



Financial Statements and
Independent Auditors' Report



Odessa Junior College District
August 31, 2016 and 2015

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ODESSA JUNIOR COLLEGE DISTRICT

ORGANIZATIONAL DATA

For the Year Ended August 31, 2016

BOARD OF TRUSTEES



OFFICERS

Mr. Royce Bodiford	President
Mr. Tommy Clark	Vice President
Mr. Neil Grape	Secretary
Mr. Bruce Shearer	Assistant Secretary

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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	2021
Mr. JE "Coach" Pressly	Odessa, Texas	2021
Mr. Bruce Shearer	Odessa, Texas	2017
Ms. Ray Ann Zant	Odessa, Texas	2021



PRINCIPAL ADMINISTRATIVE & FINANCIAL OFFICERS

Dr. Gregory D. Williams	President
Ms. Virginia E. Chisum, CPA	Vice President for Business Affairs
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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, 2016 and 2015, 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, 2016 and 2015, 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.

Emphasis of a Matter

As discussed in Note 21 to the financial statements, in 2015, the District adopted new accounting guidance prescribed by GASB Statement No. 68 for its pension plan - a multiple employer, cost-sharing, defined benefit pension plan that has a special funding situation. Because GASB Statement No. 68 implements new measurement criteria and reporting provisions, significant information has been added to the financial statements. Note 21 and the Schedule of District's Proportionate Share of Net Pension Liabilities and Schedule of District's Contributions disclose the District's net pension liability and deferred outflows and inflows of resources related to the District's pension plan. Note 2 discloses the adjustment to the District's beginning net position. Our opinion is not modified with respect to the matter.

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 – 21, the Schedule of District's Proportionate Share of Net Pension Liability on page 53 and the Schedule of District's Contributions on page 54 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 pages 69 through 80 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirement of Federal Awards, 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.

Other Matters (Continued)

The schedules of expenditures of federal and state awards (Schedules E & F) 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 awards and the schedule of expenditures of 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 1, 2016, 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., CPAs PC". The signature is written in a cursive, flowing style.

Odessa, Texas
December 1, 2016

**Management's Discussion and Analysis
For the Period Ending August 31, 2016 (Unaudited)**

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, 2016 (Fiscal Year 2016), 2015 (Fiscal Year 2015), and 2014 (Fiscal Year 2014). 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.

FINANCIAL AND ENROLLMENT HIGHLIGHTS

- The District's net financial position as a whole was strengthened as total revenues exceeded total expenses by \$6.5 million in fiscal year 2016. Revenues exceeded expenses by \$4.3 million and \$5.1 million in fiscal years 2015 and 2014.
- The District's assets and deferred outflows exceeded its liabilities and deferred inflows by \$50.4 million at the end of fiscal year 2016, compared to \$43.9 million and \$46.6 million at the end of fiscal years 2015 and 2014, respectively.
- Capital assets (net of depreciation) increased by approximately \$10.4 million in 2016, by \$8.2 million in 2015, and by \$25.4 million in 2014. The increases resulted primarily from construction and equipment purchases related to the Vision 2015 campus improvement program funded largely by the 2011 Tax Bond.
- The District's total debt decreased during fiscal year 2016 by \$3.7 million to \$80.4 million. Debt decreased by \$3.5 million and \$2.3 million at the end of fiscal years 2015 and 2014. The decreases during all three fiscal years were due to scheduled debt service payments on revenue and general obligation bonds.
- The net taxable property values in the District decreased by approximately \$0.7 billion, or 4.8%, from 2015 to 2016 and increased by \$0.9 billion, or 6.6%, from 2014 to 2015.
- Total tax revenues increased by \$.8 million (3.1%) to \$27.0 million in 2016, compared to tax revenues of \$26.2 million and \$24.2 million in 2015 and 2014.
- Total contact hours from both credit and noncredit instruction increased by 4.0% to 2,424,704 in 2016, compared to 2,331,822 in 2015 and 2,303,999 in 2014.
- Total semester hours for credit classes increased by 6.7% to 103,475 in 2016, compared to 97,012 in 2015 and 99,861 in 2014.

Management's Discussion and Analysis For the Period Ending August 31, 2016 (Unaudited)

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.

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 2015 and 2014 are presented as discrete reports on pages 24 and 27 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, deferred outflows and inflows of resources, 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.
- Deferred inflows of resources represents an acquisition of net position that applies to a future period therefore not being recognized as an inflow of resources until such time.
- Deferred outflows of resources represents a consumption of net position that applies to a future period therefore not being recognized as an inflow of resources until such time.

Net position is the difference between total assets, total liabilities, deferred outflows and deferred inflows. 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 position is divided into three major categories.

- Net Investment in Capital Assets, 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.

Management's Discussion and Analysis For the Period Ending August 31, 2016 (Unaudited)

- **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. The statement is divided into (a) Operating Revenues and Expenses, (b) Non-Operating Revenues and Expenses, and (c) Other Revenue.

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.

Odessa College, like all other Texas community colleges, is primarily dependent upon three sources of revenue: state appropriations, tuition and fees, and local property taxes. Since state appropriations and property taxes are classified as non-operating revenues (per the GASB requirement), 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, 2016 (Unaudited)**

CONDENSED COMPARATIVE FINANCIAL INFORMATION

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

	Year Ended August 31,			<u>2015 to</u>	<u>2014 to</u>
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2016</u>	<u>2015</u>
Current assets	\$ 21,058	\$26,191	\$29,019	\$ (5,133)	\$ (2,828)
Capital assets, net	110,534	100,106	91,865	10,428	8,241
Other non-current assets	18,005	21,050	25,006	(3,045)	(3,956)
Deferred outflows of resources	2,681	1,070	0	1,611	1,070
Total assets and deferred outflows	152,278	148,417	145,890	3,861	2,527
Current liabilities	14,035	14,317	13,371	(282)	946
Non-current debt	78,210	82,101	85,877	(3,891)	(3,776)
Net Pension Liability	6,813	6,204	0	609	6,204
Deferred inflows of resources	2,832	1,898	0	934	1,898
Total liabilities and deferred inflows	101,890	104,520	99,248	(2,630)	5,272
Net Position:					
Invested in capital assets, net of related debt	31,177	17,619	15,208	13,558	2,411
Restricted: nonexpendable	844	844	845	0	(1)
Restricted: expendable	4,493	11,624	11,042	(7,131)	582
Unrestricted	13,874	13,810	19,547	64	(5,737)
Total net position	\$ 50,388	\$ 43,897	\$46,642	6,491	\$ (2,745)

Figure 1 Note: FY2015 has been restated to account for cumulative effect of GASB Statement 68 implementation.

The District implemented GASB Statement 68 during 2015. With this new reporting change, the District now reports its proportionate share of the Texas Retirement System's net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. Schedule of District's Share of Net Pension Liability and the Schedule of District's Contributions, which can be found on pages 53 and 54, show the District's share of the TRS net pension liability and the District's contributions to the plan. The implementation of this new accounting principle required a restatement of beginning net position for the 2015 fiscal year from \$46.6 million to \$39.6 million, a decrease of \$7.0 million. As a result, certain components of the Statement of Net Position cannot be compared to prior years.

Management's Discussion and Analysis For the Period Ending August 31, 2016 (Unaudited)

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.

During fiscal year 2016:

- There was a decrease of \$5,133,000 in current assets due to a decrease in cash and cash equivalents offset by an increase in accounts receivable. Cash and cash equivalents decreased by \$10,995,000 due primarily to bond construction expenditures. Accounts receivable increased by \$5,100,000 due to the timing of the Federal Pell Grant draw down at year end as well as a private grant receivable from Odessa Development Corp.

During fiscal year 2015:

- There was a decrease of \$2,828,000 in current assets due to a decrease in cash and short term investments that had a maturity of less than one year at the time they were purchased. However, the District had an additional \$2.2 million classified as non-current investments which were scheduled to mature within 45 days of the end of the fiscal year to pay bond construction payables as they became due.

During fiscal year 2014:

- There was a decrease of \$9,039,000 in current assets due to a decrease in short term investments, cash and cash equivalents that are available for operations and construction during the next 12 months.

Capital assets, net of depreciation, increased by 10.4%, or \$10.4 million, during 2016 while increasing \$8.2 million during 2015. 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 2016:

- Construction in Progress increased by approximately \$3.1 million. Fiscal year 2016 construction costs amounted to \$12.5 million on projects not yet completed, including the Spur Building - Phase 2, the Commons Landscape improvements, Globe Theater renovations, the FabLab and Electronics Technology Building Phase 2. There was an offsetting decrease of \$9.4 million to Construction in Progress with the completion of the Williams Continuing Education Center and the remodel of the Learning Resource Center and Odessa Career and Technical Early College High School (OCTECHS) which were reclassified into the Buildings category of capital assets.
- Buildings and improvements increased by \$8.8 million due to the completion of the Williams Continuing Education Center as well as the remodel to the LRC/OC Techs.
- Other land improvements increased by \$644 thousand due to the completion of the campus signage plans on the main campus and the Pecos campus.

Management's Discussion and Analysis For the Period Ending August 31, 2016 (Unaudited)

During fiscal 2015:

- Construction in Progress increased by approximately \$4.8 million. Fiscal year 2015 construction costs amounted to \$9.3 million on projects not yet completed, including the Williams Continuing Education Center, Spur Building - Phase 2, and the Commons Landscape improvements. There was an offsetting decrease of \$4.5 million to Construction in Progress with the completion of Wilkerson Hall which was reclassified into the Buildings category of capital assets.
- Major equipment purchases included \$55,400 for two new vehicles, \$147,000 for Steinway pianos, and \$84,000 for Graham Center ranch equipment.
- Grant-funded instructional equipment purchases included \$395,000 from Chevron Energy Center, \$14,000 from Carl Perkins Grant, \$245,000 from the Perkins Early College High School Grant for OCTECHS, \$115,000 from the Odessa Development Corp Grant and \$23,000 from the Texas Workforce Skills Development Chevron Grant.

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.

Total liabilities (excluding the restatement of Net Pension Liability) decreased by \$4.2 million in fiscal year 2016 and \$2.8 million in fiscal 2015. The major contributing factors are explained below.

During fiscal 2016:

- Accounts payable related to construction and vendor purchases decreased by \$1,366,000, reflective of less construction activity with fewer Vision 2015 projects active at year-end.
- Deferred tuition revenue increased by \$405,000 due to an increase in enrollment for Fall 2016.
- Non-current liabilities decreased by \$3.9 million due to principle payments on lease and bond obligations.

**Management's Discussion and Analysis
For the Period Ending August 31, 2016 (Unaudited)**

During fiscal 2015:

- Accounts payable related to construction and vendor purchases increased by \$1,299,000, reflective of higher construction activity with several Vision 2015 projects active at year-end.
- The current portion of bonds payable increased by \$275,000 due to scheduled increases in principle payments due within the next 12 months related to outstanding bonds. The increases in principle are accompanied by decreases in interest expense, resulting in fairly level bond payments over time.
- Non-current liabilities decreased by \$3.8 million due to principle payments on lease and bond obligations.

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 scheduled payments on capital lease and bond obligations.

Overall, the District's net position increased by \$6.5 million during fiscal 2016, decreased by \$2.7 million during 2015, and increased by \$5.1 million during 2014. The 2015 decrease was comprised of a \$4.3 million increase in net position from normal operations offset by a \$7.0 million cumulative effect of change in accounting principle due to the implementation of GASB 68 during 2015. Therefore, aside from the effects of the GASB 68 implementation, the District's 2016 net position improved by \$2.2 million over fiscal 2015, as shown on page 27 in Exhibit 2 of the Financial Statements.

During fiscal 2016:

- The Net Investment in Capital Assets, representing the net value of capital assets (land, buildings, and equipment) less the related debt, increased by almost \$13.6 million.
- The Restricted Net Position decreased approximately \$7.1 million, primarily due to the expenditure of bond and gift proceeds on construction projects. In addition, the net position of restricted student aid declined as scholarships were awarded in fiscal 2016 from donations received in fiscal 2015.
- The Unrestricted Net Position increased modestly by \$63 thousand.

During fiscal 2015:

- 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 \$2.4 million.
- The Restricted Net Position increased approximately \$580 thousand.
- The Unrestricted Net Position cannot be compared to the previous two years due to the restatement required by GASB 68. Nevertheless, there was an excess of unrestricted revenues over unrestricted expenses of \$1.3 million during fiscal 2015.

**Management's Discussion and Analysis
For the Period Ending August 31, 2016 (Unaudited)**

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 decreased by approximately \$480,000. The increase reflects an excess of unrestricted revenues over expenses of \$800,000 in the maintenance and operating fund, offset by a decrease of \$328,000 in the plant renewal and replacement funds.

**Management's Discussion and Analysis
For the Period Ending August 31, 2016 (Unaudited)**

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

	Year Ended August 31,			Increase (Decrease)	
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2015 to 2016</u>	<u>2014 to 2015</u>
Operating revenues					
Tuition and fees (net of discounts)	\$ 7,701	\$ 8,327	\$ 6,947	\$ (626)	\$ 1,380
Grants and contracts	4,204	3,347	2,859	857	488
Other	2,724	2,736	2,717	(12)	19
Total operating revenue	14,629	14,410	12,523	219	1,887
Operating expenses					
Instruction	18,150	18,651	17,536	(501)	1,115
Public Service	1,252	1,141	1,179	111	(38)
Academic Support	4,807	4,537	4,208	270	329
Student Services	4,179	3,968	3,677	211	291
Institutional Support	5,947	5,476	6,400	471	(924)
Operations & Maint of Plant	4,122	4,281	3,679	(159)	602
Scholarship & Fellowships	4,976	4,237	4,547	739	(310)
Auxiliary enterprises	2,397	2,412	2,164	(15)	248
Depreciation	2,688	2,552	1,836	136	716
Total operating expenses	48,518	47,255	45,226	1,263	2,029
Operating loss	(33,889)	(32,845)	(32,703)	(1,044)	(142)
Non-operating revenue/(expense)					
State appropriation	10,290	9,538	9,721	752	(183)
Ad valorem taxes	26,961	26,159	24,150	802	2,009
Federal student aid grants	5,860	4,903	5,102	957	(199)
Interest on debt	(3,871)	(3,963)	(4,909)	92	946
Other	507	339	358	168	(19)
Total non-operating income	39,747	36,976	34,422	2,771	2,554
Other revenue					
Capital grants and gifts	633	153	3,348	480	(3,195)
Increase in net position	6,491	4,284	5,067	2,207	(783)
Net position, beginning of year	43,897	46,642	41,575	(2,745)	5,067
Prior period adjustment GASB 68 Implementation	N/A	(7,029)	N/A	7,029	(7,029)
Net position beginning of year as restated	43,897	39,613	41,575	4,284	(1,962)
Net position, end of year	\$ 50,388	\$ 43,897	46,642	\$6,491	\$ (2,745)

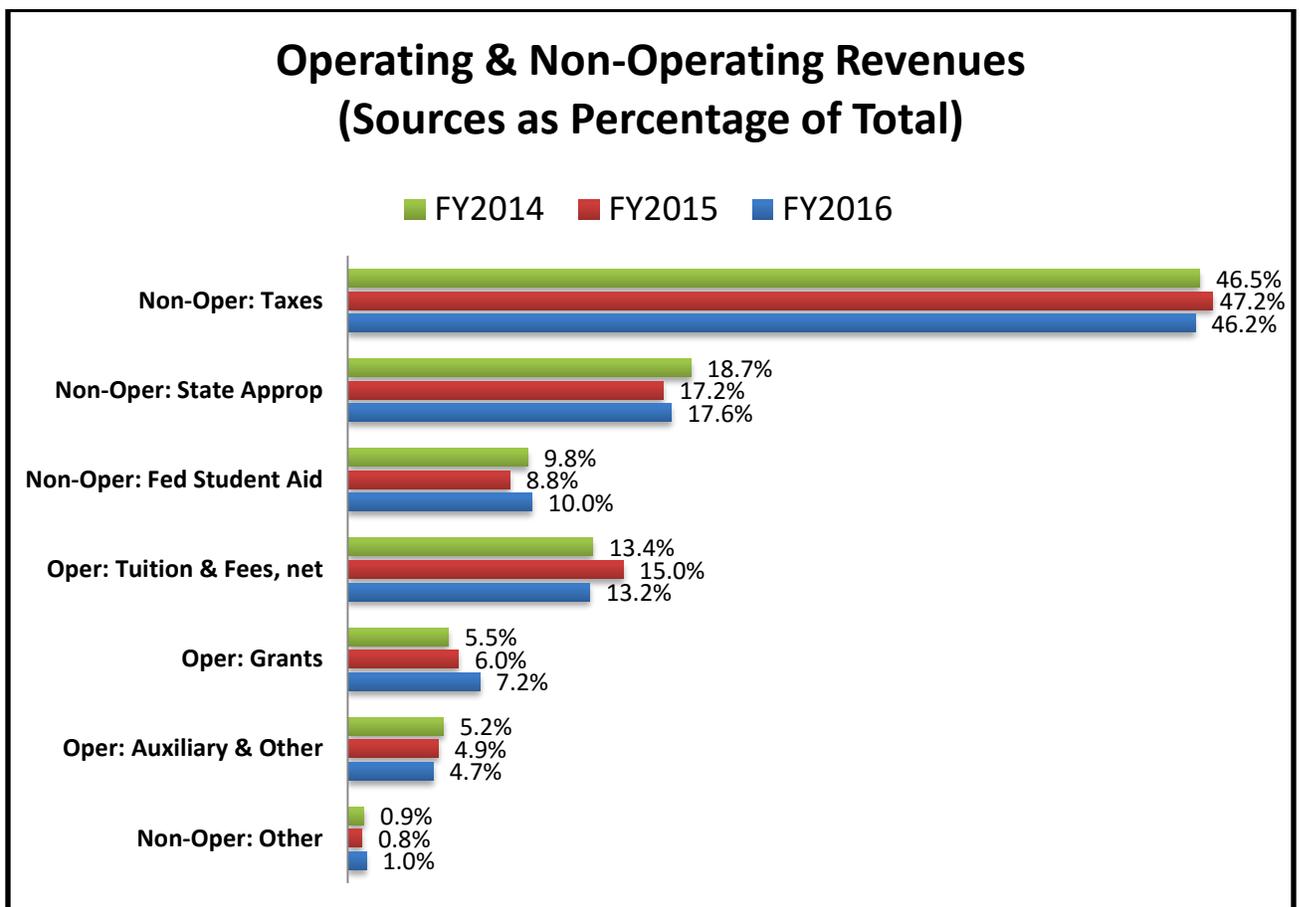
Figure 2 Note: FY2015 has been restated to account for GASB Statement No. 68 changes and a prior period adjustment.

**Management's Discussion and Analysis
For the Period Ending August 31, 2016 (Unaudited)**

Revenues

Graph 1 below illustrates the sources of operating and non-operating revenues for fiscal years 2016, 2015, and 2014. As evidenced by the graph, the majority of revenue is derived from non-operating sources.

A comparison of fiscal 2016 to fiscal 2015 shows an increase in the percentage of revenues provided by state appropriations, federal student aid, and operating grants. The percentage derived from property taxes, tuition (net of discounts and allowances), and auxiliaries declined during the same period. Comparing the prior two fiscal years (2015 to 2014) reveals increases in percentage from taxes, tuition, and operating grants and decreases in percentage from state appropriations, federal student aid, and auxiliaries.



Graph 1

**Management's Discussion and Analysis
For the Period Ending August 31, 2016 (Unaudited)**

Operating Revenues:

Key factors impacting Operating Revenues are explained below:

During fiscal 2016:

- Tuition and Fee Revenue, net of discounts, decreased by \$626,000, or about 7.5%. Gross tuition and fees decreased by \$351,000 due to a decrease in state funded continuing education enrollments. At the same time, scholarship allowances and discounts increased by \$426,000 due to federal grants to students. State funded credit tuition increased by \$121,000 due to higher enrollment.
- Federal Operating Grants decreased by \$421,000 or 21.8%. The decrease is due primarily to the ending of a one year Perkins Grant for the Early College High School (OC Tech) in the amount of \$373,000.
- State Operating Grants decreased by \$416,000 due to a Texas Workforce Commission skills development grant partnering with Chevron USA Inc. ending in the prior year as well as a pass through grant from Alamo Community College in partnership with Weatherford ending in the prior year.
- Non-governmental Grants and Contracts increased by \$1,693,000 due to a private grant from the Odessa Development Corporation.

During fiscal 2015:

- Tuition and Fee Revenue, net of discounts, increased by \$1,380,000, or about 20%. Gross tuition and fees actually increased by \$1,498,000 due to an increase in semester credit hours as well as a tuition increase. At the same time, scholarship allowances and discounts increased by \$117,000 due to local remissions and exemptions.
- Federal Operating Grants increased by \$668,000 or 53%. The increase is due to a new Perkins Grant for the Early College High School (OC Tech) in the amount of \$373,000 as well as additional funding from the Adult Education and Literacy Grant.
- State Operating Grants decreased by \$526,000 due to a Texas Workforce Commission skills development grant partnering with Chevron USA Inc. ending in the current year.
- Non-governmental Grants and Contracts increased by \$346,000 due to a new private grant from the Odessa Development Corporation.

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.

Management's Discussion and Analysis For the Period Ending August 31, 2016 (Unaudited)

Non-Operating Revenues:

Non-Operating Revenues increased by \$2.8 million in 2016 after increasing by \$2.6 million in 2015 and increasing \$2.4 million during 2014. Key factors impacting Non-Operating Revenues are discussed below:

During fiscal 2016:

- Total State Appropriations increased by \$752,000, 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 \$802,000, or 3.1%. While net assessed valuations decreased by 4.8%, the tax rate for maintenance and operations was increased by 8%.
- Federal Student Aid Revenue increased \$957,000 or 19.5%. The number of recipients awarded during the 2015-16 academic year decreased by 10% from the previous year to a total of 1,442 students; however, those qualifying for the 2016-17 academic year increased to 1,765, resulting in a larger disbursement of aid in August of 2016 for the fall semester.

During fiscal 2015:

- Total State Appropriations decreased slightly by \$183,000, 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 \$2,009,000, or 8.3%, due to higher property values. Total assessed valuations increased by 5.8% while the tax rate increased by 1.4%.

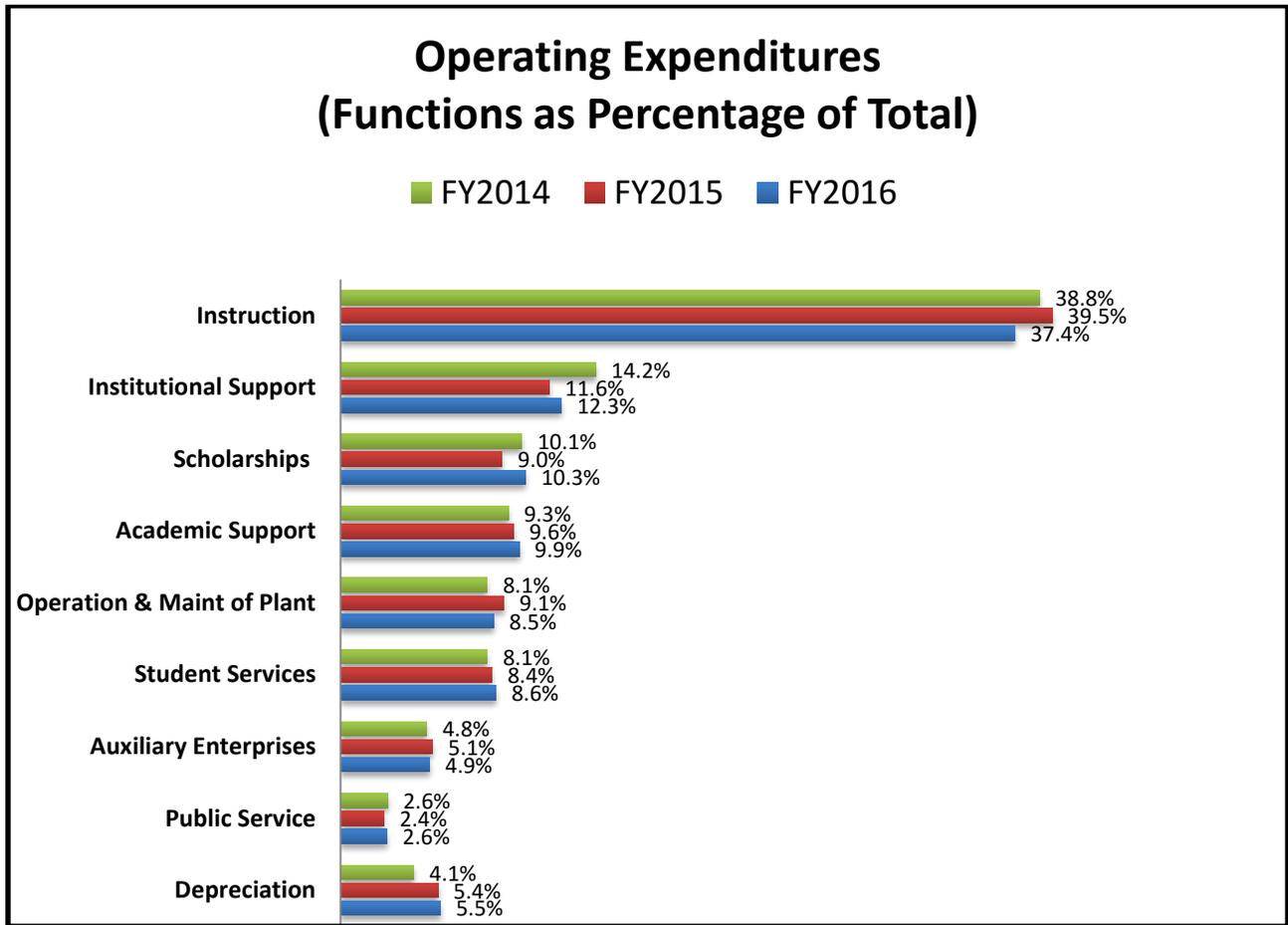
During fiscal 2014:

- 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%.

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 2016, 2015 and 2014.

**Management's Discussion and Analysis
For the Period Ending August 31, 2016 (Unaudited)**



Graph 2

As shown in Figure 2, total Operating Expenses increased by \$1.3 million or 2.7% in 2016, after an increase of \$2.0 million or 4.3%, during 2015, and a large increase of \$4.7 million, or 10.4% during 2014. Key factors impacting operating expenses by functional expense categories are described below:

During fiscal 2016:

- Instructional expenditures decreased by \$501,000, or 2.7%, due primarily to a reduction in non-capital equipment purchases related to the completion of Vision 2015 construction projects.
- Academic Support expenditures increased by \$270,000, or 6.0%, primarily due to filling open positions during the year.
- Student Services increased by \$211,000, or 5.3% primarily due to the filling of open position during the year.
- Institutional Support increased by \$471,000, or 8.6%, due primarily to less purchases of equipment that was associated with the completion of the new building during 2014.
- Scholarship expenditures increased by \$739,000, or 17.4%, due to an increase in the number of students eligible to receive Pell grants.
- Depreciation expenditures increased by \$136,000, or 5.3%, due to the increase in capitalized assets related to the Vision 2015 campus improvement projects.

**Management's Discussion and Analysis
For the Period Ending August 31, 2016 (Unaudited)**

During fiscal 2015:

- Instructional expenditures increased by \$1,115,000, or 6.0%, due to an increase in salary of \$477,000 and the filling of open positions during the year, as well as an increase in other expenses of \$446,000 from non-capitalized equipment purchases related to the completion of Vision 2015 construction projects.
- Academic Support expenditures increased by \$329,000, or 7.8%, primarily due to filling open positions during the year.
- Institutional Support decreased by \$925,000, or 14.4%, due primarily to less purchases of equipment that was associated with the completion of the new building during 2014.
- Operation & Maintenance of Plant increased by \$602,000, or 16.4% due to an increase in electricity as well as custodial services related to the addition of new buildings in 2014.
- Scholarship expenditures decreased by \$310,000, or 6.8%, due to a continued decrease in the number of students eligible to receive Pell grants.
- Depreciation expenditures increased by \$716,000, or 28.1%, due to the increase in capitalized assets related to the Vision 2015 campus improvement projects.

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.

Other Revenues consist mainly of capital contributions in the form of gifts and grants as well as additions to permanent endowments. Capital contributions were \$633,000 in fiscal 2016, \$153,000 in 2015, and \$3.3 million in 2014. The 2016 capital donations were dedicated to the Steinway piano replacement campaign, the Globe Theatre renovations, and the Fab Lab construction. The 2015 contributions were designated for Vision 2015 construction. A \$3 million gift was received from the Saulsbury Family Foundation to aid in the construction of the new campus center during 2014.

**Management's Discussion and Analysis
For the Period Ending August 31, 2016 (Unaudited)**

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets, net of depreciation, was \$110.5 million at the end of fiscal 2016, compared to \$100.1 million in 2015, and \$91.9 million in 2014. A summary of capitalized assets for fiscal years 2016, 2015, and 2014 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)	
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2015 to</u> <u>2016</u>	<u>2014 to</u> <u>2015</u>
Land	\$ 4,196	\$ 4,196	\$ 4,196	\$ 0	\$ 0
Buildings and improvements	95,794	87,033	82,485	8,761	4,548
Other land improvements	8,345	7,701	7,665	644	36
Construction in progress	19,467	16,335	11,555	3,132	4,780
Furniture and equipment	12,969	12,332	10,872	637	1,460
Library materials	2,287	2,346	2,377	(59)	(31)
Subtotal	143,058	129,943	119,150	13,115	10,793
Less: Accumulated depreciation	(32,524)	(29,837)	(27,285)	(2,687)	(2,552)
Net Capital Assets	\$ 110,534	\$ 100,106	\$ 91,865	\$ 10,428	\$ 8,241

Figure 3

The District is nearing the completion of an \$80 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 7 existing facilities.

Debt Administration

The District had outstanding debt of \$80.4 million as of August 31, 2016, and \$84.1 million and \$87.6 million as of August 31, 2015 and 2014, respectively. No new debt was issued during 2016. Principal payments on long-term debt totaled \$3,680,000 in 2016, \$3,445,000 in 2015, and \$2,325,000 in 2014. Details of the outstanding long-term liabilities by type as of August 31, 2016, 2015, and 2014 can be seen below in Figure 4.

**Management's Discussion and Analysis
For the Period Ending August 31, 2016 (Unaudited)**

**Outstanding Debt
(thousands of dollars)**

	Year Ended August 31,		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Obligation Bonds	\$ 65,760	\$ 67,155	\$ 68,340
Revenue Bonds	14,680	16,965	19,185
Capital Lease Notes	0	0	40
Total Outstanding Debt	<u>\$ 80,440</u>	<u>\$ 84,120</u>	<u>\$ 87,565</u>

Figure 4

On November 30, 2016, Fitch Ratings upgraded its rating on the District's series 2011 general obligation tax bonds to 'AA' from 'AA-'. The rating outlook is Stable. The upgrade is due to the application of Fitch's revised criteria for U.S., state, and local governments. According to Fitch:

"The upgrade reflects the District's ample revenue-raising ability, sound expenditure flexibility, strong reserve cushion, and limited historical revenue volatility. These factors combine to provide the district with a high level of operating flexibility and anticipated financial resilience throughout the economic cycle. Fitch expects the long-term liability burden will remain low."

On July 28, 2015, Standard & Poor's Ratings Services raised its rating on the District's series 2009 and 2012 revenue bonds. The outlook remains stable. According to Standard & Poor's:

"The upgrade reflects our view of the district's healthy full-accrual operating surpluses aided by favorable enrollment trends in the past two years and state appropriation increases, coupled with improved revenue-debt only financial resource ratios. We expect the District to manage its financial operations to accommodate potential variability in enrollment, property tax revenues, and state appropriations."

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

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 energy exploration sector of the economy has slowed due to lower oil prices, the oilfield service sector is still quite busy. During the last boom, thousands of oil wells were drilled resulting in higher than ever demand for service and maintenance of those assets. Since the vast majority of oil field service companies are located in Ector County, the economy is still stronger than it was before the boom started in 2012.

Moreover, on Tuesday November 15, 2016, the U.S. Geological Survey announced that a swath of West Texas known as the Wolfcamp shale contains 20 billion barrels of oil and 16 trillion cubic feet of natural gas, making it the largest continuous oil and gas deposit ever discovered in the U.S. The economic effects of extracting the oil and gas from the Wolfcamp shale could be enormous. This announcement follows only two months after Apache Corporation announced its Alpine High

Management's Discussion and Analysis For the Period Ending August 31, 2016 (Unaudited)

discovery, estimated to contain up to 2.7 billion barrels of recoverable oil even at current prices. Odessa and Ector County lie squarely between the two new discoveries, with the Alpine High field to the west and the Wolfcamp shale area to the east.

The District's administration expects a decline in the tax base next year, but feels confident that revenue shortfalls can be managed through budgetary tightening that will not reduce instructional programs.

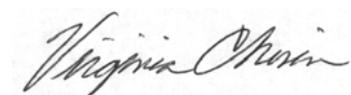
In the past year, the District has received numerous awards at the state and national level that are reflective of its high quality and unique approaches to student success. In September 2016, Odessa College was named as one of just 10 national finalists for the 2017 Aspen Prize for Community College Excellence, an award which is recognized among American institutions of higher education as the most prestigious and elevated affirmation of high achievement and exemplary performance that a community college can receive. The \$1 million prize fund will be awarded in March 2017 in Washington, D.C. to the Grand Prize winner and up to four Finalists with Distinction. The Aspen Prize recognizes outstanding institutions selected from an original pool of all 1,200 public community colleges nationwide. The Aspen Institute assesses performance and achievements in four areas: student learning, certificate and degree completion, employment and earnings for graduates, and access and success for minority and low-income students. The District anticipates that such national recognition of quality and effectiveness will likely contribute to strong enrollment demand in the near future.

Unlike many area community colleges, student enrollment remained high even during the most recent economic boom when the unemployment rate was exceptionally low. Now that, the economy continues to weaken, enrollment is expected to increase significantly as displaced workers seek retraining and additional education. Tuition rates remain competitive and slightly below the state average, and scholarship availability continues to grow through the support of the Odessa College 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. The District's 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,

	2016	2015
ASSETS:		
Current Assets		
Cash and cash equivalents (Notes 2 and 4)	\$ 7,696,855	18,692,189
Short-term investments (Notes 2 and 4)	497,438	-
Accounts receivable, net (Note 14)	8,589,230	3,449,064
Inventories (Note 2)	10,326	2,016
Notes receivable – current, net	2,066,577	1,896,956
Prepaid items	1,518,737	1,640,555
Escrow deposits	678,780	509,869
Total Current Assets	21,057,943	26,190,649
Noncurrent Assets:		
Restricted cash and cash equivalents (Notes 2 and 4)	542,763	1,167,405
Endowment investments (Notes 2, 3 and 4)	843,869	844,464
Other long-term investments (Notes 2, 3 and 4)	13,716,320	15,913,420
Notes receivable – noncurrent, net	2,797,344	2,998,553
Unamortized bond insurance costs	104,594	126,389
Capital assets, net of accumulated depreciation (Notes 2 and 5)	110,533,985	100,106,173
Total Noncurrent Assets	128,538,875	121,156,404
Total Assets	\$ 149,596,818	147,347,053
Deferred Outflows of Resources:		
Deferred outflows related to pensions	\$ 2,680,974	1,069,913
LIABILITIES:		
Accounts payable (Note 14)	\$ 3,092,196	3,913,199
Accrued liabilities	336,829	334,413
Accrued compensable absences (Notes 6 and 12)	514,378	502,921
Funds held for others	568,037	562,968
Deferred revenue – tuition and fees (Note 2)	5,213,651	4,590,637
Deferred revenue – other (Note 2)	515,132	732,719
Bonds payable – current portion (Notes 6, 7 and 8)	3,795,000	3,680,000
Total Current Liabilities	14,035,223	14,316,857
Noncurrent Liabilities:		
Bonds payable – noncurrent (Notes 6, 7 and 8)	76,645,000	80,440,000
Unamortized bond premium	1,564,991	1,660,753
Net pension liability (Note 6 and 21)	6,813,032	6,203,932
Total Noncurrent Liabilities	85,023,023	88,304,685
Total Liabilities	\$ 99,058,246	102,621,542
Deferred Inflows of Resources:		
Deferred inflows related to pensions	\$ 2,831,749	1,897,801

Odessa Junior College District
STATEMENTS OF NET POSITION (CONTINUED)

Exhibit 1

August 31,

	2016	2015
NET POSITION:		
Net investment in capital assets	\$ 31,177,308	17,618,848
Restricted for:		
Nonexpendable:		
Student aid	843,869	844,464
Expendable:		
Student aid	413,749	547,278
Instructional programs	578,614	341,218
Loans	9,451	9,451
Unexpended capital projects	791,749	8,242,314
Debt service	2,699,538	2,483,649
Unrestricted	13,873,519	13,810,401
Total Net Position (Schedule D)	\$ 50,387,797	43,897,623

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

Odessa College Foundation, Incorporated

STATEMENTS OF FINANCIAL POSITION

December 31,

ASSETS

	2015	2014
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,653,865	1,242,236
Pledges receivable	65,703	55,460
Total current assets	1,719,568	1,297,696
Marketable Securities At Fair Value	7,870,912	7,659,553
Pledges Receivable - Noncurrent	51,000	110,000
Total Assets	\$ 9,641,480	9,067,249

LIABILITIES AND NET POSITION

	2015	2014
LIABILITIES		
Accounts payable	\$ 112,825	2,401
Deferred revenue	2,758	2,758
Total current liabilities	115,583	5,159
NET POSITION		
Unrestricted		
Undesignated	242,034	935,274
Designated for Half-Century scholarships	205,155	205,155
Designated for Health Science scholarships	156,040	156,040
Temporarily restricted	3,419,019	2,997,266
Permanently restricted	5,503,649	4,768,355
Total net position	9,525,897	9,062,090
Total current liabilities and net position	\$ 9,641,480	9,067,249

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,

	2016	2015
OPERATING REVENUES:		
Tuition and fees (net of discounts of \$4,528,112 and \$4,101,432, respectively)	\$ 7,700,564	8,327,145
Federal grants and contracts	1,513,270	1,933,998
State grants and contracts	342,103	758,164
Non-governmental grants and contracts	2,348,173	655,030
Sales and services of educational activities	462,333	523,970
Investment income (program restricted)	14,098	12,530
Auxiliary enterprises	1,570,704	1,597,414
Other operating revenue	677,170	601,302
Total operating revenues (Schedule A)	14,628,415	14,409,553
OPERATING EXPENSES:		
Instruction	18,150,194	18,650,663
Public service	1,252,286	1,140,676
Academic support	4,806,744	4,537,050
Student services	4,178,907	3,967,823
Institutional support	5,948,343	5,475,582
Operation and maintenance of plant	4,122,054	4,280,781
Scholarships and fellowships	4,975,800	4,237,128
Auxiliary enterprises	2,396,721	2,412,032
Depreciation	2,687,726	2,552,361
Total operating expenses (Schedule B)	48,518,775	47,254,096
OPERATING LOSS	(33,890,360)	(32,844,543)
NON-OPERATING REVENUES (EXPENSES):		
State appropriations	10,290,476	9,537,537
Property taxes for maintenance and operations	22,137,869	21,496,969
Property tax for debt service	4,823,077	4,662,220
Federal grants, non-operating	5,860,463	4,902,974
Gifts – noncapital	147,770	194,689
Investment income – not restricted to programs	395,843	181,053
Interest on capital – related debt	(3,870,531)	(3,962,743)
Loss on disposal of capital assets	(60,256)	(69,743)
Other non-operating revenues	44,993	54,851
Other non-operating expenses	(21,795)	(21,795)
Net non-operating revenues (Schedule C)	39,747,909	36,976,012
Income before other revenues	5,857,549	4,131,469

Odessa Junior College District

Exhibit 2

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

Years ended August 31,

	2016	2015
OPERATING REVENUES:		
State capital grants	\$ -	-
Private capital gifts and grants	631,645	152,199
Additions to permanent endowment	980	650
Total other revenues	632,625	152,849
Increase in Net Position	6,490,174	4,284,318
NET POSITION – BEGINNING OF YEAR	43,897,623	46,642,385
Prior period adjustment – net pension liability *	-	(7,029,080)
Net position – Beginning of year – as restated	43,897,623	39,613,305
NET POSITION – END OF YEAR	\$ 50,387,797	43,897,623

* In accordance with the provisions of Government Accounting Standards Board Statement No. 68, the District has elected to present the cumulative effect of the implementation of the statement all in fiscal year 2015 Statement of Revenues Expenses and Changes in Net Position. Since community colleges do not have all of the audited beginning balances for deferred inflows of resources and deferred outflows of resources related to pensions required to properly restate FY2014 financial statements, the restatement will be made directly to the beginning net position in the FY2015 financial statements as a cumulative effect of a change in accounting principle.

Odessa College Foundation, Incorporated

STATEMENTS OF ACTIVITIES

Years ended December 31, 2015 and 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2015	Total 2014
Revenues, gains and other support:					
Contributions (including pledges)	\$ -	964,364	648,427	1,612,791	1,450,545
Transfer of contributions	-	200	(200)	-	-
Earnings (loss) on investments	(43,382)	117,108	34,385	108,111	127,235
Net realized gains on marketable securities	-	176,958	52,682	229,640	223,502
Net unrealized gains (losses) on marketable securities	(623,102)	-	-	(623,102)	34,166
Net position released from restrictions through satisfaction of program restrictions	839,174	(839,174)	-	-	-
	<u>172,690</u>	<u>419,456</u>	<u>735,294</u>	<u>1,327,440</u>	<u>1,835,448</u>
Total revenues, gains and other support					
Expenses:					
Scholarships	541,765	-	-	541,765	396,713
Program and college support	298,500	-	-	298,500	117,392
General and administrative	23,368	-	-	23,368	15,467
	<u>863,633</u>	<u>-</u>	<u>-</u>	<u>863,633</u>	<u>529,572</u>
Total expenses					
CHANGES IN NET POSITION	(690,943)	419,456	735,294	463,807	1,305,876
Net position at beginning of year	1,294,172	2,999,563	4,768,355	9,062,090	7,756,214
Net position at end of year	<u>\$ 603,229</u>	<u>3,419,019</u>	<u>5,503,649</u>	<u>9,525,897</u>	<u>9,062,090</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,

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from students and other customers	\$ 9,920,630	10,594,667
Receipts from grants and contracts	(429,694)	2,763,886
Receipts from loan collections from students and employees	1,234,887	5,225,491
Other receipts	691,268	613,832
Payments to or on behalf of employees	(26,405,488)	(25,182,203)
Payments to suppliers for goods or services	(11,725,285)	(13,082,378)
Payments of scholarships	(4,430,781)	(4,837,507)
Loans issued to student and employees	(1,509,182)	(5,127,854)
Other cash payments	53,805	(157,969)
	<u>(32,599,840)</u>	<u>(29,190,035)</u>
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES:		
Receipts from state allocations	7,614,891	7,394,339
Receipts from ad valorem taxes	26,685,325	25,970,235
Receipts from non-operating federal revenue	5,860,463	4,902,974
Receipts from gifts and grants other than for capital purposes	148,750	195,339
Receipts from student organizations and other agencies	412,355	40,545
Payments to student organizations and other agencies	(407,286)	(53,840)
Deposit with escrow agents	(168,911)	9,422
	<u>40,145,587</u>	<u>38,459,014</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from issuance of capital financing	(95,762)	(95,763)
Proceeds from capital grants and gifts	885,761	297,305
Proceeds from sale of capital assets	5,083	1
Proceeds from insurance recoveries	43,293	54,851
Purchases of capital assets	(14,584,344)	(9,600,873)
Payments on capital debt and leases	(7,550,531)	(7,407,974)
	<u>(21,296,500)</u>	<u>(16,752,453)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Receipts from sale and maturity of investments	6,118,775	13,139,068
Receipts from investment earnings	460,909	399,918
Purchases of investments	(4,448,907)	(9,764,534)
	<u>2,130,777</u>	<u>3,774,452</u>
Increase in cash and cash equivalents	(11,619,976)	(3,709,022)
Cash and cash equivalents – September 1	<u>19,859,594</u>	<u>23,568,616</u>
Cash and cash equivalents – August 31	<u>\$ 8,239,618</u>	<u>19,859,594</u>

Odessa Junior College District

Exhibit 3

STATEMENTS OF CASH FLOWS (CONTINUED)

Years ended August 31,

	2016	2015
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating loss	\$ (33,890,360)	(32,844,543)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	2,687,726	2,552,361
Payments made directly to ERS by state for benefits	2,675,585	2,143,198
Changes in assets and liabilities:		
Receivable, net:		
Tuition and fees receivable, net	(62,030)	66,164
State and federal operating grants receivable	(2,846,236)	(29,231)
Private grants receivable	(1,599,393)	(633,209)
Employee receivable	-	-
Sales and services receivable, net	(330,901)	75,932
Auxiliary receivable, net	(13,078)	51,037
Inventories	(8,310)	282
Other assets	121,818	(157,969)
Accounts payable	582,464	(564,002)
Accrued payroll liabilities	2,416	(29,588)
Deferred inflows	933,948	1,897,801
Deferred outflows	(1,611,061)	(481,074)
Accrued liabilities	609,100	(1,413,987)
Deferred revenue:		
Deferred tuition and fees revenue	623,014	(72,508)
Other deferred revenue	(217,587)	104,647
Compensated absences	11,457	22,940
Loans to students and employees	(268,412)	121,714
	1,290,520	3,654,508
Total adjustments		
Net cash used by operating activities	\$ (32,599,840)	(29,190,035)

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

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS

August 31, 2016 and 2015

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 No. 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, Higher Education Act (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, 2016 and 2015

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. *Deferred Inflows*

In addition to liabilities, the District is aware that the statement of Net Position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so, is not recognized as an inflow of resources (revenue) until that time. Governments are permitted only to report deferred inflows in circumstances specifically authorized by GASB.

7. *Deferred Outflows*

In addition to assets, the District is aware that the statement of Net Position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so, will not be recognized as an outflow of resources (expense) until then. Governments are permitted only to report deferred outflows in circumstances specifically authorized by GASB.

8. *Investments*

In accordance with Governmental Accounting Standards Board Statement ("GASBS") 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 quotes. 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.

9. *Inventories*

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

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2016 and 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. *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

11. *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.

12. *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.

13. *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.

14. *Pensions*

For the year ended August 31, 2015, the District implemented the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. The District participates in the Teacher Retirement System of Texas (TRS) pension plan, multiple-employer cost sharing defined benefit pension plan with a special funding situation. The fiduciary net position of the TRS has been determined based on the flow of economic resource measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net pension liability: deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, and liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable, in accordance with the benefit terms. Investments are reported at fair value.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2016 and 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

15. *New Accounting Pronouncements*

Pensions

For the year ended August 31, 2015, the District implemented the provisions of GASB Statement 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined based on the flow of economic resource measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net pension liability: deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, and liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable, in accordance with the benefit terms. Investments are reported at fair value.

Statement No. 72, "Fair Value Measurement and Application."

The requirements of this statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This statement also will enhance fair value application guidance and related disclosures to provide information to financial statement users about the impact of fair value measurements on a government's financial position. The requirements of this statement are effective for financial statements for fiscal years beginning after June 15, 2015.

Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68."

The requirements of this statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This statement also will enhance fair value application guidance and related disclosures to provide information to financial statement users about the impact of fair value measurements on a government's financial position. The requirements of this statement are effective for financial statements for fiscal years beginning after June 15, 2015—except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged.

Statement No. 74, "Financial reporting for postemployment benefit plans other than pension plans."

The requirements of this Statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by other postemployment benefits (OPEB) plans that are administered through trusts that meet the specified criteria. The new information will enhance the usefulness of the financial reports of those OPEB plans, their value for assessing accountability, and their transparency by providing information about measures of net OPEB liabilities and explanations of how and why those liabilities changed from year to year. The net OPEB liability information, including ratios, will offer an up-to-date indication of the extent to which the total OPEB liability is covered by the fiduciary net position of the OPEB plan. The comparability of the reported information for similar types of OPEB plans will be improved by the changes related to the attribution method used to determine the total OPEB liability. The contribution schedule will provide measures to evaluate decisions related to the assessment of contribution rates in comparison with actuarially determined rates, if such rates are determined. In addition, new information about rates of

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2016 and 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

15. New Accounting Pronouncements (Continued)

Statement No. 74 (Continued)

return on OPEB plan investments will inform financial report users about the effects of market conditions on the OPEB plan's assets over time and provide information for users to assess the relative success of the OPEB plan's investment strategy and the relative contribution that investment earnings provide to the OPEB plan's ability to pay benefits to plan members when they come due. The provisions of this statement are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged.

Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions."

The requirements of this Statement will improve the usefulness of information in employer and governmental non-employer contributing entity financial reports and will enhance its value for assessing accountability and inter period equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2017.

Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments."

The requirements in this Statement improve financial reporting by (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in non-authoritative literature. As a result, governments will apply financial reporting guidance with less variation, which will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments. This Statement supersedes Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. Earlier application is permitted.

Statement No. 77, "Tax Abatement Disclosures."

The requirements of this Statement improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2016 and 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

15. New Accounting Pronouncements (Continued)

Statement No. 78, “Pensions provided through certain multiple-employer defined benefit pension plans.”

This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

Statement No. 79, “Certain external investment pools and pool participants.”

This Statement will enhance comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. That measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23–26, and 40, which are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

GASB Statement 80, “Blending requirements for certain component units—an amendment of GASB Statement No. 14.”

The requirements of this Statement enhance the comparability of financial statements among governments. Greater comparability improves the usefulness of information reported in financial statements and enhances its value for assessing government accountability. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2016. Earlier application is encouraged.

16. Prior Year Restatement

Beginning net position as of September 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.

Beginning net position	\$ 46,642,385
Prior period adjustment – implementation of GASB Statement No. 68:	
Net pension liability (measurement date as of August 31, 2014)	(7,617,919)
Deferred outflows – District contributions made during FY2014	588,839
	<hr/>
Beginning net position, as restated	\$ <u>39,613,305</u>

Odessa Junior College District
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
August 31, 2016 and 2015

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 Statement No. 3 Note 4 in the footnote "**Deposits and Investments**," and
- placing a statement in the scope paragraph of the **Report on Compliance and on Internal Control over Financial Reporting (page 63)** which indicate the audit work covered in the Act, or
- writing a separate letter to the State Auditor's Office stating that the District is in compliance with all requirements of the Act.

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits: At August 31, 2016 and 2015, the carrying amount of the College's deposits were \$3,036,998 and \$7,913,411, respectively; and bank balances equaled \$3,188,874 and \$8,740,490. Bank balances of \$408,569 and \$539,559 were covered by federal depository insurance, and \$2,780,305 and \$8,200,931 were covered by collateral pledged in the College's name. The collateral was held by the College 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 College's name). The College held \$5,188,768 and \$11,932,347 in state approved public funds investment pools at August 31, 2016 and 2015, respectively.

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

Cash and Deposits		
	2016	2015
Bank Deposits		
Demand Deposits	\$ 3,032,214	6,409,420
Transit Items	(151,876)	(827,079)
Time Deposits	156,660	2,331,070
	3,036,998	7,913,411
Cash and Cash Equivalents		
Public Funds Investment Pools	5,188,768	11,932,347
Petty Cash on Hand	13,852	13,836
Total cash and Deposits	\$ 8,239,618	19,859,594

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2016 and 2015

NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)

Reconciliation of Deposits and Investments to Exhibit 1

Type of Security	Market Value August 31, 2016	Market Value August 31, 2015
Total Cash and Deposits	\$ 8,239,618	19,859,594
Total Investments	15,057,627	16,757,884
Total Deposits and Investments	\$ 23,297,245	36,617,478
Current Cash and Temporary Investments (Exh. 1)	\$ 7,696,855	18,692,189
Restricted Cash and Temporary Investments (Exh. 1)	542,763	1,167,405
Short-Term Investment (Exh. 1)	497,438	-
Endowment Investments (Exh. 1)	843,869	844,464
Other Long-Term Investments (Exh. 1)	13,716,320	15,913,420
Total Deposits and Investments (Exh. 1)	\$ 23,297,245	36,617,478

As of August 31, 2016, 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	\$ -	-	-	-
Certificates of Deposit	3,307,000	254,000	497,000	2,556,000
Municipal Bonds	11,253,189	1,651,965	2,056,513	7,544,711
Commercial Paper	497,438	497,438	-	-
Corporate Bonds	-	-	-	-
Total Fair Value	\$ 15,057,627	2,403,403	2,553,513	10,100,711

As of August 31, 2015, 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	\$ 1,999,737	-	-	1,999,737
Certificates of Deposit	4,223,602	754,602	254,000	3,215,000
Municipal Bonds	9,532,622	938,537	1,907,542	6,686,543
Corporate Bonds	1,001,923	1,001,923	-	-
Total Fair Value	\$ 16,757,884	2,695,062	2,161,542	11,901,280

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.

Odessa Junior College District
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
August 31, 2016 and 2015

NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk: In accordance with state law and the District's investment policy, investments in mutual funds and investment pools must be rated at least AAA, commercial paper must be rated at least A-1 or P-1, and investments in obligations of states, agencies, counties, cities, and other political subdivisions must be rated at least A. Applicable credit ratings of investments at August 31, 2016 and 2015 are reported below:

<u>Investment Type</u>	<u>Credit Rating</u>
U.S. Government Agencies – FHLB	S&P: AA+; Moody's:Aaa
U.S. Government Agencies – FNMA	S&P: AA+; 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. The only single investment exceeding 5% of the District's total is in Fresno County Taxable Bonds, representing 6.2% of the total.

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

NOTE 5 – CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2016, was as follows:

	<u>Balance September 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance August 31, 2016</u>
<u>Not Depreciated:</u>				
Land	\$ 4,196,316	-	-	4,196,316
Construction in progress	16,334,839	12,564,021	9,431,980	19,466,880
Total Capital Assets – Non-Depreciated	<u>20,531,155</u>	<u>12,564,021</u>	<u>9,431,980</u>	<u>23,663,196</u>
<u>Other Capital Assets:</u>				
Buildings and building improvements	87,032,707	8,760,957	-	95,793,664
Other real estate improvements	7,700,816	644,023	-	8,344,839
Total Buildings and Other Improvements	<u>94,733,523</u>	<u>9,404,980</u>	-	<u>104,138,503</u>
Library books	2,346,073	7,151	66,257	2,286,967
Furniture, machinery and equipment	12,332,614	636,705	-	12,969,319
Total Capital Assets – Depreciable	<u>109,412,210</u>	<u>10,048,836</u>	<u>66,257</u>	<u>119,394,789</u>
<u>Accumulated Depreciation:</u>				
Buildings and building improvements	17,645,526	1,502,264	918	19,146,872
Other real estate improvements	3,723,928	232,193	-	3,956,121
Total Buildings and Other Improvements	<u>21,369,454</u>	<u>1,734,457</u>	<u>918</u>	<u>23,102,993</u>
Library books	407,217	68,102	-	475,319
Furniture, machinery and equipment	8,060,521	885,167	-	8,945,688
Total Accumulated Depreciation	<u>29,837,192</u>	<u>2,687,726</u>	<u>918</u>	<u>32,524,000</u>
Net Capital Assets	<u>\$ 100,106,173</u>	<u>19,925,131</u>	<u>9,497,319</u>	<u>110,533,985</u>

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2016 and 2015

NOTE 5 – CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2015, was as follows:

	Balance September 1, 2014	Increases	Decreases	Balance August 31, 2015
Not Depreciated:				
Land	\$ 4,196,316	-	-	4,196,316
Construction in progress	11,554,670	9,329,206	4,549,037	16,334,839
Total Capital Assets – Non-Depreciated	15,750,986	9,329,206	4,549,037	20,531,155
Other Capital Assets:				
Buildings and building improvements	82,485,098	4,547,609	-	87,032,707
Other real estate improvements	7,664,958	35,858	-	7,700,816
Total Buildings and Other Improvements	90,150,056	4,583,467	-	94,733,523
Library books	2,377,152	38,665	69,744	2,346,073
Furniture, machinery and equipment	10,871,582	1,461,032	-	12,332,614
Total Capital Assets – Depreciable	103,398,790	6,083,164	69,744	109,412,210
Accumulated Depreciation:				
Buildings and building improvements	16,228,011	1,417,515	-	17,645,526
Other real estate improvements	3,493,240	230,688	-	3,723,928
Total Buildings and Other Improvements	19,721,251	1,648,203	-	21,369,454
Library books	341,517	65,700	-	407,217
Furniture, machinery and equipment	7,222,063	838,458	-	8,060,521
Total Accumulated Depreciation	27,284,831	2,552,361	-	29,837,192
Net Capital Assets	\$ 91,864,945	12,860,009	4,618,781	100,106,173

NOTE 6 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended August 31, 2016, was as follows:

	Balance September 1, 2015	Increases	Decreases	Balance August 31, 2016	Due Within One Year
Bonds					
General obligation bonds, Series 2011	\$ 67,155,000	-	1,395,000	65,760,000	1,440,000
Revenue bonds, Series 2009	11,260,000	-	2,085,000	9,175,000	2,155,000
Revenue bonds, Series 2012	5,705,000	-	200,000	5,505,000	200,000
Total Bonds	84,120,000	-	3,680,000	80,440,000	3,795,000
Other Liabilities					
Accrued compensable absences	502,921	11,457	-	514,378	514,378
Net pension liability	6,203,932	2,826,433	2,217,333	6,813,032	-
Total Other Liabilities	6,706,853	2,837,890	2,217,333	7,327,410	514,378
Total Long-Term Liabilities	90,826,853	2,837,890	5,897,333	87,767,410	4,309,378

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2016 and 2015

NOTE 6 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended August 31, 2015, was as follows:

	Balance September 1, 2014	Increases	Decreases	Balance August 31, 2015	Due Within One Year
Bonds					
General obligation bonds, Series 2011	\$ 68,340,000	-	1,185,000	67,155,000	1,395,000
Revenue bonds, Series 2009	13,285,000	-	2,025,000	11,260,000	2,085,000
Revenue bonds, Series 2012	5,900,000	-	195,000	5,705,000	200,000
Total Bonds	87,525,000	-	3,405,000	84,120,000	3,680,000
Leases					
Capital Leases	40,231	-	40,231	-	-
Total Capital Leases	40,231	-	40,231	-	-
Other Liabilities					
Accrued compensation absences	479,981	22,940	-	502,921	502,921
Net pension liability	-	9,164,890	2,960,958	6,203,932	-
Total Other Liabilities	479,981	9,187,830	2,960,958	6,706,853	502,921
Total Long-Term Liabilities	88,045,212	9,187,830	6,406,189	90,826,853	4,182,921

NOTE 7 – DEBT OBLIGATIONS

Debt service obligations at August 31, 2016, 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
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	1,610	3,143	4,753	2,655	237	2,892	4,265	3,380	7,645
2021	1,675	3,079	4,754	230	181	411	1,905	3,260	5,165
2022-2026	9,670	14,096	23,766	1,265	784	2,049	10,935	14,880	25,815
2027-2031	12,325	11,437	23,762	1,540	511	2,051	13,865	11,948	25,813
2032-2036	15,790	7,974	23,764	1,615	152	1,767	17,405	8,126	25,531
2037-2041	20,205	3,362	23,567	-	-	-	20,205	3,362	23,567
Total	\$ 65,760	52,869	118,629	14,680	3,172	17,852	80,440	56,041	136,481

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2016 and 2015

NOTE 8 – BONDS PAYABLE

General information related to bonds payable is summarized below:

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 college bookstore revenues, the tuition pledge, the college 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.
- Standard & Poor's Ratings Service currently rates bonds as 'A+' with a stable outlook.
- Moody's Investors Service currently rates bonds as 'A1' with stable outlook.

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.
- Fitch Ratings currently rates bonds as 'AA+' with stable outlook.

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 college bookstore revenues, the tuition pledge, the college 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.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2016 and 2015

NOTE 8 – BONDS PAYABLE (CONTINUED)

2012 Revenue Bonds

- 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.
- Standard & Poor’s Ratings Service currently rates bonds as ‘A+’ with a stable outlook.

A Summary of bond principal is as follows:

	Balance Sept. 1, 2015	Issued	Retired	Balance Aug. 31, 2016
Series 2009 Bonds	\$ 11,260,000	-	2,085,000	9,175,000
Series 2011 Bonds	67,155,000	-	1,395,000	65,760,000
Series 2012 Bonds	5,705,000	-	200,000	5,505,000
Total Bonds	\$ 84,120,000	-	3,680,000	80,440,000

At August 31, 2016, there were no defeased bonds outstanding.

NOTE 9 – OPERATING LEASE COMMITMENTS

The College leases various equipment and facilities by means of operating lease agreements. These agreements have clauses which allow the College 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, 2016 and 2015 were \$206,623 and \$215,709, respectively.

Future minimum rental payments are as follows:

For the Year Ended August 31,	Operating Leases
2017	\$ 195,878
2018	133,312
2019	98,398
2020	30,917
2021	-
Total	\$ 458,505

NOTE 10 – DEFINED BENEFIT PENSION PLANS

Optional Retirement Plan

Plan Description. The state has also established an optional retirement program for institutions of higher education. Participation in the Optional Retirement Program is in lieu of participation in the Teacher Retirement System. The optional retirement program provides for the purchase of annuity contracts and operates under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2016 and 2015

NOTE 10 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

Optional Retirement Plan (Continued)

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 2016 and 2015. 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 \$582,128 and \$551,049 for the fiscal years ended August 31, 2016 and 2015, 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 \$21,749,922 and \$20,748,346 for fiscal years 2016 and 2015, respectively. The total payroll of employees covered by the Teacher Retirement System was \$15,504,266 and \$14,844,367 and the total payroll of employees covered by the Optional Retirement Program was \$3,673,562 and \$3,644,745 for fiscal years 2016 and 2015, 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, 2016 and 2015, 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, 2016 and 2015 in the amounts of \$514,378 and \$502,921, 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.

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.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2016 and 2015

NOTE 14 – DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables at August 31, 2016 and 2015 were as follows:

	2016	2015
Tuition and fees receivable	\$ 640,807	462,385
Taxes receivable	2,283,791	1,836,401
Federal receivable	3,447,612	638,696
State receivable	51,608	14,288
Interest receivable	93,768	128,445
Other receivables	4,469,412	2,436,858
Subtotal	10,986,998	5,517,073
Allowance for doubtful accounts	(2,397,768)	(2,068,009)
Total	\$ 8,589,230	3,449,064

Payables at August 31, 2016 and 2015 were as follows:

	2016	2015
Vendors payable – operations	\$ 946,250	908,805
Vendors payable – capital	861,022	2,264,489
Students payable	1,284,924	739,905
Total	\$ 3,092,196	3,913,199

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, 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 2016 and 2015 for which monies have not been received nor funds expended totaled \$3,152,589 and \$2,160,965, respectively. Of these amounts, \$1,348,035 and \$1,844,048 were from federal contract and grant awards; \$472,589 and \$311,239 were from state contract and grant awards; and \$1,331,664 and \$5,678 were from private contract and grant awards for the fiscal years ended August 31, 2016 and 2015, respectively.

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

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

Those and similar benefits for active employees are provided through 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 College uses local funds to pay the premiums for those employees. The state's contribution was \$1,925,131 and \$1,799,779 for the years ended August 31, 2016 and 2015, respectively, for retired and active employees.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2016 and 2015

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

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

	<u>2016</u>	<u>2015</u>
Number of retirees receiving benefits	\$ 179	184
Cost of state's contribution	653,715	611,824
Cost of local contribution	<u>752,005</u>	<u>706,923</u>
 Total cost of benefits for retirees	 <u>1,405,720</u>	 <u>1,318,747</u>
 Number of active employees receiving benefits	 344	 336
Cost of state's contribution	1,271,416	1,187,955
Cost of federal grant contribution	18,285	21,892
Cost of local contribution	<u>1,541,335</u>	<u>1,351,816</u>
 Total cost of benefits for active employees	 \$ <u>2,831,036</u>	 <u>2,561,663</u>

NOTE 17 – AD VALOREM TAX

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

At August 31:

	<u>2016</u>	<u>2015</u>
Assessed valuation of the District (at January 1, 2015 and 2014)	\$ 16,463,946,244	17,171,161,362
Less: exemptions	(2,408,725,684)	(2,309,493,465)
Less: abatements	<u>(64,883,911)</u>	<u>(168,852,028)</u>
 Net assessed valuation of the District	 \$ <u>13,990,336,649</u>	 <u>14,692,815,869</u>

At August 31:

	<u>2016</u>			<u>2015</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	\$ 0.15690	0.03430	0.19120	0.14500	0.03160	0.17660

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2016 and 2015

NOTE 17 – AD VALOREM TAX (Continued)

Taxes levied (including adjustments to the certified levies) for the years ended August 31, 2016 and 2015 were \$26,651,515 and \$25,819,195, 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:	2016			2015		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current taxes collected	\$ 21,180,324	4,630,240	25,810,564	20,664,996	4,503,423	25,168,419
Delinquent taxes collected	284,173	52,661	336,834	343,364	59,362	402,726
Penalties and interest collected	\$ 272,976	49,301	322,277	269,027	44,717	313,744
Total collections	21,737,473	4,732,202	26,469,675	21,277,387	4,607,502	25,884,889

Tax collections for the years ended August 31, 2016 and 2015 were 98.11% and 99.04%, 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, 2016 and 2015.

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 College’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 No. 45)

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

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2016 and 2015

NOTE 20 – POST EMPLOYMENT BENEFITS OTHER THAN PENSION (In accordance with GASB Statement 45) (Continued)

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 No. 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 contributions to SRHP made on behalf of the District for the years ended August 31, 2016, 2015, and 2014 were \$653,715, \$611,824, and \$1,107,096, 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, 2016, 2015, and 2014 were \$752,005, \$706,923, and \$88,917, respectively, which equaled the required contributions each year.

Note 21 - DEFINED BENEFIT PENSION PLANS

Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to Teacher Retirement System at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2016 and 2015

Note 21 - DEFINED BENEFIT PENSION PLANS (Continued)

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic Cost Of Living Adjustments. Ad hoc postemployment benefit changes, including ad hoc Cost Of Living Adjustments can be granted by the Texas Legislature as noted in the Plan description above.

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas 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 paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of 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.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2015 and 2016.

	<u>Contribution Rates</u>	
	<u>2015</u>	<u>2016</u>
Member	6.7%	7.2%
Non-Employer Contributing entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
FY2015 District Contributions	\$ 570,704	
FY2015 State of Texas On-behalf Contributions	\$ 441,325	
FY2015 Member Contributions	\$ 997,870	

The District's contributions to the TRS Pension Plan in 2016 were \$587,904 as reported in the Schedule of District's Contributions in the Required Supplementary Information section of these financials statements. Estimated State of Texas on behalf of contributions for 2016 were \$465,877

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2016 and 2015

Note 21 - DEFINED BENEFIT PENSION PLANS (Continued)

Contributions (Continued)

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, when employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions

The total pension liability in the August 31, 2015, actuarial valuation was determined using the following actuarial assumptions:

• Valuation Date	August 31, 2015
• Actuarial Cost Method	Individual Entry Age Normal
• Amortization Method	Level Percentage of Payroll, Open
• Remaining Amortization Period	30 years
• Asset Valuation Method	5 year Market Value
• Single Discount Rate	8.00%
• Long-term expected Investment Rate of Return*	8.00%
• Salary Increases*	3.50% to 9.50%
• Weighted-Average at Valuation Date	5.55%
• Payroll Growth Rate	2.50%
• Benefit Changes during the year	None
• Ad HOC post-employment benefit change	None

* Includes Inflation of 2.5%

Actuarial methods and assumptions were updated based on a study of actual experience for the four year period ending August 31, 2014, and adopted on September 24, 2015, by the TRS Board of Trustees, who have sole authority to determine the actuarial assumptions used for the plan. The most significant changes were related to the update of the post-retirement mortality rates based on the most recent TRS member experience and the decrease in the assumption for general wage inflation from 3.0% to 2.5%. Other changes to overall assumptions and methods had a minor impact on the results of the actuarial valuation and the related pension liability. There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2016 and 2015

Note 21 - DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 8.0 percent. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2015, is summarized below:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Expected Contribution to Long-Term Portfolio Returns*
Global Equity:			
U.S.	18%	4.6%	1.0%
Non-U.S. Developed	13%	5.1%	0.8%
Emerging Markets	9%	5.9%	0.7%
Directional Hedge Funds	4%	3.2%	0.1%
Private Equity	13%	7.0%	1.1%
Stable Value:			
U.S. Treasuries	11%	0.7%	0.1%
Absolute Value Hedge Funds	-	1.8%	0.0%
Stable Value Hedge Funds	4%	3.0%	1.0%
Cash	1%	-0.2%	0.0%
Real Return:			
Global Inflation Linked Bonds	3%	0.9%	0.0%
Real Assets	16%	5.1%	1.1%
Energy and Natural Resources	3%	6.6%	0.2%
Commodities	-	1.2%	0.0%
Risk Parity:			
Risk Parity	5%	6.7%	0.3%
Inflation expectation			2.2%
Alpha			1.0%
Total	100%		8.7%

* The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

Source: Teacher Retirement System of Texas 2015 Comprehensive Annual Financial Report

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2016 and 2015

Note 21 - DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (8%) in measuring the 2015 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
Odessa College District's proportionate share of the net pension liability:	\$10,674,737	\$6,813,032	\$3,596,472

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At August 31, 2016, the District reported a liability of \$6,813,032 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 6,813,032
State's proportionate share that is associated with the District	5,266,936
Total	\$ 12,079,968

The net pension liability was measured as of August 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2014, thru August 31, 2015.

At the measurement date of August 31, 2015, the employer's proportion of the collective net pension liability was 0.1927380% which was an increase of .003952 from its proportion measured August 31, 2014.

For the year ended August 31, 2016, the District recognized pension expense of \$750,454 and revenue of \$750,464 for support provided by the State. Refer to the FY2 Schedule of On-Behalf Contributions for this information posted on the TRS website under GASB Statements 67 & 68.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2016 and 2015

Note 21 - DEFINED BENEFIT PENSION PLANS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At August 31, 2016, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 79,795	261,831
Changes in actuarial assumptions	335,381	243,059
Difference between projected and actual investment earnings	1,677,898	1,422,131
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	(4)	904,728
Contributions paid to TRS subsequent to the measurement date	587,904	-
Total	\$ 2,680,974	2,831,749

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions were provided by TRS as of measurement date of August 31, 2015. These will be recognized in pension expense as follows:

Year ended August 31:	
2017	\$ (186,994)
2018	(186,994)
2019	287,050
2020	(137,416)
2021	(209,207)
Thereafter	(118,126)

NOTE 22 – SUBSEQUENT EVENTS

Management of the District has performed an evaluation of the District's activity through December 1, 2016, 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 OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY

Year Ended August 31, 2016

Fiscal year ending August 31, *	2015 **	2014
Total TRS' pension liability	\$ 163,887,375,172	159,496,075,886
TRS' net position	128,538,706,212	132,779,243,085
TRS' net pension liability	<u>\$ 35,348,668,960</u>	<u>26,716,832,801</u>
District proportionate share of collective net pensions liability (%)	0.0192738%	0.0232258%
District proportionate share of collectible net pension liability	\$ 6,813,032	6,203,932
State's proportionate share of NPL associated with District	5,266,936	3,714,719
Total	<u>\$ 12,079,968</u>	<u>9,918,651</u>
District covered employee payroll amount	\$ 1,504,266	14,844,367
Ratio of: District's proportionate share of collective net pension liability as a percentage of covered employee payroll amount	43.94%	41.79%
Plan net position as percentage of total pension liability	78.43%	83.25%

* The amounts presented above are as of the measurement date of the collective net pension liability.

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

NOTE 1: CHANGES OF BENEFIT TERMS INCLUDE:

Information about factors that significantly affect terms in the amounts reported in the RSI Schedules should be presented (for COLA increases).

NOTE 2: CHANGES OF ASSUMPTIONS:

There were no changes as assumptions for the year ended August, 31, 2016.

Odessa Junior College District
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
Year Ended August 31, 2016

Fiscal year ending August 31, *	2016**	2015
Legally required contributions	\$ 587,904	570,704
Actual contributions	587,904	570,704
Contributions deficiency (excess)	\$ -	-
District covered employee payroll amount	\$ 15,504,266	14,844,367
Contributions as a percentage of covered employee payroll amount	3.79%	3.84%

* The amounts presented above are as of the District's most fiscal year-end.

** Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

NOTE 1: CHANGES OF BENEFIT TERMS INCLUDE:

Information about factors that significantly affect terms in the amounts reported in the RSI Schedules should be presented (for COLA increases).

NOTE 2: CHANGES OF ASSUMPTIONS:

There were no changes as assumptions for the year ended August, 31, 2016.

SCHEDULES

Odessa Junior College District

Schedule A

SCHEDULE OF OPERATING REVENUES

**Year Ended August 31, 2016
With Memorandum Totals for the Year Ended August 31, 2015**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2016 Total</u>	<u>2015 Total</u>
Tuition:						
State-funded credit courses						
In-district resident tuition	\$ 4,031,435	-	4,031,435	-	4,031,435	3,802,472
Out-of-district tuition	2,579,180	-	2,579,180	-	2,579,180	2,594,328
Non-resident tuition	913,247	-	913,247	-	913,247	1,016,650
TPEG credit set aside*	332,493	-	332,493	-	332,493	322,009
State-funded continuing education	779,540	-	779,540	-	779,540	1,130,617
TPEG non-credit set aside*	49,817	-	49,817	-	49,817	72,167
Non-state funded educational programs	194,491	-	194,491	-	194,491	288,143
Total tuition	<u>8,880,203</u>	<u>-</u>	<u>8,880,203</u>	<u>-</u>	<u>8,880,203</u>	<u>9,226,386</u>
Fees:						
Student use fees	1,840,325	-	1,840,325	-	1,840,325	1,780,577
Institutional/course fees	981,598	-	981,598	-	981,598	935,506
Student/services fees	-	-	-	184,452	184,452	178,053
Laboratory fees	267,305	-	267,305	-	267,305	235,427
Other fees	65,894	8,899	74,793	-	74,793	72,628
Total fees	<u>3,155,122</u>	<u>8,899</u>	<u>3,164,021</u>	<u>184,452</u>	<u>3,348,473</u>	<u>3,202,191</u>
Scholarship allowances and discounts:						
Tuition bad debt allowance	(162,348)	-	(162,348)	-	(162,348)	(104,696)
Local remissions and exemptions	(1,018,474)	-	(1,018,474)	-	(1,018,474)	(1,045,744)
State remissions and exemptions	(357,092)	-	(357,092)	-	(357,092)	(345,773)
TPEG allowances	(169,750)	-	(169,750)	-	(169,750)	(145,168)
Federal grants to students	(1,896,439)	-	(1,896,439)	-	(1,896,439)	(1,559,830)
State grants to students	(45,686)	-	(45,686)	-	(45,686)	(86,102)
Local grants to students	(878,323)	-	(878,323)	-	(878,323)	(814,119)
Total scholarship allowances	<u>(4,528,112)</u>	<u>-</u>	<u>(4,528,112)</u>	<u>-</u>	<u>(4,528,112)</u>	<u>(4,101,432)</u>
Total net tuition and fees	<u>7,507,213</u>	<u>8,899</u>	<u>7,516,112</u>	<u>184,452</u>	<u>7,700,564</u>	<u>8,327,145</u>
Other operating revenues:						
Federal grants and contracts	6,610	1,506,660	1,513,270	-	1,513,270	1,933,998
State grants and contracts	-	342,103	342,103	-	342,103	758,164
Nongovernmental grants and contracts	36,876	2,311,297	2,348,173	-	2,348,173	655,030
Sales and services of educational activities	462,333	-	462,333	-	462,333	523,970
Investment income (program restricted)	-	12,462	12,462	1,636	14,098	12,530
General operating revenues	651,606	25,564	677,170	-	677,170	601,302
Total other operating revenues	<u>1,157,425</u>	<u>4,198,086</u>	<u>5,355,511</u>	<u>1,636</u>	<u>5,357,147</u>	<u>4,484,994</u>

Odessa Junior College District

Schedule A

SCHEDULE OF OPERATING REVENUES (CONTINUED)

**Year Ended August 31, 2016
With Memorandum Totals for the Year Ended August 31, 2015**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2016 Total</u>	<u>2015 Total</u>
Auxiliary enterprises:						
Bookstore	-	-	-	169,186	169,186	167,589
Food service	-	-	-	598,572	598,572	570,346
Student housing	-	-	-	711,041	711,041	748,303
Other auxiliaries	-	-	-	91,905	91,905	111,176
Total net auxiliary enterprises	-	-	-	1,570,704	1,570,704	1,597,414
Total Operating Revenues	\$ 8,664,638	4,206,985	12,871,623	1,756,792	14,628,415 (Exhibit 2)	14,409,553 (Exhibit 2)

* In accordance with Education Code 56.033, \$382,310 and \$394,176 for years ending August 31, 2016 and 2015, 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, 2016
With Memorandum Totals for the Year Ended August 31, 2015**

	Salary & Wages	Staff Benefits		Other Expenses	2016 Total	2015 Total
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 10,784,419	-	2,202,535	2,222,705	15,209,659	15,617,900
Public service	780,393	-	128,738	290,872	1,200,003	1,102,330
Academic support	2,617,473	-	597,713	886,385	4,101,571	3,672,427
Student services	2,415,624	-	607,115	798,195	3,820,934	3,634,835
Institutional support	2,848,230	-	691,164	1,803,271	5,342,665	4,968,852
Operation and maintenance of plant	944,907	-	289,905	2,885,542	4,120,354	4,268,969
Scholarship and fellowships	-	-	-	594,987	594,987	581,862
Total Unrestricted Educational Activities	20,391,046	-	4,517,170	9,481,957	34,390,173	33,847,175
Restricted - Educational Activities						
Instruction	571,042	1,472,393	23,856	873,244	2,940,535	3,032,763
Public service	-	29,812	-	22,471	52,283	38,346
Academic support	139,618	297,032	7,988	260,535	705,173	864,623
Student services	37,529	313,713	-	6,731	357,973	332,988
Institutional support	16,196	562,635	-	26,847	605,678	506,730
Operation and maintenance of plant	-	-	-	1,700	1,700	11,812
Scholarship and fellowships	-	-	-	4,380,813	4,380,813	3,655,266
Total Unrestricted Educational Activities	764,385	2,675,585	31,844	5,572,341	9,044,155	8,442,528
Total Educational Activities	21,155,431	2,675,585	4,549,014	15,054,298	43,434,328	42,289,703
Auxiliary Enterprises	594,491	-	120,425	1,681,805	2,396,721	2,412,032
Depreciation Expense – Buildings and other real estate improvements	-	-	-	1,734,456	1,734,456	1,648,203
Depreciation Expense – Equipment and furniture	-	-	-	953,270	953,270	904,158
Total Operating Expenses	\$ 21,749,922	2,675,585	4,669,439	19,423,829	48,518,775 (Exhibit 2)	47,254,096 (Exhibit 2)

Odessa Junior College District

Schedule C

SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES

**Year Ended August 31, 2016
With Memorandum Totals for the Year Ended August 31, 2015**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2016 Total</u>	<u>2015 Total</u>
NON-OPERATING REVENUES:					
State appropriations:					
Education and general support	\$ 7,597,817	-	-	7,597,817	7,351,136
State group insurance	-	1,925,131	-	1,925,131	1,799,779
State retirement matching	-	750,454	-	750,454	343,419
Nursing shortage reduction grant	-	17,074	-	17,074	43,203
	<u>7,597,817</u>	<u>2,692,659</u>	<u>-</u>	<u>10,290,476</u>	<u>9,537,537</u>
Total state appropriations					
Property taxes for maintenance and operations	22,137,869	-	-	22,137,869	21,496,969
Property taxes for debt service	-	4,823,077	-	4,823,077	4,662,220
Federal revenue, non-operating	-	5,860,463	-	5,860,463	4,902,974
Gifts – noncapital	5,862	138,908	3,000	147,770	194,689
Investment income – not restricted to programs	395,843	-	-	395,843	181,053
Other non-operating revenues	-	44,993	-	44,993	54,851
	<u>30,137,391</u>	<u>13,560,100</u>	<u>3,000</u>	<u>43,700,491</u>	<u>41,030,293</u>
Total Non-Operating Revenues					
NON-OPERATING EXPENSES:					
Interest on capital-related debt	3,870,531	-	-	3,870,531	3,962,743
Loss on disposal of capital assets	60,256	-	-	60,256	69,743
Other non-operating expenses	21,795	-	-	21,795	21,795
	<u>3,952,582</u>	<u>-</u>	<u>-</u>	<u>3,952,582</u>	<u>4,054,281</u>
Total Non-Operating Expenses					
Net Non-Operating Revenues	\$ <u>26,184,809</u>	<u>13,560,100</u>	<u>3,000</u>	<u>39,747,909</u> (Exhibit 2)	<u>36,976,012</u> (Exhibit 2)

Odessa Junior College District

Schedule D

SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY

**Year Ended August 31, 2016
With Memorandum Totals for the Year Ended August 31, 2015**

	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	\$ 13,970,798	-	-	-	13,970,798	13,970,798	-
Unrestricted, board designated	15,493	-	-	-	15,493	-	15,493
Restricted	-	992,363	-	-	992,363	-	992,363
Auxiliary enterprises	7,059	-	-	-	7,059	7,059	-
Loans	271,741	9,451	-	-	281,192	-	281,192
Endowment	-	-	843,869	-	843,869	-	843,869
Plant:							
Capital projects	(391,572)	791,749	-	-	400,177	-	400,177
Debt service	-	2,699,538	-	-	2,699,538	-	2,699,538
Investment in plant	-	-	-	31,177,308	31,177,308	-	31,177,308
Total Net Position, August 31, 2016	13,873,519	4,493,101	843,869	31,177,308	50,387,797 (Exhibit 1)	13,977,857	36,409,940
Total Net Position, August 31, 2015	13,810,401	11,623,910	844,464	17,618,848	43,897,623 (Exhibit 1)	13,752,275	30,145,348
Change in Net Position from Current Operations	\$ 63,118	(7,130,809)	(595)	13,558,460	6,490,174 (Exhibit 2)	225,582	6,264,592

Odessa Junior College District

Schedule E

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended August 31, 2016

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 (15-16)	84.007A	P007A154089	\$ 71,313
Federal Supplemental Educational Opportunity Grant (16-17)	84.007A	P007A164089	38,500
Subtotal			<u>109,813</u>
Federal College Work Study (15-16)	84.033A	P033A154089	86,008
Federal College Work Study (16-17)	84.033A	P033A164089	11,869
Subtotal			<u>97,877</u>
Federal Pell Grant (15-16)	84.063P	P063P152294	2,979,641
Federal Pell Grant (16-17)	84.063P	P063P162294	2,679,742
Subtotal			<u>5,659,383</u>
Direct Student Loans	84.268	P268K162294	3,591
Title V Expanding and Improving Distance Learning in Rural Areas	84.031S	P031S100097	43,534
Pass-through from:			
Texas Workforce Commission			
Adult Basic Education (15-16)	84.002A	1114AELB02	665,452
Adult Basic Education (16-17)	84.002A	1116AEL004	106,443
El Civics (15-16)	84.002A	1114AELA02	99,150
El Civics (16-17)	84.002A	1116AEL004	3,367
Pass-through from:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education - Basic	84.048	164247	211,446
Carl Perkins CTE Early College High School	84.048	R14105	212,167
Total U.S. Department of Education			<u>7,212,223</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	38,870
Total U.S. Department of Agriculture			<u>38,870</u>
<u>National Science Foundation</u>			
Pass-through from:			
University at El Paso			
LSAMP	47.076	HRD-1202008	9,213
Texas Tech University			
SMPF	47.076	DUE-1356604	2,000
Total National Science Foundation			<u>11,213</u>

Notes to Schedule on following page.

Odessa Junior College District

Schedule E

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended August 31, 2015

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 Workforce Commission			
Temporary Assistance for Needy Families (15-16)	93.558	1114AELB02	44,398
Temporary Assistance for Needy Families (16-17)	93.558	1116AEL004	2,048
Pass-through from:			
West Texas Opportunities			
Designated Vendor Program	93.596	-	<u>68,572</u>
Total U.S. Department of Health and Human Services			<u>115,018</u>
Total Federal Financial Assistance			\$ <u><u>7,377,324</u></u>

Note 1: FEDERAL ASSISTANCE RECONCILIATION

Federal revenues per Schedule A & C:	
Federal grants and contracts revenue, Operating Sch A	\$ 1,513,270
Federal grants and contracts revenue, Non-Operating Sch C	5,860,463
Federal Direct Student Loans	<u>3,591</u>
Total Federal Revenues Per Schedule of Expenditures of Federal Awards	\$ <u><u>7,377,324</u></u>

Note 2: SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The expenditures included in the schedule are reported for the College'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 College 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 College 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>1,916,447</u>	<u>-</u>	<u>1,916,447</u>
Total U.S. Department of Education	\$ <u><u>1,916,447</u></u>	<u>-</u>	<u><u>1,916,447</u></u>

Odessa Junior College District

Schedule F

SCHEDULE OF EXPENDITURES OF STATE AWARDS

Year Ended August 31, 2016

Grantor Agency/Program Title	Grant contract Number	Disbursement and Expenditures
Texas Workforce Commission		
State Adult Education (15-16)	1114AELB02	\$ 161,345
State Adult Education (16-17)	1116AEL004	10,321
Skills Small Business	1114SSD000	9,221
Skills Small Business	1116SSD000	557
Texas Higher Education Coordinating Board		
Texas College Work Study (15-16)	-	9,109
Texas Grant I (15-16)	-	1,368
TEOG (15-16)	-	53,730
TEOG (16-17)	-	13,023
TEOG Renewal (16-17)	-	28,089
State Top Ten % Schools	-	3,200
Nursing Shortage Reduction Program Over 70%	-	17,074
Work Study Student Mentorship	-	50,000
Texas Law Enforcement Officer Standards in Education Agency		2,140
Total Expenditures of State Awards		\$ 359,177

NOTE 1: STATE ASSISTANCE RECONCILIATION

State revenues per Exhibit 2:		
Operating Revenues:		
State grants and contracts		\$ 342,103
State revenues per Schedule C:		
Non-Operating Revenues:		
Nursing shortage reduction grant		17,074
Total State Revenues per Schedule of Expenditures of State Awards		\$ 359,177

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The expenditures included in the schedule are reported for the College'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 College 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 College has followed all applicable guidelines issued by various entities in the preparation of the schedule.

SINGLE AUDIT REPORTS



JOHNSON, MILLER & CO., CPA's PC

Certified Public Accountants

A Professional Corporation

An Independent Member of BDO Alliance USA

**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, 2016, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon December 1, 2016.

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*.

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, 2016, 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 1, 2016



JOHNSON, MILLER & CO., CPA's PC

Certified Public Accountants

A Professional Corporation

An Independent Member of BDO Alliance USA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Trustees
Odessa Junior College District
Odessa, Texas

Report on Compliance for Each Major Federal Program

We have audited Odessa Junior College District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal 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 programs for the year ended August 31, 2016.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A 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 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 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 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Odessa, Texas
December 1, 2016

Odessa Junior College District

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

August 31, 2016

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**

Federal and State Awards

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 2 CFR 200.516(a) **No**

Any Questioned costs? **No**

Odessa Junior College District

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

August 31, 2016

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
84.268	Federal Direct Student Loans
Dollar threshold used to distinguish between type A and type B programs:	Federal Program Threshold \$750,000
Auditee qualified as low-risk auditee?	Yes
Section II – FINANCIAL STATEMENT FINDINGS	No matters were reported.
Section III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS	
August 31, 2016	No matters were reported.
August 31, 2015	No matters were reported.

STATISTICAL SUPPLEMENT

Odessa Junior College District
Statistical Supplement 1
Net Position by Component
Fiscal Years 2007 to 2016
(unaudited)

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Invested in capital assets, net of related debt	31,177	17,619	15,208	13,987	12,022	9,767	8,169	4,955	(976)	(3,148)
Restricted - expendable	4,493	11,624	11,043	7,683	7,605	4,820	4,633	4,953	5,496	6,498
Restricted - nonexpendable	844	844	844	838	829	807	813	774	813	838
Unrestricted	13,874	13,811	19,547	19,067	17,924	17,681	16,775	18,511	21,196	19,612
Total net position	\$ 50,388	\$ 43,898	\$ 46,642	\$ 41,575	\$ 38,380	\$ 33,075	\$ 30,390	\$ 29,193	\$ 26,529	\$ 23,800

Odessa Junior College District
Statistical Supplement 2
Revenues by Source
Fiscal Years 2007 to 2016
(unaudited)

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Tuition and Fees (Net of Discounts)	\$7,701	\$8,327	\$6,947	\$7,579	\$8,689	\$5,492	\$4,662	\$3,788	\$3,595	\$3,910
Governmental Grants and Contracts										
Federal Grants and Contracts	1,513	1,934	1,266	1,402	2,237	2,535	3,627	3,706	3,533	3,022
State Grants and Contracts	342	758	1,284	385	493	486	418	490	421	375
Non-Governmental Grants and Contracts	2,348	655	309	55	62	79	32	64	73	25
Sales and services of educational activities	463	524	538	504	495	417	288	252	287	275
Investment Income	14	13	13	15	15	13	15	16	38	45
Auxiliary enterprises	1,571	1,598	1,530	1,492	847	829	816	775	725	562
Other Operating Revenues	677	601	636	644	775	722	601	533	479	433
Total Operating Revenues	14,629	14,410	12,523	12,076	13,613	10,573	10,459	9,624	9,151	8,647
State Appropriations	10,290	9,538	9,720	8,597	8,427	10,803	10,873	11,388	11,302	11,265
Ad Valorem Taxes	22,138	21,497	19,827	18,354	17,040	16,027	15,153	15,399	14,058	12,796
Debt Service Taxes	4,823	4,662	4,324	4,341	3,935	-	-	-	-	-
Federal Grants, non-operating	5,860	4,903	5,102	5,093	6,153	7,570	6,441	4,631	3,313	3,453
Gifts	148	194	193	236	376	439	311	185	460	323
Investment income	396	181	262	325	420	296	442	578	1,075	1,387
Other non-operating revenues	45	55	8	48	1	1	195	667	900	1
Total Non-Operating Revenues	43,700	41,030	39,436	36,994	36,352	35,136	33,415	32,848	31,108	29,225
Total Revenue	\$ 58,329	\$ 55,440	\$ 51,959	\$ 49,070	\$ 49,965	\$ 45,709	\$ 43,874	\$ 42,472	\$ 40,259	\$ 37,872

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Tuition and fees (net of discounts)	13.20%	15.02%	13.37%	15.45%	17.39%	12.02%	10.63%	8.92%	8.93%	10.32%
Governmental grants and contracts										
Federal grants and contracts	2.59%	3.49%	2.44%	2.86%	4.48%	5.55%	8.27%	8.73%	8.78%	7.98%
State grants and contracts	0.59%	1.37%	2.47%	0.78%	0.99%	1.06%	0.95%	1.15%	1.05%	0.99%
Non-governmental grants and contracts	4.03%	1.18%	0.59%	0.11%	0.12%	0.17%	0.07%	0.15%	0.18%	0.07%
Sales and services of educational activities	0.79%	0.95%	1.04%	1.03%	0.99%	0.91%	0.66%	0.59%	0.71%	0.73%
Investment Income	0.02%	0.02%	0.03%	0.03%	0.03%	0.03%	0.03%	0.04%	0.09%	0.12%
Auxiliary enterprises	2.69%	2.88%	2.94%	3.04%	1.70%	1.81%	1.86%	1.82%	1.80%	1.48%
Other operating revenues	1.16%	1.08%	1.22%	1.31%	1.55%	1.58%	1.37%	1.25%	1.19%	1.14%
Total Operating Revenues	25.08%	25.99%	24.10%	24.61%	27.25%	23.13%	23.84%	22.66%	22.73%	22.83%
State appropriations	17.64%	17.20%	18.71%	17.52%	16.87%	23.63%	24.78%	26.81%	28.07%	29.74%
Ad valorem taxes	37.95%	38.78%	38.16%	37.40%	34.10%	35.06%	34.54%	36.26%	34.92%	33.79%
Debt service taxes	8.27%	8.41%	8.32%	8.85%	7.88%	0.00%	0.00%	0.00%	0.00%	0.00%
Federal Grants, non-operating	10.05%	8.84%	9.82%	10.38%	12.31%	16.56%	14.68%	10.90%	8.23%	9.12%
Gifts	0.25%	0.35%	0.37%	0.48%	0.75%	0.96%	0.71%	0.44%	1.14%	0.85%
Investment income	0.68%	0.33%	0.50%	0.66%	0.84%	0.65%	1.01%	1.36%	2.67%	3.66%
Other non-operating revenues	0.08%	0.10%	0.02%	0.10%	0.00%	0.00%	0.44%	1.57%	2.24%	0.00%
Total Non-Operating Revenues	74.92%	74.01%	75.90%	75.39%	72.75%	76.87%	76.16%	77.34%	77.27%	77.17%
Total Revenue	100.00%									

**Odessa Junior College District
Statistical Supplement 3
Program Expenses by Function
Fiscal Years 2007 to 2016
(unaudited)**

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction	\$18,150	\$18,651	\$17,536	\$14,747	\$15,272	\$15,266	\$14,382	\$13,461	\$12,698	\$11,937
Research	-	-	-	-	-	-	-	-	-	-
Public service	1,252	1,141	1,179	909	1,210	1,332	1,332	1,350	1,532	1,439
Academic support	4,807	4,537	4,208	4,049	4,138	3,805	4,006	4,219	3,732	3,592
Student services	4,179	3,968	3,677	2,813	2,914	2,837	3,332	3,109	3,175	3,084
Institutional support	5,947	5,475	6,400	6,464	5,796	6,313	6,089	5,211	4,606	4,048
Operation and maintenance of plant	4,122	4,281	3,679	3,388	3,351	3,705	5,036	5,015	5,021	4,301
Scholarships and fellowships	4,976	4,237	4,547	4,713	6,463	6,136	4,703	3,622	2,926	3,050
Auxiliary enterprises	2,397	2,412	2,164	1,872	1,675	1,668	1,685	1,707	1,597	1,309
Depreciation	2,688	2,552	1,836	1,575	1,448	1,375	1,315	1,084	990	952
Total Operating Expenses	48,518	47,254	45,226	40,530	42,267	42,437	41,880	38,778	36,277	33,712
Interest on capital related debt	3,871	3,963	4,909	4,883	5,206	570	650	1,461	1,257	1,347
Loss on disposal of fixed assets	60	69	83	80	85	119	90	95	126	101
Other non-operating	22	22	35	21	125	101	71	80	79	80
Total Non-Operating Expenses	3,953	4,054	5,027	4,984	5,416	790	811	1,636	1,462	1,528
Total Expenses	\$ 52,471	\$ 51,308	\$ 50,253	\$ 45,514	\$ 47,683	\$ 43,227	\$ 42,691	\$ 40,414	\$ 37,739	\$ 35,240

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction	34.59%	36.35%	34.90%	32.40%	32.03%	35.32%	33.69%	33.31%	33.65%	33.87%
Research	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Public service	2.39%	2.22%	2.35%	2.00%	2.54%	3.08%	3.12%	3.34%	4.06%	4.08%
Academic support	9.16%	8.84%	8.37%	8.90%	8.68%	8.80%	9.38%	10.44%	9.89%	10.19%
Student services	7.96%	7.73%	7.32%	6.18%	6.11%	6.56%	7.80%	7.69%	8.41%	8.75%
Institutional support	11.33%	10.67%	12.74%	14.20%	12.16%	14.60%	14.26%	12.89%	12.20%	11.49%
Operation and maintenance of plant	7.86%	8.34%	7.32%	7.44%	7.03%	8.57%	11.80%	12.41%	13.30%	12.20%
Scholarships and fellowships	9.48%	8.26%	9.05%	10.36%	13.55%	14.19%	11.02%	8.96%	7.75%	8.65%
Auxiliary enterprises	4.57%	4.70%	4.31%	4.11%	3.51%	3.86%	3.95%	4.22%	4.23%	3.71%
Depreciation	5.12%	4.97%	3.65%	3.46%	3.04%	3.18%	3.08%	2.68%	2.62%	2.70%
Total Operating Expenses	92.47%	92.10%	90.00%	89.05%	88.64%	98.17%	98.10%	95.95%	96.13%	95.66%
Interest on capital related debt	7.38%	7.72%	9.77%	10.73%	10.92%	1.32%	1.52%	3.62%	3.33%	3.82%
Loss on disposal of fixed assets	0.11%	0.13%	0.17%	0.18%	0.18%	0.28%	0.21%	0.24%	0.33%	0.29%
Other non-operating	0.04%	0.04%	0.07%	0.05%	0.26%	0.23%	0.17%	0.20%	0.21%	0.23%
Total Non-Operating Expenses	7.53%	7.90%	10.00%	10.95%	11.36%	1.83%	1.90%	4.05%	3.87%	4.34%
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
2015	\$ -	\$ 64	\$ 108	\$ 20	\$ 2	\$ -	\$ 1,032	\$ 1,560	0.00%	0.00%
2014	-	64	108	20	2	-	1,032	1,560	4.88%	4.84%
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%

**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
2015	\$ 150	\$ 140	\$ 140	\$ 20	\$ 2	\$ -	\$ 2,094	\$ 2,094	0.00%	0.00%
2014	150	140	140	20	2	-	2,094	2,094	4.80%	4.80%
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%

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 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent								
CE Students	1,278	18.59%	1,826	26.24%	1,422	22.04%	1,392	21.72%	1,888	26.97%
0-30 hours	4,357	63.37%	4,013	57.67%	3,868	59.94%	3,904	60.90%	4,270	61.00%
31-60 hours	912	13.27%	855	12.29%	906	14.04%	884	13.79%	609	8.70%
> 60 hours	328	4.77%	265	3.81%	257	3.98%	230	3.59%	233	3.33%
Total	6,875	100.00%	6,959	100.00%	6,453	100.00%	6,410	100.00%	7,000	100.00%

Tuition Status	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent								
CE Students	1,278	18.59%	1,826	26.24%	1,422	22.04%	1,392	21.72%	1,888	26.97%
Texas Resident (in-District)	3,861	56.16%	3,532	50.75%	3,513	54.44%	3,473	54.18%	3,531	50.44%
Texas Resident (out-of-District)	1,497	21.77%	1,326	19.05%	1,293	20.04%	1,342	20.94%	1,383	19.76%
Non-Resident Tuition	220	3.20%	234	3.36%	213	3.30%	171	2.67%	166	2.37%
Tuition Exempt	19	0.28%	41	0.59%	12	0.19%	32	0.50%	32	0.46%
Total	6,875	100.00%	6,959	100.00%	6,453	100.00%	6,410	100.00%	7,000	100.00%

**Odessa Junior College District
Statistical Supplement 6
Annual Enrollment Data
Annual Headcount Enrollment by Type**

	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
<u>Credit Students:</u>					
General Academic	9,875	9,114	9,275	10,018	10,338
Technical for Credit	<u>4,668</u>	<u>4,719</u>	<u>4,863</u>	<u>3,871</u>	<u>4,246</u>
Total for Credit	14,543	13,833	14,138	13,889	14,584
<u>Non-Credit Students:</u>					
Technical (State funded)	<u>4,497</u>	<u>5,857</u>	<u>5,972</u>	<u>5,196</u>	<u>6,677</u>
TOTAL	<u>19,040</u>	<u>19,690</u>	<u>20,110</u>	<u>19,085</u>	<u>21,261</u>

*Includes non-credit equivalent hours.

Annual Headcount Enrollment by Term*

<u>Academic Year</u>	<u>Fall</u>	<u>Spring</u>	<u>Summer Session</u>		<u>Annual Total</u>
			<u>First</u>	<u>Second</u>	
2015-16	6,875	6,533	3,090	2,542	19,040
2014-15	6,959	7,266	2,987	2,478	19,690
2013-14	6,453	6,969	3,808	2,880	20,110
2012-13	6,410	6,764	3,384	2,527	19,085
2011-12	7,000	7,857	3,528	2,876	21,261
2010-11	7,039	6,879	4,306	2,989	21,213
2009-10	6,782	6,931	3,122	2,869	19,704
2008-09	6,623	6,455	3,148	2,363	18,589
2007-08	6,051	6,194	3,361	2,930	18,536
2006-07	6,249	6,182	2,518	2,161	17,110

*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>	
2015-16	47,512	45,135	6,340	4,488	103,475
2014-15	41,863	41,501	8,284	5,364	97,012
2013-14	45,978	40,557	8,379	4,947	99,861
2012-13	44,222	40,375	7,276	5,731	97,604
2011-12	44,115	41,361	7,626	5,431	98,533
2010-11	45,640	44,788	7,631	5,145	103,204
2009-10	44,718	44,360	7,235	5,727	102,040
2008-09	39,526	38,427	6,184	5,073	89,210
2007-08	38,169	36,714	6,643	4,858	86,384
2006-07	39,851	37,513	5,679	3,587	86,630

Annual Contact Hours Generated*

	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
<u>Credit Students:</u>					
General Academic	1,419,673	1,293,627	1,273,303	1,295,248	1,354,704
Technical for Credit	761,454	<u>717,363</u>	<u>723,664</u>	<u>714,336</u>	<u>709,312</u>
Total for Credit	2,181,127	2,010,990	1,996,967	2,009,584	2,064,016
<u>Non-Credit Students:</u>					
Vocational (State funded)	<u>243,577</u>	<u>320,832</u>	<u>307,032</u>	<u>258,006</u>	<u>320,602</u>
TOTAL	<u>2,424,704</u>	<u>2,331,822</u>	<u>2,303,999</u>	<u>2,267,590</u>	<u>2,384,618</u>

*Includes non-credit equivalent hours.

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

	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent								
Gender										
Female	3,684	53.59%	3,726	53.54%	3,578	55.45%	3,666	57.19%	3,822	54.60%
Male	3,191	46.41%	3,233	46.46%	2,875	44.55%	2,744	42.81%	3,178	45.40%
Total	6,875	100.00%	6,959	100.00%	6,453	100.00%	6,410	100.00%	7,000	100.00%

	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent								
Ethnic Origin										
White	1,815	26.40%	2,654	38.14%	2,159	33.46%	2,235	34.87%	1,963	28.04%
Hispanic	4,254	61.88%	3,369	48.41%	3,303	51.19%	3,137	48.94%	3,687	52.67%
African American	305	4.44%	278	3.99%	251	3.89%	183	2.85%	183	2.61%
Asian	85	1.24%	83	1.19%	56	0.87%	54	0.84%	53	0.76%
Native American	35	0.51%	78	1.12%	55	0.85%	41	0.64%	54	0.77%
International	59	0.86%	7	0.10%	10	0.15%	14	0.22%	15	0.21%
Unknown	322	4.68%	490	7.04%	619	9.59%	746	11.64%	1,045	14.93%
Total	6,875	100.00%	6,959	100.00%	6,453	100.00%	6,410	100.00%	7,000	100.00%

	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent								
Age										
Under 18	1,583	23.03%	1,325	19.04%	1,170	18.13%	1,052	16.41%	1,007	14.39%
18 -21	1,995	29.02%	2,076	29.83%	2,089	32.37%	2,073	32.34%	2,196	31.37%
22 - 24	801	11.65%	846	12.16%	720	11.16%	713	11.12%	779	11.13%
25 - 35	1,469	21.37%	1,564	22.47%	1,420	22.01%	1,432	22.34%	1,643	23.47%
36 - 50	798	11.61%	850	12.21%	783	12.13%	806	12.57%	1,046	14.94%
51 & over	229	3.33%	298	4.28%	271	4.20%	334	5.21%	329	4.70%
Total	6,875	100.00%	6,959	100.00%	6,453	100.00%	6,410	100.00%	7,000	100.00%

Average Age (Credit)	22.0	23.0	22.9	23.0	23.0
Average Age (CE)	36.0	35.0	36.0	37.6	36.0

**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
2015-16	\$ 7,598	3,720	\$ 2,042	1,420	761	244	2,425	\$ 3.13
2014-15	7,351	3,590	2,048	1,293	718	321	2,332	3.15
2013-14	7,351	3,670	2,003	1,273	724	307	2,304	3.19
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

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
2014 Fall Students as of Fall 2015
(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 College Transfer Students	% of Odessa College Transfer Students	
1	The University of Texas of the Permian Basin	390	15	25	430	53.02%
2	Texas Tech University	104	3	4	111	13.69%
3	Angelo State University	31	1	3	35	4.32%
4	Texas A & M University	31	1	1	33	4.07%
5	Texas State University	24	1	2	27	3.33%
6	The University of Texas at Austin	27			27	3.33%
7	Texas Tech University Health Science Center	13		4	17	2.10%
8	The University of Texas at Arlington	12	1	4	17	2.10%
9	The University of Texas at San Antonio	15		2	17	2.10%
10	Tarleton State University	13	1	2	16	1.97%
11	Sul Ross State University	10	2	1	13	1.60%
12	West Texas A & M University	11			11	1.36%
13	University of North Texas	10			10	1.23%
14	The University of Texas at El Paso	5	2	1	8	0.99%
15	The University of Texas at Dallas	6			6	0.74%
16	Texas A & M University at Kingsville	5			5	0.62%
17	University of Houston	4			4	0.49%
18	Texas Woman's University	2	1		3	0.37%
19	The University of Texas at Tyler	3			3	0.37%
20	Stephen F Austin State University	2			2	0.25%
21	Texas A & M International University	2			2	0.25%
22	Texas Tech University Health Sc Ctr-El Paso	1		1	2	0.25%
23	The University of Texas at Rio Grande Valley	1		1	2	0.25%
24	University of Houston Victoria	1	1		2	0.25%
25	Mid Western State University	1			1	0.12%
26	Sam Houston State University	1			1	0.12%
27	Texas A & M University at Commerce		1		1	0.12%
28	Texas A & M University at Corpus Christi	1			1	0.12%
29	Texas A & M University at Galveston	1			1	0.12%
30	Texas A & M University System Health Science	1			1	0.12%
31	University of North Texas Health Science Center	1			1	0.12%
32	University of Texas Southwestern Medical Ctr	1			1	0.12%
Totals	730	30	51	811	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)
2015-16	16,463,948	2,473,610	13,990,338	84.98%	0.156900	0.034300	0.191200
2014-15	17,171,163	2,478,347	14,692,816	85.57%	0.145000	0.031600	0.176600
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

Property Use Category	Detailed Tax Roll For Fiscal Years				
	2015/16	2014/15	2013/14	2012/13	2011/12
Real Property					
Single-Family Residential	\$ 5,055,743	\$ 4,644,189	\$ 4,193,880	\$ 3,768,789	\$ 3,604,499
Multi-Family Residential	427,838	379,537	335,603	269,959	199,739
Vacant Lots/Tracts	160,834	158,282	129,191	103,505	96,732
Acreage (Land Only)	176,436	171,236	177,141	134,490	124,026
Farm and Ranch Improvements	80,835	91,540	78,267	15,278	14,220
Commercial and Industrial	2,447,306	2,318,066	2,146,725	1,723,487	1,602,608
Oil, Gas & Minerals	3,016,449	4,719,074	4,664,878	4,558,628	4,105,181
Inventory	115,790	89,188	84,786	62,316	45,363
Tangible Personal Property					
Business	3,404,492	3,144,712	2,953,609	2,220,925	1,759,954
Other	239,788	207,031	175,686	146,024	132,191
Real & Tangible Personal Property					
Utilities	399,497	333,248	351,922	322,520	259,137
Total Market Assessed Valuations	15,525,008	16,256,103	15,291,688	13,325,921	11,943,650
Constitutionally Exempt Values	938,940	915,060	884,919	786,307	765,449
Total Assessed Valuations	16,463,948	17,171,163	16,176,607	14,112,228	12,709,099
Less Exemptions:					
Constitutionally Exempt	938,601	914,984	883,327	786,301	765,428
Residential Homestead	738,986	681,566	629,588	591,446	570,765
Loss to 10% Cap	72,146	73,017	74,549	57,929	81,076
Over 65	152,442	147,933	146,591	145,758	147,059
Disabled/Others	37,631	34,385	30,507	29,562	26,967
Productivity Loss	173,113	167,951	173,491	94,864	86,410
Freeport Exemption	150,015	138,487	106,666	83,547	73,336
Pollution Control	145,791	151,171	150,888	149,147	151,315
Abatements	64,885	168,853	192,701	185,364	182,419
Total Exemptions	2,473,610	2,478,347	2,388,308	2,123,918	2,084,775
Taxable Assessed Valuation	\$ 13,990,338	\$ 14,692,816	\$ 13,788,299	\$ 11,988,310	\$ 10,624,324

**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)									
		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Halliburton Energy Services	Oil & Gas	\$ 272,607	\$ 298,503	\$ 265,719	\$ 238,475	\$ 132,610					
Occidental Permian LTD	Oil & Gas	255,922	465,399	773,121	810,640	677,300	671,537	722,406	665,706	845,024	610,832
Odessa-Ector Power Partners	Utility	232,217	235,002	247,462	251,858	316,562	226,811	191,925	191,713	-	-
ONCOR Electric Delivery	Utility	146,451	136,615	-	-	-	-	-	80,011	84,067	-
Fasken Oil & Ranch LTD	Oil & Gas	127,667	281,811	177,672	-	-	-	-	-	-	-
Cer-Quail Run Energy Partnership LP	Utility	111,946	-	-	-	-	-	-	-	-	-
Reliance Energy Inc	Oil & Gas	108,601	166,223	182,825	-	-	-	-	-	-	-
Nabors Lux Finance 2	Oil & Gas	101,955	-	-	-	-	-	-	-	-	-
Ector County Energy Center LLC	Utility	101,000	-	-	-	-	-	-	-	-	-
Devon Energy Production	Oil & Gas	89,048	178,711	302,219	222,788	256,806	203,373	126,613	-	-	-
Conocophoillips	Oil & Gas		182,564	331,184	375,281	382,053	401,298	457,937	350,225	372,529	231,750
XTO Energy	Oil & Gas		177,394	285,375	197,932	243,275	308,732	296,139	278,509	313,628	223,288
Apache Corporation	Oil & Gas		115,668	274,700	265,774	264,552	236,650	236,130	160,352	286,547	-
Oxy USA WTP LP	Oil & Gas			164,270	206,678	244,011	223,194	225,445	232,478	296,757	212,925
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
Four Star Oil and Gas	Oil & Gas								78,154	116,096	132,860
Flint Hills/Huntsman Polmers Corp.	Chemicals									180,234	184,317
Anadarko Petroleum Corp.	Oil & Gas										248,127
TXU Electric Delivery Co.	Utility										82,686
BP American Production Co.	Oil & Gas										51,858
Totals		\$ 1,547,414	\$ 2,237,890	\$ 3,004,547	\$ 2,939,861	\$ 2,996,835	\$ 2,756,657	\$ 2,625,572	\$ 2,211,814	\$ 2,724,884	\$ 2,044,780
Total Taxable Assessed Value		\$ 13,990,337	\$ 14,692,816	\$ 13,788,295	\$ 11,988,311	\$ 10,624,325	\$ 9,974,889	\$ 9,308,455	\$ 9,400,680	\$ 7,630,567	\$ 6,742,227

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year									
		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Halliburton Energy Services	Oil & Gas	1.95%	2.03%	1.93%	1.99%	1.25%	-	-	-	-	-
Occidental Permian LTD	Oil & Gas	1.83%	3.17%	5.61%	6.76%	6.37%	6.73%	7.76%	7.08%	11.07%	9.06%
Odessa-Ector Power Partners	Utility	1.66%	1.60%	1.79%	2.10%	2.98%	2.27%	2.06%	2.04%	-	-
ONCOR Electric Delivery	Utility	1.05%	0.93%	-	-	-	-	-	0.85%	1.10%	-
Fasken Oil & Ranch LTD	Oil & Gas	0.91%	1.92%	1.29%	-	-	-	-	-	-	-
Cer-Quail Run Energy Partnership LP	Utility	0.80%	-	-	-	-	-	-	-	-	-
Reliance Energy Inc	Oil & Gas	0.78%	1.13%	1.33%	-	-	-	-	-	-	-
Nabors Lux Finance 2	Oil & Gas	0.73%	-	-	-	-	-	-	-	-	-
Ector County Energy Center LLC	Utility	0.72%	-	-	-	-	-	-	-	-	-
Devon Energy Production	Oil & Gas	0.64%	1.22%	2.19%	1.86%	2.42%	2.04%	1.36%	-	-	-
Conocophoillips	Oil & Gas		1.24%	2.40%	3.13%	3.60%	4.02%	4.92%	3.73%	4.88%	3.44%
XTO Energy	Oil & Gas		1.21%	2.07%	1.65%	2.29%	3.10%	3.18%	2.96%	4.11%	3.31%
Apache Corporation	Oil & Gas		0.79%	1.99%	2.22%	2.49%	2.37%	2.54%	1.71%	3.76%	-
Oxy USA WTP LP	Oil & Gas			1.19%	1.72%	2.30%	2.24%	2.42%	2.47%	3.89%	3.16%
Chevron USA Inc.	Oil & Gas				1.47%	-	-	-	-	-	-
Sheridan Production Co	Oil & Gas				1.62%	-	-	-	-	-	-
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%
Four Star Oil and Gas	Oil & Gas								0.83%	1.52%	1.97%
Flint Hills/Huntsman Polmers Corp.	Chemicals									2.36%	2.73%
Anadarko Petroleum Corp.	Oil & Gas										3.68%
TXU Electric Delivery Co.	Utility										1.23%
BP American Production Co.	Oil & Gas										0.77%
Totals		11.06%	15.23%	21.79%	24.52%	28.21%	27.64%	28.21%	23.53%	35.71%	30.33%

**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
2015	159,436	(a)	(a)	4.6%
2014	153,904	\$ 7,244,097	\$ 47,069	3.4%
2013	149,378	6,597,699	44,168	4.3%
2012	144,325	6,162,376	42,698	4.6%
2011	140,111	5,378,120	38,385	6.1%
2010	137,130	4,752,997	34,653	8.3%
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%

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