,455	3,148	2,363	18,589
2009-10	6,782	6,931	3,122	2,869	19,704
2010-11	7,039	6,879	4,306	2,989	21,213
2011-12	7,000	7,857	3,528	2,876	21,261
2012-13	6,410	6,764	3,384	2,527	19,085
2013-14	6,453	6,969	3,808	2,880	20,110

*Includes credit and non-credit fundable enrollment.

Semester Hours - Credit Classes Only

<u>Academic Year</u>	<u>Fall</u>	<u>Spring</u>	<u>Summer Session</u>		<u>Annual Total</u>
			<u>First</u>	<u>Second</u>	
2003-04	42,735	41,350	7,280	3,956	95,321
2004-05	42,083	43,515	6,383	3,858	95,839
2005-06	43,261	42,384	6,344	3,274	95,263
2006-07	39,851	37,513	5,679	3,587	86,630
2007-08	38,169	36,714	6,643	4,858	86,384
2008-09	39,526	38,427	6,184	5,073	89,210
2009-10	44,718	44,360	7,235	5,727	102,040
2010-11	45,640	44,788	7,631	5,145	103,204
2011-12	44,115	41,361	7,626	5,431	98,533
2012-13	44,222	40,375	7,276	5,731	97,604
2013-14	45,978	40,557	8,379	4,947	99,861

Annual Contact Hours Generated*

	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
<u>Credit Students:</u>					
General Academic	1,273,303	1,295,248	1,354,704	1,414,944	1,415,536
Vocational for Credit	<u>723,664</u>	<u>714,336</u>	<u>709,312</u>	<u>728,048</u>	<u>711,840</u>
Total for Credit	1,996,967	2,009,584	2,064,016	2,142,992	2,127,376
<u>Non-Credit Students:</u>					
Vocational (State funded)	<u>307,032</u>	<u>258,006</u>	<u>320,602</u>	<u>318,279</u>	<u>285,982</u>
TOTAL	<u>2,303,999</u>	<u>2,267,590</u>	<u>2,384,618</u>	<u>2,461,271</u>	<u>2,413,358</u>

*Includes non-credit equivalent hours.

**Odessa Junior College District
Statistical Supplement 7
Student Profile
Last Five Fiscal Years
(unaudited)**

Gender	Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009	
	Number	Percent								
Female	3,575	55.45%	3,666	57.19%	3,822	54.60%	3,966	56.34%	3,831	56.49%
Male	2,872	44.55%	2,744	42.81%	3,178	45.40%	3,073	43.66%	2,951	43.51%
Total	6,447	100.00%	6,410	100.00%	7,000	100.00%	7,039	100.00%	6,782	100.00%

Ethnic Origin	Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009	
	Number	Percent								
White	2,156	33.44%	2,235	34.87%	1,963	28.04%	2,749	39.05%	2,878	42.44%
Hispanic	3,300	51.19%	3,137	48.94%	3,687	52.67%	3,826	54.35%	3,522	51.93%
African American	251	3.89%	183	2.85%	183	2.61%	308	4.38%	274	4.04%
Asian	56	0.87%	54	0.84%	53	0.76%	61	0.87%	56	0.83%
Native American	55	0.85%	41	0.64%	54	0.77%	40	0.57%	30	0.44%
International	10	0.16%	14	0.22%	15	0.21%	13	0.18%	21	0.31%
Unknown	619	9.60%	746	11.64%	1,045	14.93%	42	0.60%	1	0.01%
Total	6,447	100.00%	6,410	100.00%	7,000	100.00%	7,039	100.00%	6,782	100.00%

Age	Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009	
	Number	Percent								
Under 18	1,170	18.15%	1,052	16.41%	1,007	14.39%	950	13.50%	1,004	14.80%
18 -21	2,083	32.31%	2,073	32.34%	2,196	31.37%	2,243	31.87%	2,100	30.96%
22 - 24	720	11.17%	713	11.12%	779	11.13%	753	10.70%	729	10.75%
25 - 35	1,420	22.03%	1,432	22.34%	1,643	23.47%	1,654	23.50%	1,563	23.05%
36 - 50	783	12.15%	806	12.57%	1,046	14.94%	1,060	15.06%	1,025	15.11%
51 & over	271	4.20%	334	5.21%	329	4.70%	379	5.38%	361	5.32%
Total	6,447	100.00%	6,410	100.00%	7,000	100.00%	7,039	100.00%	6,782	100.00%

Average Age (Credit)	22.9	23.0	23.0	24.0	23.6
Average Age (CE)	36.0	37.6	36.0	37.0	37.0

**Odessa Junior College District
Statistical Supplement 8
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 (a)	FTSE (b)	State Appropriation per FTSE	Academic Contact Hours (c)	Technical Contact Hours (c)	Non-Credit Technical Contact Hours (d)	Total Contact Hours	State Appropriation per Contact Hour	
2013-14	\$ 7,351	3,670	\$ 2,003	1,295	714	259	2,268	\$ 3.24	
2012-13	6,925	3,540	1,956	1,295	714	259	2,268	3.05	
2011-12	6,826	3,641	1,875	1,355	709	320	2,384	2.86	
2010-11	7,844	3,792	2,069	1,415	728	318	2,461	3.19	
2009-10	7,945	3,719	2,136	1,416	712	286	2,414	3.29	
2008-09	8,474	3,260	2,599	1,228	650	257	2,135	3.97	
2007-08	8,474	3,206	2,643	1,188	628	294	2,110	4.02	
2006-07	8,474	3,391	2,499	1,185	676	256	2,117	4.00	
2005-06	8,474	3,452	2,455	1,286	713	383	2,382	3.56	
2004-05	8,318	4,062	2,048	1,299	750	780	2,829	2.94	

Notes:

- (a) State Appropriation includes only Unrestricted General Revenue appropriation related to student contact hour reimbursement.
- (b) FTSE is defined as the number of credit semester hours divided by 30 plus non-credit contact hours divided by 900.
- (c) Source CBM001
- (d) Source CBM00A

Odessa Junior College District
Statistical Supplement 9
Transfers to Senior Institutions
2012 Fall Students as of Fall 2013
(Includes only public senior colleges in Texas)
(unaudited)

	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of All Odessa Transfer Students	% of All Odessa Transfer Students	
1	The University of Texas of the Permian Basin	348	15	16	379	50.94%
2	Texas Tech University	107	1	3	111	14.92%
3	Angelo State University	44	1		45	6.05%
4	Texas A & M University	32			32	4.30%
5	Sul Ross State University	24	1		25	3.37%
6	Texas State University at San Marcus	25			25	3.37%
7	West Texas A & M University	24	1		25	3.37%
8	The University of Texas at Arlington	17	1	2	20	2.70%
9	The University of Texas at Austin	14			14	1.88%
10	Texas Tech University Health Science Center	10	1	1	12	1.61%
11	The University of Texas at San Antonio	9	1	2	12	1.61%
12	University of North Texas	11			11	1.48%
13	Tarleton State University	6			6	0.81%
14	Texas A & M University at Commerce	2	1	1	4	0.54%
15	University of Houston	4			4	0.54%
16	Texas Woman's University	3			3	0.40%
17	The University of Texas at Dallas	3			3	0.40%
18	Midwestern State University	2			2	0.27%
19	Texas A & M University at Corpus Christi	2			2	0.27%
20	Lamar University	1			1	0.13%
21	Prairie View A & M University	1			1	0.13%
22	Sam Houston State University	1			1	0.13%
23	Texas A & M University at Galveston	1			1	0.13%
24	Texas A & M International University	1			1	0.13%
25	Texas A & M University at Kingsville	1			1	0.13%
26	Texas Tech University Health Science Center-El	1			1	0.13%
27	The University of Texas at El Paso	1			1	0.13%
28	The University of Texas Medical Branch at Galve	1			1	0.13%
Totals	696	23	25	744	100.00%	

Odessa Junior College District
Statistical Supplement 10
Assessed Value and Taxable Assessed Value of Property
Last Ten Fiscal Years
(unaudited)

Fiscal Year	(amounts expressed in thousands)				Tax Rate		
	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable to Assessed Value	Maintenance & Operations (a)	Debt Service (a)	Total (a)
2013-14	16,176,607	2,388,308	13,788,299	85.24%	0.143474	0.030651	0.174125
2012-13	14,112,228	2,123,917	11,988,311	84.95%	0.151200	0.035970	0.187170
2011-12	12,709,099	2,084,774	10,624,325	83.60%	0.158400	0.038680	0.197080
2010-11	12,082,970	2,108,081	9,974,889	82.55%	0.158400	-	0.158400
2009-10	11,725,808	2,417,353	9,308,455	79.38%	0.162400	-	0.162400
2008-09	11,945,389	2,544,708	9,400,681	78.70%	0.162400	-	0.162400
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

Property Use Category	Detailed Tax Roll For Fiscal Years				
	2013/14	2012/13	2011/12	2010/11	2009/10
Real Property					
Single-Family Residential	\$ 4,193,880	\$ 3,768,789	\$ 3,604,499	\$ 3,578,944	\$ 3,601,843
Multi-Family Residential	335,603	269,959	199,739	185,067	195,706
Vacant Lots/Tracts	129,191	103,505	96,732	101,441	106,371
Acreage (Land Only)	177,141	134,490	124,026	122,227	128,470
Farm and Ranch Improvements	78,267	15,278	14,220	13,438	19,338
Commercial and Industrial	2,146,725	1,723,487	1,602,608	1,525,132	1,610,747
Oil, Gas & Minerals	4,664,878	4,558,628	4,105,181	3,854,425	3,193,131
Inventory	84,786	62,316	45,363	38,237	55,944
Tangible Personal Property					
Business	2,953,609	2,220,925	1,759,954	1,570,466	1,834,895
Other	175,686	146,024	132,191	121,928	116,186
Real & Tangible Personal Property					
Utilities	351,922	322,520	259,137	216,347	105,011
Total Market Assessed Valuations	15,291,688	13,325,921	11,943,650	11,327,652	10,967,642
Constitutionally Exempt Values	884,919	786,307	765,449	755,318	758,166
Total Assessed Valuations	16,176,607	14,112,228	12,709,099	12,082,970	11,725,808
Less Exemptions:					
Constitutionally Exempt	883,327	786,301	765,449	755,318	758,166
Residential Homestead	629,588	591,446	570,765	558,211	518,120
Loss to 10% Cap	74,549	57,929	81,076	186,100	410,766
Over 65	146,591	145,758	172,815	170,760	164,600
Disabled/Others	30,507	29,562	1,189	848	940
Productivity Loss	173,491	94,864	86,410	90,453	93,670
Freeport Exemption	106,666	83,547	73,336	46,692	65,787
Pollution Control	150,888	149,147	151,315	135,845	171,327
Abatements	192,701	185,364	182,419	163,854	233,977
Total Exemptions	2,388,308	2,123,918	2,084,774	2,108,081	2,417,353
Taxable Assessed Valuation	\$ 13,788,299	\$ 11,988,310	\$ 10,624,325	\$ 9,974,889	\$ 9,308,455

Odessa Junior College District
Statistical Supplement 11
Principal Taxpayers
Last Ten Tax Years
(unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)									
		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Occidental Permian LTD	Oil & Gas	\$ 773,121	\$ 810,640	\$ 677,300	\$ 671,537	\$ 722,406	\$ 665,706	\$ 845,024	\$ 610,832	\$ 514,882	\$ 449,259
Conocophoillips	Oil & Gas	332,618	375,281	382,053	401,298	457,937	350,225	372,529	231,750	212,867	172,712
Odessa-Ector Power Partners	Utility	314,933	318,767	316,562	226,811	191,925	191,713	-	-	-	-
Devon Energy Production	Oil & Gas	302,219	222,788	256,806	203,373	126,613	-	-	-	-	-
XTO Energy	Oil & Gas	290,039	197,932	243,275	308,732	296,139	278,509	313,628	223,288	147,857	82,277
Apache Corporation	Oil & Gas	274,700	265,774	264,552	236,650	236,130	160,352	286,547	-	-	-
Halliburton Energy Services	Oil & Gas	265,719	238,475	132,610	-	-	-	-	-	-	-
Reliance Energy Inc	Oil & Gas	182,825	-	-	-	-	-	-	-	-	-
Fasken Oil & Ranch LTD	Oil & Gas	177,672	-	-	-	-	-	-	-	-	-
Oxy USA WTP LP	Oil & Gas	164,780	206,678	244,011	223,194	225,445	232,478	296,757	212,925	188,176	119,146
Sheridan Production Co	Oil & Gas	-	194,557	-	-	-	-	-	-	-	-
Chevron USA Inc.	Oil & Gas	-	175,878	-	-	-	-	-	-	-	-
Sandridge Exploration & Prod	Oil & Gas	-	-	244,663	211,724	179,281	-	-	-	-	-
COG Operating	Oil & Gas	-	-	235,003	190,344	94,093	-	-	-	-	-
Oxy USA Inc.	Oil & Gas	-	-	-	82,994	-	97,017	129,370	-	-	-
Energen Resources	Oil & Gas	-	-	-	-	95,603	77,649	100,632	66,137	-	-
Oncore Electric Delivery	Utility	-	-	-	-	-	80,011	84,067	-	-	-
Four Star Oil and Gas	Oil & Gas	-	-	-	-	-	78,154	116,096	132,860	167,372	123,514
Flint Hills/Huntsman Polmers	Chemicals	-	-	-	-	-	-	180,234	184,317	282,588	229,892
Anadarko Petroleum Corp.	Oil & Gas	-	-	-	-	-	-	-	248,127	229,934	193,987
TXU Electric Delivery Co.	Utility	-	-	-	-	-	-	-	82,686	81,073	77,387
BP American Production Co.	Oil & Gas	-	-	-	-	-	-	-	51,858	52,168	43,699
Encore Operating LP	Oil & Gas	-	-	-	-	-	-	-	-	59,604	60,009
Totals		\$ 3,078,626	\$ 3,006,770	\$ 2,996,835	\$ 2,756,657	\$ 2,625,572	\$ 2,211,814	\$ 2,724,884	\$ 2,044,780	\$ 1,936,521	\$ 1,551,882
Total Taxable Assessed Value		\$ 13,788,295	\$ 11,988,311	\$ 10,624,325	\$ 9,974,889	\$ 9,308,455	\$ 9,400,680	\$ 7,630,567	\$ 6,742,227	\$ 5,819,986	\$ 5,045,468

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year									
		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Occidental Permian LTD	Oil & Gas	5.61%	6.76%	6.37%	6.73%	7.76%	7.08%	11.07%	9.06%	8.85%	8.90%
Conocophoillips	Oil & Gas	2.41%	3.13%	3.60%	4.02%	4.92%	3.73%	4.88%	3.44%	3.66%	3.42%
Odessa-Ector Power Partners	Utility	2.28%	2.66%	2.98%	2.27%	2.06%	2.04%	-	-	-	-
Devon Energy Production	Oil & Gas	2.19%	1.86%	2.42%	2.04%	1.36%	-	-	-	-	-
XTO Energy	Oil & Gas	2.10%	1.65%	2.29%	3.10%	3.18%	2.96%	4.11%	3.31%	2.54%	1.63%
Apache Corporation	Oil & Gas	1.99%	2.22%	2.49%	2.37%	2.54%	1.71%	3.76%	-	-	-
Halliburton Energy Services	Oil & Gas	1.93%	1.99%	1.25%	-	-	-	-	-	-	-
Reliance Energy Inc	Oil & Gas	1.33%	-	-	-	-	-	-	-	-	-
Fasken Oil & Ranch LTD	Oil & Gas	1.29%	-	-	-	-	-	-	-	-	-
Oxy USA WTP LP	Oil & Gas	1.20%	1.72%	2.30%	2.24%	2.42%	2.47%	3.89%	3.16%	3.23%	2.36%
Sheridan Production Co	Oil & Gas	-	1.62%	-	-	-	-	-	-	-	-
Chevron USA Inc.	Oil & Gas	-	1.47%	-	-	-	-	-	-	-	-
Sandridge Exploration & Prod	Oil & Gas	-	-	2.30%	2.12%	1.93%	-	-	-	-	-
COG Operating	Oil & Gas	-	-	2.21%	1.91%	1.01%	-	-	-	-	-
Oxy USA Inc.	Oil & Gas	-	-	-	0.83%	-	1.03%	1.70%	-	-	-
Energen Resources	Oil & Gas	-	-	-	-	1.03%	0.83%	1.32%	0.98%	-	-
Oncore Electric Delivery	Utility	-	-	-	-	-	0.85%	1.10%	-	-	-
Four Star Oil and Gas	Oil & Gas	-	-	-	-	-	0.83%	1.52%	1.97%	2.88%	2.45%
Flint Hills/Huntsman Polmers	Chemicals	-	-	-	-	-	-	2.36%	2.73%	4.86%	4.56%
Anadarko Petroleum Corp.	Oil & Gas	-	-	-	-	-	-	-	3.68%	3.95%	3.84%
TXU Electric Delivery Co.	Utility	-	-	-	-	-	-	-	1.23%	1.39%	1.53%
BP American Production Co.	Oil & Gas	-	-	-	-	-	-	-	0.77%	0.90%	0.87%
Encore Operating LP	Oil & Gas	-	-	-	-	-	-	-	-	1.02%	1.19%
Totals		22.33%	25.08%	28.21%	27.64%	28.21%	23.53%	35.71%	30.33%	33.27%	30.76%

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

Calendar Year	District Population	District Personal Income (thousands of dollars)	District Personal Income Per Capita	District Unemployment Rate
2013	149,378	(a)	(a)	4.0%
2012	144,325	\$ 6,162,376	\$ 42,698	4.2%
2011	140,111	5,378,120	38,385	5.8%
2010	137,130	4,752,997	34,653	7.8%
2009	134,625	4,515,835	33,544	6.2%
2008	131,180	4,731,242	36,067	3.4%
2007	128,874	4,197,617	32,571	4.2%
2006	126,076	3,739,763	29,663	5.0%
2005	124,187	3,286,755	26,466	6.0%
2004	123,243	2,954,940	23,977	6.7%

Sources:

Population from U.S. Census Bureau

Personal income and Population from U.S. Bureau of Economic Analysis.

Unemployment rate from The County Information Project, Texas Association of Counties
(<http://www.txcip.org/tac/census/CountyProfiles.php>)

Notes:

a. Information not yet available

<http://www.txcip.org/tac/census/profile.php?FIPS=48135>