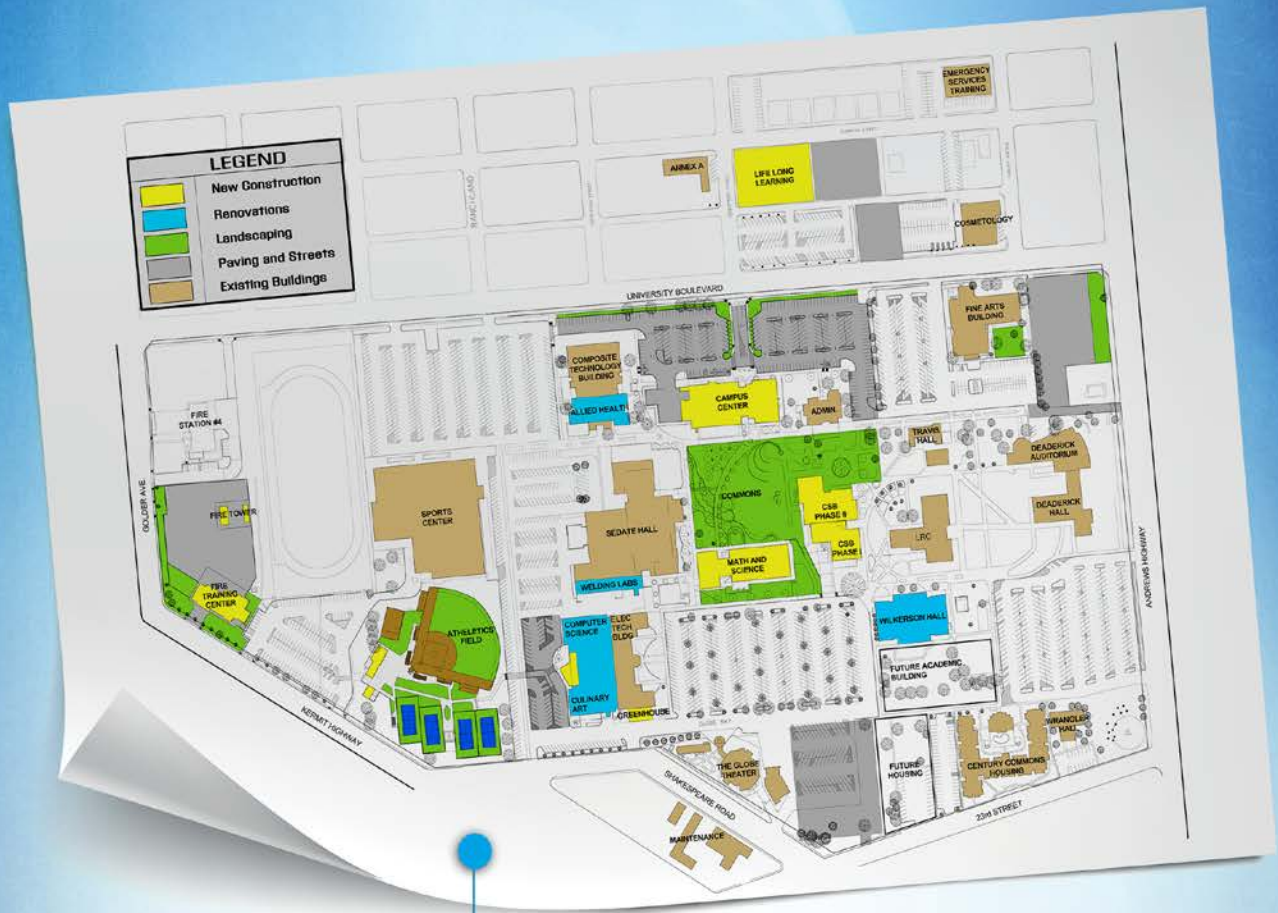




Financial Statements and Independent Auditors' Report



VISION 2015

DELIVERING more TO OUR COMMUNITY

Odessa Junior College District
August 31, 2013 and 2012

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ODESSA JUNIOR COLLEGE DISTRICT

ORGANIZATIONAL DATA

For the Year Ended August 31, 2013

BOARD OF TRUSTEES



OFFICERS

Ms. Ray Ann Zant	President
Mr. J. E. "Coach" Pressly	Vice President
Mr. Bruce Shearer	Secretary
Dr. Tara Deaver	Assistant Secretary

MEMBERS

TERM EXPIRES MAY,

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



PRINCIPAL ADMINISTRATIVE & FINANCIAL OFFICERS

Dr. Gregory D. Williams	President
Ms. Virginia E. Chisum, CPA	Vice President for Business Affairs
Dr. Tanya Hughes	Vice President for Instruction Effectiveness
Dr. Don Wood	Vice President for Student Services & Enrollment Management
Ms. Kim McKay	
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, 2013 and 2012, 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 opinions on these financial statements based on our audit. 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, 2013 and 2012, and the respective changes in financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The organizational data and statistical supplement on page 1 and pages 62 through 72 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the *Provisions of the State of Texas Single Audit Circular*, and is not a required part of the basic purpose financial statements. In addition, the supplementary data presented in schedules A, B, C and D is presented for additional purposes and is not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report December 5, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Odessa, Texas
December 5, 2013

**Management's Discussion and Analysis
For the Period Ending August 31, 2013 (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, 2013 (Fiscal Year 2013), 2012 (Fiscal Year 2012), and 2011 (Fiscal Year 2011). In conformity with Government Accounting Standards Board (GASB) Statement No. 34, the discussion focuses on currently known facts, decisions, and conditions and is intended to assist the reader in the interpretation of the financial statements and notes that follow this analysis.

Some of the financial and enrollment highlights of Fiscal Year 2013 are as follows:

- The District's assets exceeded liabilities by \$42.9 million at the end of fiscal year 2013, compared to \$38.8 million and \$33.1 million at the end of fiscal years 2012 and 2011, respectively. Of these amounts, the unrestricted net position totaled \$19.1 million, \$17.9 million, and \$17.7 million for fiscal years 2013, 2012, and 2011. This unrestricted net position is available to meet any of the District's ongoing obligations.
- The District's net position as a whole was strengthened as total revenues exceeded total expenses by \$4.5 million in fiscal year 2013. Revenues exceeded expenses by \$5.3 million and \$2.7 million in fiscal years 2012 and 2011.
- The District's total debt decreased during fiscal year 2013 by \$2.3 million to \$89.9 million due principal payments on revenue and general obligation bonds. In fiscal year 2012, the debt increased by \$4.5 million to \$92.2 million due to the issuance of a campus housing revenue bond.
- Capital assets (net of depreciation) increased by approximately \$26.7 million in 2013 and by approximately \$11.3 million in 2012.
- Total duplicated headcount of students enrolled in credit courses decreased by 4.8% to 13,889 for the 2012-13 academic year from a total of 14,584 during 2011-12 and 13,990 during 2010-11. Total semester credit hours also decreased slightly by 0.9% to 97,604 for 2012-13, compared to 98,533 during 2011-12 and 103,204 during 2010-11.
- Total contact hours from both credit and noncredit instruction decreased by 4.9% to 2,267,590 in 2012-13 from 2,384,618 in 2011-12 and 2,461,271 in 2010-11. Most of the decrease came from fewer students taking non-credit vocational instruction due to the strong economy and high demand for workers.

BASIC FINANCIAL STATEMENTS

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

Management's Discussion and Analysis For the Period Ending August 31, 2013 (Unaudited)

Financial statements for the District's component unit, the Odessa College Foundation, are issued independently of the District. The Foundation's Statement of Financial Position and Statement of Activities for its most recently completed fiscal years of 2012 and 2011 are presented as discrete reports on pages 25 and 28 of the District's basic financial statements. Complete financial statements for the Foundation can be obtained from the Foundation at 201 West University Blvd, Odessa, TX 79764.

• The Statement of Net Position

The Statement of Net Position (Exhibit 1) reports the assets, liabilities, and resulting net position of the District as of the end of the fiscal year. It is a "point in time" financial statement; its purpose is to give the readers a snapshot of the financial condition of Odessa College on the last day of each fiscal year.

The Statement of Net Position includes assets and liabilities, both current and non-current, and net position.

- Current assets are those assets that are available to satisfy current liabilities, or liabilities that are due within one year.
- Non-current assets include capital assets, restricted cash, long-term investments, and other assets not classified as current.
- Non-current liabilities include bonds payable and other long-term commitments.

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

Net assets are divided into three major categories.

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

• The Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position (Exhibit 2) explains "why" the net position has increased or decreased during the year. It focuses on the "bottom line results" of the District's operations. This approach summarizes and simplifies the user's analysis of the cost of various District services to its students and the burden to the public. The statement is divided into (a) Operating Revenues and Expenses, (b) Non-Operating Revenues and Expenses, and (c) Other Revenue.

Management's Discussion and Analysis For the Period Ending August 31, 2013 (Unaudited)

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

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

Operating expenses are those paid to acquire or produce the goods and services provided in return for the operating revenues and to carry out the District's mission. Depreciation is included as an operating expense.

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

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

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

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, 2013 (Unaudited)**

CONDENSED COMPARATIVE FINANCIAL INFORMATION

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

	Year Ended August 31,			Increase (Decrease)	
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2012 to</u> <u>2013</u>	<u>2011 to</u> <u>2012</u>
Current assets	\$ 31,829	\$ 32,140	\$ 29,853	\$ (311)	\$ 2,287
Capital assets, net of depreciation	66,498	39,793	28,461	26,705	11,332
Other non-current assets	45,421	70,241	72,875	(24,820)	(2,634)
Total assets	143,748	142,174	131,189	1,574	10,985
Current liabilities	11,420	11,955	10,820	(535)	1,135
Non-current liabilities	89,418	91,839	87,294	(2,421)	4,545
Total liabilities	100,838	103,794	98,114	(2,956)	5,680
Net Position:					
Invested in capital assets, net of related debt	13,987	12,022	9,767	1,965	2,255
Restricted: nonexpendable	838	829	807	9	22
Restricted: expendable	9,018	7,605	4,820	1,413	2,785
Unrestricted	19,067	17,924	17,681	1,143	243
Total net position	\$ 42,910	\$ 38,380	\$ 33,075	\$ 4,530	\$ 5,305
Current Ratio	2.79	2.69	2.76		

Figure 1

As shown in Figure 1 above, total assets increased by \$1.6 million in fiscal year 2013 and by \$11 million in fiscal year 2012. During the same periods, total liabilities decreased by \$3 million in 2013 and increased by \$5.7 million in 2012. As a result, the total net position increased by \$4.5 million in 2013 and by \$5.3 million in 2012.

The current ratio, sometimes called the liquidity ratio, measures the District's ability to pay short-term obligations. The current ratio has increased to a healthy 2.79 at the end of fiscal year 2013, compared to 2.69 and 2.76 for fiscal years 2012 and 2011.

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

**Management's Discussion and Analysis
For the Period Ending August 31, 2013 (Unaudited)**

During fiscal year 2013:

- There was a small overall decrease of \$311,000 in current assets as cash and short-term investments increased by \$2 million and the previous year's large Pell receivable declined by \$2.2 million.

During fiscal year 2012:

- Current assets increased by 7.7% from \$29.9 million to \$32.1 million primarily due to an increase of \$2.1 million in federal Pell grant receivable. This was due to a timing difference in the draw-down of fall awards as the fall 2011 draw-down occurred in late August (before year-end) in fiscal 2011 while the fall 2012 draw-down did not occur until early September.

During fiscal year 2011:

- Current assets increased by 67.6% from \$17.8 million to \$29.9 million primarily due to cash and cash equivalent investments from the general obligation bond proceeds that are projected to be spent on capital projects within the next 12 months.
- Current accounts and notes receivable also increased by \$0.4 million, or 10%, due to increased student tuition receivables related to student aid refunds to Title IV programs.

Capital assets, net of depreciation, increased by 67%, or \$26.7 million, during 2013 while increasing \$11.3 million during 2012. 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 2013:

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

**Management's Discussion and Analysis
For the Period Ending August 31, 2013 (Unaudited)**

During fiscal 2012:

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

During fiscal 2011:

- Construction in Progress increased by approximately \$337,000 as preliminary architectural and engineering services were paid related to the Vision 2015 capital improvement projects.
- Buildings increased by \$451,000 due to completion of remodeling for the instrumentation lab in the ET building and the ICA Community Gym in the Sports Center
- Major equipment purchases funded by grants included \$113,000 from the Title V Rural Areas Distance Learning Grant, \$106,000 from the CCRA Pre-engineering Grant, \$190,000 from the Texas JET Instrumentation Grant, and \$57,000 from Carl Perkins funds.
- These additions to capital were offset by an increase to accumulated depreciation of almost \$1.3 million.

Total liabilities decreased by \$3 million in fiscal year 2013 after increasing by \$5.7 million in fiscal 2012. The major changes were in non-current liabilities which decreased by \$2.4 million in 2013 after increasing by \$4.5 million in 2012. The major contributing factors are explained below.

During fiscal 2013:

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

**Management's Discussion and Analysis
For the Period Ending August 31, 2013 (Unaudited)**

During fiscal 2012:

- Accounts payable increased by a net of \$335,000. Year-end payables related to construction and equipment purchases increased by \$682,000 while payables to students and other vendors decreased by \$348,000. In addition, a contingent liability of \$469,000 was recorded, representing the state's share of TRS retirement benefits that remained unpaid by the state at year-end. Mote details concerning this contingent liability can be found in Note 21 on page 45 of the Notes to the Financial Statements
- The current portion of bonds payable increased by \$310,000 due to scheduled debt service payments due within the next 12 months related to the 2009 revenue bonds, the 2011 general obligation bonds, and the newly issued 2012 revenue bonds.
- Non-current liabilities increased by \$4.5 million due to the issuance of \$6.3 million in revenue bonds for the acquisition of student housing facility, offset by a principal payment of \$1.8 million on the 2009 revenue bond.

During fiscal 2011:

- Deferred revenue increased approximately \$863,000, representing tuition for students who registered in the summer for fall classes. The increases were due to a fall 2011 tuition increase of \$10 per semester hour for in-district students and \$20 per semester hour for out-of-district students.
- The current portion of bonds payable increased slightly by \$55,000 due to scheduled debt service payments due within the next 12 months.
- Non-current liabilities increased due to the issuance of \$68.5 million in general obligation bonds for capital improvements.

Overall, the District's net position increased by \$4.5 million during fiscal 2013, \$5.3 million during 2012, and \$2.7 million during 2011. The net position represent the District's equity, some of which is restricted for certain uses and some of which in unrestricted.

During fiscal 2013:

- 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 million.
- The Restricted Net Position increased approximately \$1.4 million. The major increases were related to a \$1 million donation restricted for the construction of the Wood Math & Science Building and investment income related to the unexpended bond funds. Assets restricted for debt service payments also increased by \$142,000 during the year. This net position will decrease over time as these funds are spent on construction and debt service.
- The Unrestricted Net Position increased by approximately \$1.1 million due to an excess of unrestricted revenues over unrestricted expenses.

**Management's Discussion and Analysis
For the Period Ending August 31, 2013 (Unaudited)**

During fiscal 2012:

- The Net Investment in Capital Assets, representing the net value of the District's capital assets (land, buildings, and equipment) less the related debt, increased \$2.3 million. Capitalized assets increased by \$11.3 million while the related long-term debt increased by \$9 million.
- Restricted Net Position increased approximately \$2.8 million. The major increases were related to a \$3 million donation restricted for the construction of the Wood Math & Science Building and investment income related to the unexpended bond funds. During the same time, assets restricted for debt service decreased by \$0.7 million.
- Unrestricted Net Position increased by approximately \$243,000 due to an excess of unrestricted revenues over unrestricted expenses.

During fiscal 2011:

- Capital Assets net of related debt increased \$1.6 million. Capitalized assets increased by \$0.2 million while the related long-term debt decreased by \$1.4 million.
- Restricted Net Position increased approximately \$181,000. The major increases were related to donations restricted for student scholarship and corporate sponsorships restricted for the purchase of a new scoreboard in the Sports Center. Assets restricted for debt service also increased \$46,000.
- Unrestricted Net Position increased by approximately \$906,000 due to an excess of unrestricted net revenues.

**Management's Discussion and Analysis
For the Period Ending August 31, 2013 (Unaudited)**

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

	Year Ended August 31,			Increase (Decrease)	
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2012 to 2013</u>	<u>2011 to 2012</u>
Operating revenues					
Tuition and fees (net of discounts)	\$ 7,579	\$ 7,463	\$ 5,492	\$ 116	\$ 1,971
Grants and contracts	1,787	2,730	3,020	(943)	(290)
Other	2,710	2,194	2,060	516	134
Total operating revenue	<u>12,076</u>	<u>12,387</u>	<u>10,572</u>	<u>(311)</u>	<u>1,815</u>
Operating expenses					
Instruction	14,747	15,272	15,265	(525)	7
Public Service	908	1,210	1,332	(302)	(122)
Academic Support	4,049	4,138	3,805	(89)	333
Student Services	2,813	2,914	2,837	(101)	77
Institutional Support	6,464	5,796	6,313	668	(517)
Operations & Maint of Plant	3,389	3,351	3,705	38	(354)
Scholarship & Fellowships	4,713	5,237	6,136	(524)	(899)
Auxiliary enterprises	1,872	1,675	1,668	197	7
Depreciation	1,575	1,448	1,375	127	73
Total operating expenses	<u>40,530</u>	<u>41,041</u>	<u>42,436</u>	<u>(511)</u>	<u>(1,395)</u>
Operating loss	(28,454)	(28,654)	(31,864)	200	3,210
Non-operating revenue/(expense)					
State appropriation	8,597	8,427	10,803	170	(2,376)
Ad valorem taxes	22,695	20,976	16,027	1,719	4,949
Federal Revenue, non operating	5,093	6,153	7,570	(1,060)	(1,417)
Interest on debt	(4,883)	(5,206)	(570)	323	(4,636)
Other	393	586	516	(193)	70
Total non-operating income	<u>31,895</u>	<u>30,936</u>	<u>34,346</u>	<u>959</u>	<u>(3,410)</u>
Other revenue					
Capital grants and gifts	1,089	3,023	203	(1,934)	2,820
Increase in net position	<u>4,530</u>	<u>5,305</u>	<u>2,685</u>	<u>(775)</u>	<u>2,620</u>
Net assets, beginning of year	<u>38,380</u>	<u>33,075</u>	<u>30,390</u>	<u>5,305</u>	<u>2,685</u>
Net assets, end of year	<u>\$ 42,910</u>	<u>\$ 38,380</u>	<u>\$ 33,075</u>	<u>\$ 4,530</u>	<u>\$ 5,305</u>

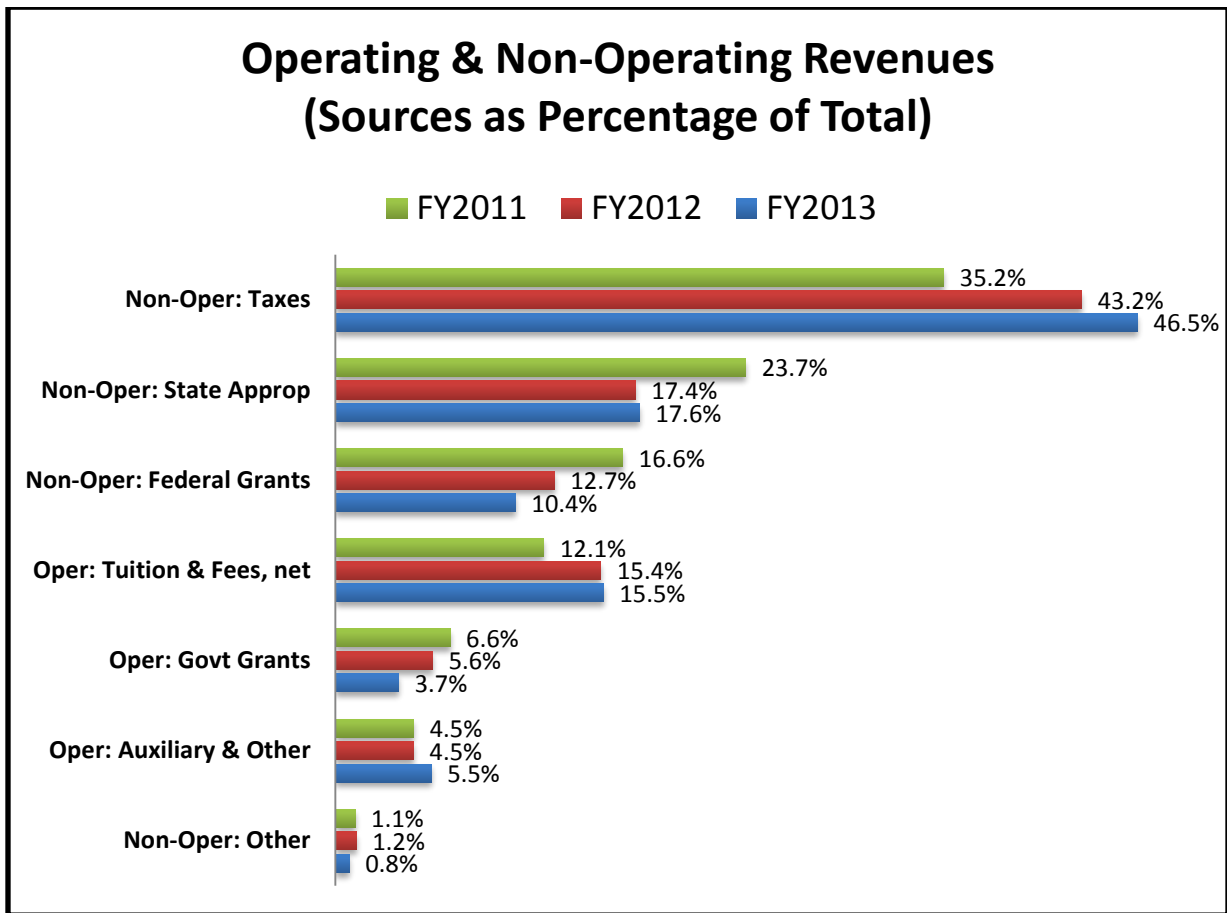
Figure 2

**Management's Discussion and Analysis
For the Period Ending August 31, 2013 (Unaudited)**

Revenues

Graph 1 below illustrates the sources of operating and non-operating revenues for fiscal years 2013, 2012, and 2011. As evidenced by the graph, the majority of revenue is derived from non-operating sources.

The current trend of the Non-Operating Revenues is an increasing percentage of revenue being provided by ad valorem taxes and a decreasing percentage by state appropriations, federal grants. The percent of total revenue provided by state operations decreased significantly from 2011 to 2012 and then rebounded slightly in 2013. The recent trend of Operating Revenues shows an increasing percentage derived from tuition and fees and a decreasing percentage from governmental operating grants.



Graph 1

**Management's Discussion and Analysis
For the Period Ending August 31, 2013 (Unaudited)**

Operating Revenues:

Key factors impacting Operating Revenues are explained below:

During fiscal 2013:

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

During fiscal 2012:

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

During fiscal 2011:

- Tuition Revenue increased by \$831,000 or 17.8%, and is attributable to an increase in student enrollment and higher tuition rates for the spring and summer sessions.
- Federal Operating Grants decreased by \$1,092,000, or 30.1%, due to several grants ending in fiscal year 2010, including the Title V Co-Op Grant, the TRIO Student Support Services Grant, the ARRA Fiscal Stabilization Grant, and the Head Start Grant. In addition, annual funding was reduced for the CCRA Pre-Engineering Grant and the Carl Perkins Grants.
- State and Local Grants increased by \$114,000, or 54.7%, due to increases in the ABE grant and new grants from the City of Andrews and Midland College.
- Sales and Services of Educational Activities increased by \$129,020, or 44.8%, due to increases in Children's Center revenue from increased rates and numbers of children served.
- Other Operating Revenue increased \$121,000, or 20.2%, due to corporate sponsorships for a new Sports Center Scoreboard

**Management's Discussion and Analysis
For the Period Ending August 31, 2013 (Unaudited)**

Non-Operating Revenues:

Non-Operating Revenues increased by \$959,000 million in 2013 after decreasing by \$2.9 million in 2012 and increasing \$1.7 million during 2011. Key factors impacting Non-Operating Revenues are discussed below:

During fiscal 2013:

- Total State Appropriations increased by \$170,000 or 2%, due to a reallocation of state funding based on prior year enrollments as well as a slight increase in state funding of group health insurance premiums.
- Property Tax revenue increased by \$1,720,000, or 8.2%, due to higher property values. Total assessed valuations increased by 12.8% while the tax rate declined by 4.1%. The major increases in values came from personal property (up 25%) and minerals (up 11%).
- Federal Grants for Title IV student aid decreased by \$1,060,000, or 17%, as the number of Pell grant awards decreased from 1,966 in fiscal 2012 to 1,686 in fiscal 2013.

During fiscal 2012:

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

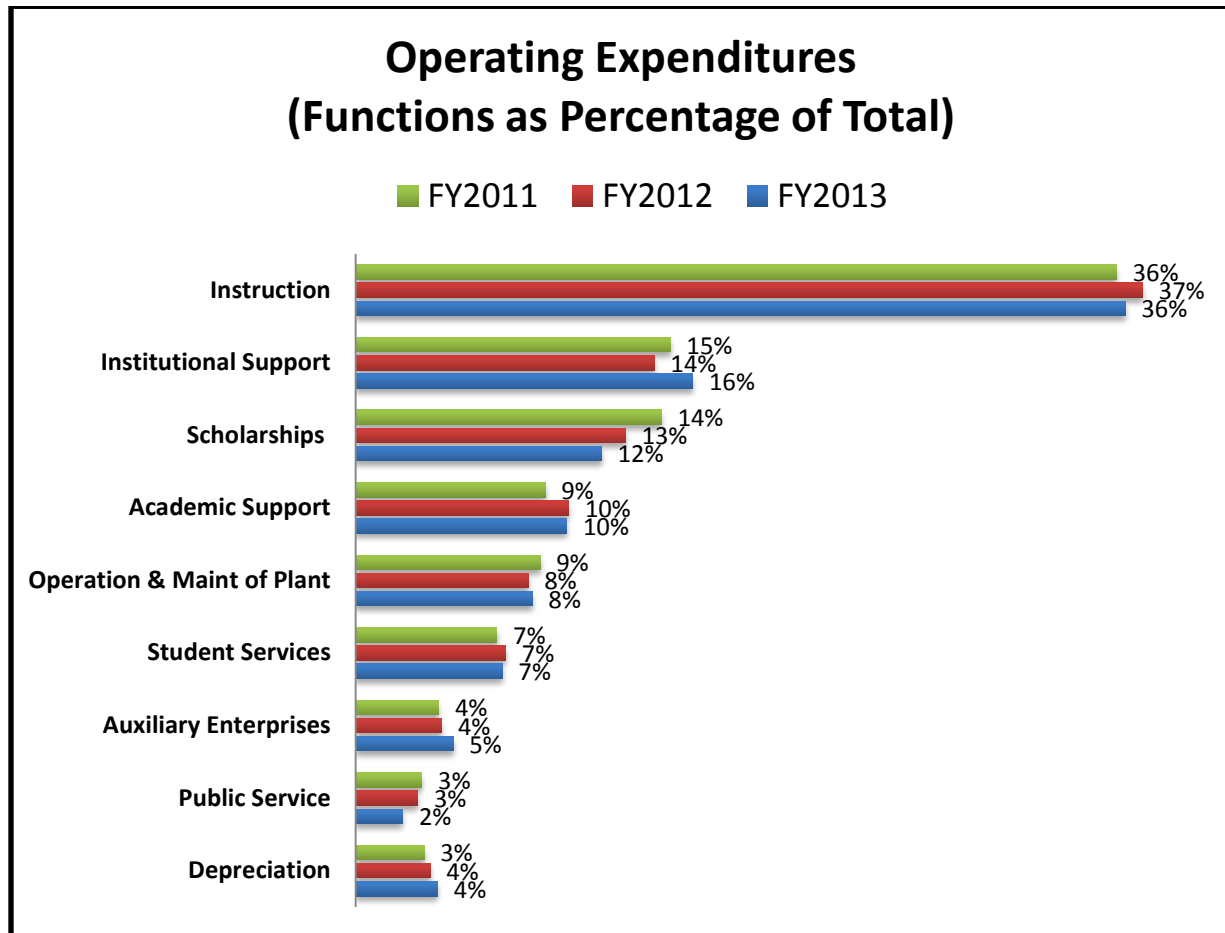
During fiscal 2011:

- Property Taxes increased by \$873,951, or 5.8%, although the Board of Trustees lowered the maintenance tax rate from \$0.1624 to \$0.1584. The increased revenue resulted from higher oil and gas mineral valuations.
- Federal Grants for Title IV student aid increased by \$1,130,020, or 17.5%, as the number of Pell grant awards increased.
- Other Revenues increased by \$195,812 due to a new state JET capital grant for the instrumentation program.

**Management's Discussion and Analysis
For the Period Ending August 31, 2013 (Unaudited)**

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 2013, 2012 and 2011.



Graph 2

**Management's Discussion and Analysis
For the Period Ending August 31, 2013 (Unaudited)**

As shown in Figure 2, total Operating Expenses decreased by \$511,000 or 1.2% in 2013, after a significant decrease of \$1,395,000, or 3.3%, during 2012, after increasing by \$555,000, or 1.3%, in 2011. Key factors impacting operating expenses by functional expense categories are described below:

During fiscal 2013:

- Instructional expenditures declined by \$525,000, or 3.4%, due to a decline in salaries of \$244,000 that resulted from several faculty openings during the year, as well as a decline in contracted instruction of \$308,000 from a decrease in the enrollment of continuing education students.
- Public Service restricted expenditures declined by \$345,000, or 91.7%, primarily due to the Upward Bound federal grant not being awarded during the year resulting in a decrease of \$294,000. In addition, fewer renovations were made to the Sports Center facilities as compared to fiscal 2012.
- Academic Support restricted expenditures declined by \$340,000, or 31.6%, due primarily to a decline in Title V spending and a decrease in AVID professional development expenses.
- Institutional Support increased by \$668,000, or 11.5%, due to new positions in Institutional Effectiveness and Information Technology on campus as well as the board approved salary increases.
- Scholarship expenditures decreased by \$524,000, or 10%, due to a continued decline in the number of students receiving Pell grants. At the same time, the amount of TPEG and TEXAS grants increased by about \$112,000.
- Depreciation expenditures increased by \$126,000, or 8.7%, due to the increase in capitalized assets.

During fiscal 2012:

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

**Management's Discussion and Analysis
For the Period Ending August 31, 2013 (Unaudited)**

During fiscal 2011:

- Instructional expenditures increased by \$883,972, or 6.1%. This increase resulted mainly from higher faculty salaries, the addition of five new faculty positions, and more adjunct faculty needed to serve record student enrollments.
- Student Services expenditures decreased by \$496,039, or 14.9%, due to the ending of federal funding of the Student Support Services grant, and vacancies in counseling and testing that were not filled during the year.
- Physical Plant expenditures decreased by \$1,330,718, or 26.4%. In anticipation of upcoming capital construction related to the recently passed bond issue, there were no major construction or renovation projects begun in 2011. In addition, utility expenses decreased by \$200,000.
- Scholarship expenditures increased by \$1,432,52, of 30.5%, as the number of Pell-eligible students increased by about 500 while the maximum Pell award increased by \$200 per year.

Other Revenues consist mainly of capital contributions in the form of gifts and grants as well as additions to permanent endowments. Capital contributions for fiscal 2013 were \$1.1 million, compared to \$3 million in 2012, and \$196,000 in 2011. A \$1 million anonymous gift was received in honor of Dr. Greg Williams to aid in the Vision 2015 construction campaign. The \$3 million donation in 2012 came from the Clay & Louise Wood Family Foundation for the new math and science building. The \$196,000 contribution in 2011 was from a state grant for renovation of the instrumentation lab.

**Management's Discussion and Analysis
For the Period Ending August 31, 2013 (Unaudited)**

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets, net of depreciation, was \$66.5 million at the end of fiscal 2013, compared to \$39.8 million in 2012, and \$28.5 million in 2011. A summary of capitalized assets for fiscal years 2013, 2012, and 2011 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 6-7 of this Management's Discussion and Analysis report.

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

	Year Ended August 31,			Increase (Decrease)	(Decrease)
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2012 to</u>	<u>2011 to</u>
				<u>2013</u>	<u>2012</u>
Land	\$ 4,196	\$ 3,996	\$ 3,866	\$ 200	\$ 130
Buildings and improvements	42,349	36,156	29,457	6,193	6,699
Other land improvements	6,810	6,654	6,623	156	31
Construction in progress	26,310	5,438	461	20,872	4,977
Furniture and equipment	10,032	9,173	8,262	859	911
Library materials	2,392	2,394	2,395	(2)	(1)
Subtotal	92,089	63,811	51,064	28,278	12,747
Less: Accumulated depreciation	(25,591)	(24,018)	(22,603)	(1,573)	(1,415)
Net Capital Assets	\$ 66,498	\$ 39,793	\$ 28,461	\$ 26,705	\$ 11,332

Figure 3

The District is in the midst of a \$78 million, multi-year campus improvement project called "Vision 2015". Funding is coming from a \$68.5 million general obligation bond passed in November 2010 as well as private capital donations. Vision 2015 improvements will result in the addition of 7 new buildings and renovations to 6 existing facilities. Approximately \$55 million of construction commitments have been awarded as of August 31, 2013.

**Management’s Discussion and Analysis
For the Period Ending August 31, 2013 (Unaudited)**

Debt Administration

The District had outstanding debt of \$89.9 million as of August 31, 2013, and \$92.2 million and \$87.7 million as of August 31, 2012 and 2011, respectively. No new debt was issued during 2013. Fiscal 2012 saw an increase of \$6.3 million in revenue bond debt related to the purchase of the student housing facility and new capital leases of \$161,000 for buses. In fiscal 2011, \$68.5 million in general obligation tax bonds were issued for Vision 2015, while \$212,000 was added in 2010 for a capital bus lease. Payments of long-term debt totaled \$2,275,000 in 2013, \$1,985,000 in 2012, and \$1,889,000 in 2011. Details of the outstanding long-term liabilities by type as of August 31, 2013, 2012, and 2011 can be seen below in Figure 4.

**Outstanding Debt
(thousands of dollars)**

	Year Ended August 31,		
	2013	2012	2011
General Obligation Bonds	\$ 68,470	\$ 68,500	\$ 68,500
Revenue Bonds	21,340	23,470	19,005
Capital Lease Notes	80	195	169
Total Outstanding Debt	\$ 89,890	\$ 92,165	\$ 87,674

Figure 4

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

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

On July 1, 2012, Standard & Poor’s Ratings Services raised its underlying rating on the District’s series 2009 revenue bonds to “A” from “A-”. At the same time, S&P assigned its “A” long-term rating to the \$6.3 million series 2012 revenue bonds. According to S&P,

“the upgrade reflects our assessment of the district’s favorable enrollment trends, consistent positive operating surpluses, and diverse revenue base. The district’s ability to manage state funding cuts effectively in recent years and the lack of new revenue debt plans also support the rating.”

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

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

**Management's Discussion and Analysis
For the Period Ending August 31, 2013 (Unaudited)**

Economic Factors That Will Affect the Future

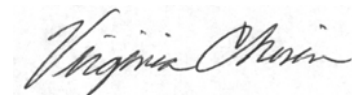
The economic position of the District is influenced in part by the economic position of the nation, the state of Texas, and of Ector County. While the state of Texas is currently recovering from the recent national recession, the local economy has remained strong. Ector County continues to enjoy an extremely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

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

While it is not possible to predict the effects of future economic conditions, management believes the District has a solid and stable financial position and is well equipped to handle the increasing demands for a better educated workforce. The District continually monitors its internal and external environments for factors that may affect its financial position in either the short-term or long-term. Administration is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during the current fiscal year.

Requests for Information

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



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

FINANCIAL STATEMENTS

Odessa Junior College District
STATEMENTS OF NET POSITION

Exhibit 1

August 31,

	2013	2012
ASSETS:		
Current Assets		
Cash and cash equivalents (Notes 2 and 4)	\$ 15,699,685	11,391,306
Short-term investments (Notes 2 and 4)	9,725,411	12,024,328
Accounts receivable, net (Note 14)	3,145,541	5,718,588
Inventories (Note 2)	8,527	5,665
Notes receivable – current, net	1,346,884	1,509,442
Prepaid items	1,423,420	1,000,684
Escrow deposits	479,663	489,938
	31,829,131	32,139,951
Noncurrent Assets:		
Restricted cash and cash equivalents (Notes 2 and 4)	7,428,091	9,388,219
Endowment investments (Notes 2, 3 and 4)	838,423	829,114
Other long-term investments (Notes 2, 3 and 4)	34,723,187	55,958,815
Notes receivable – noncurrent, net	926,458	2,423,570
Unamortized bond issuance costs	1,504,945	1,641,050
Capital assets, net of accumulated depreciation (Notes 2 and 5)	66,497,639	39,792,728
	111,918,743	110,033,496
Total Assets	\$ 143,747,874	142,173,447
LIABILITIES:		
Current Liabilities:		
Accounts payable (Note 14)	\$ 2,741,061	3,038,315
Accrued liabilities	264,251	231,816
Accrued compensable absences (Notes 6 and 12)	454,970	428,443
Funds held for others	594,304	448,535
Deferred revenue – tuition and fees (Note 2)	4,154,540	4,494,561
Deferred revenue – other (Note 2)	885,772	569,078
Capital lease payable – current portion (Notes 6 and 7)	40,231	114,744
Bonds payable – current portion (Notes 6, 7 and 8)	2,285,000	2,160,000
Contingent liability	-	469,274
	11,420,129	11,954,766
Noncurrent Liabilities:		
Capital lease payable – noncurrent (Notes 6 and 7)	40,231	80,461
Bonds payable – noncurrent (Notes 6, 7 and 8)	87,525,000	89,810,000
Unamortized bond premium	1,852,279	1,948,042
Other noncurrent liabilities (Note 6)	-	-
	89,417,510	91,838,503
Total Noncurrent Liabilities	89,417,510	91,838,503
Total Liabilities	100,837,639	103,793,269

Odessa Junior College District
STATEMENTS OF NET POSITION (CONTINUED)

Exhibit 1

August 31,

	2013	2012
NET POSITION:		
Invested in capital assets, net of related debt	\$ 13,986,558	12,021,942
Restricted for:		
Nonexpendable:		
Student aid	838,423	829,114
Expendable:		
Student aid	506,641	503,067
Instructional programs	200,091	165,849
Loans	9,451	9,451
Unexpended capital projects	4,740,302	3,507,425
Debt service	3,561,993	3,419,631
Unrestricted	19,066,776	17,923,699
Total Net Position (Schedule D)	42,910,235	38,380,178
Total Liabilities and Net Position	143,747,874	142,173,447

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

Odessa College Foundation, Incorporated

STATEMENTS OF FINANCIAL POSITION

December 31,

ASSETS

	2012	2011
CURRENT ASSETS		
Cash and cash equivalents	\$ 703,520	746,148
Pledges receivable	64,453	170,786
Due from Odessa College	3,790	6,744
Total current assets	771,763	923,678
MARKETABLE SECURITIES AT FAIR VALUE	5,819,507	4,624,822
PLEDGES RECEIVABLE - NONCURRENT	177,000	190,167
Total Assets	\$ 6,768,270	5,738,667

LIABILITIES AND NET ASSETS

	2012	2011
LIABILITIES		
Accounts payable	\$ 100,560	894
Deferred revenue	2,758	2,758
Total current liabilities	103,318	3,652
NET ASSETS		
Unrestricted		
Undesignated	246,416	(252,688)
Designated for Half-Century scholarships	205,155	205,155
Designated for Health Science scholarships	156,040	156,039
Temporarily restricted	2,287,947	2,196,849
Permanently restricted	3,769,394	3,429,660
Total net assets	6,664,952	5,735,015
Total current liabilities and net assets	\$ 6,768,270	5,738,667

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,

	2013	2012
OPERATING REVENUES:		
Tuition and fees (net of discounts of \$3,112,048 and \$3,398,410, respectively)	\$ 7,578,923	7,463,390
Federal grants and contracts	1,401,953	2,236,602
State grants and contracts	385,248	493,036
Non-governmental grants and contracts	54,942	61,863
Sales and services of educational activities	504,025	495,027
Investment income (program restricted)	15,019	14,547
Auxiliary enterprises	1,492,128	847,097
Other operating revenue	643,461	775,000
	12,075,699	12,386,562
OPERATING EXPENSES:		
Instruction	14,746,702	15,272,012
Public service	908,106	1,210,140
Academic support	4,048,971	4,137,747
Student services	2,813,096	2,913,983
Institutional support	6,464,064	5,796,535
Operation and maintenance of plant	3,388,401	3,350,556
Scholarships and fellowships	4,713,135	5,236,573
Auxiliary enterprises	1,872,106	1,674,561
Depreciation	1,574,999	1,448,526
	40,529,580	41,040,633
OPERATING LOSS	(28,453,881)	(28,654,071)
NON-OPERATING REVENUES (EXPENSES):		
State appropriations	8,596,849	8,426,769
Property taxes for maintenance and operations	22,695,211	20,975,632
Federal grants, non-operating	5,093,033	6,153,200
Gifts – noncapital	236,095	375,630
Investment income – not restricted to programs	324,775	419,571
Interest on capital – related debt	(4,882,744)	(5,205,791)
Loss on disposal of capital assets	(79,891)	(84,828)
Other non-operating revenues	47,552	1,029
Other non-operating expenses	(136,105)	(125,776)
	31,894,775	30,935,436
Income before other revenues	3,440,894	2,281,365

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

	<u>2013</u>	<u>2012</u>
OPERATING REVENUES (EXPENSES):		
Private capital gifts and grants	\$ 1,076,780	3,000,000
Additions to permanent endowment	<u>12,383</u>	<u>23,403</u>
Total other revenues	<u>1,089,163</u>	<u>3,023,403</u>
Increase in Net Position	4,530,057	5,304,768
Net position – Beginning of year	<u>38,380,178</u>	<u>33,075,410</u>
Net position – End of year	<u>\$ 42,910,235</u>	<u>38,380,178</u>

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

Odessa College Foundation, Incorporated

STATEMENTS OF ACTIVITIES

Years ended December 31, 2012 and 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2012</u>	<u>Total 2011</u>
Revenues, gains and other support:					
Contributions (including pledges)	\$ -	554,370	273,483	827,853	434,998
Earnings (loss) on investments	1,473	99,854	40,713	142,040	103,524
Net realized gains on marketable securities	399,943	-	-	399,943	-
Net unrealized gains (losses) on marketable securities	114,944	-	-	114,944	(136,660)
Net assets released from restrictions through satisfaction of program restrictions	<u>537,588</u>	<u>(537,588)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>1,053,948</u>	<u>116,636</u>	<u>314,196</u>	<u>1,484,780</u>	<u>401,862</u>
Expenses:					
Scholarships	180,276	-	-	180,276	135,791
Program and college support	357,312	-	-	357,312	105,864
General and administrative	<u>17,255</u>	<u>-</u>	<u>-</u>	<u>17,255</u>	<u>12,833</u>
Total expenses	<u>554,843</u>	<u>-</u>	<u>-</u>	<u>554,843</u>	<u>254,488</u>
CHANGES IN NET ASSETS	499,105	116,636	314,196	929,937	147,374
Net assets at beginning of year	<u>108,506</u>	<u>2,171,311</u>	<u>3,455,198</u>	<u>5,735,015</u>	<u>5,587,641</u>
Net assets at end of year	<u>\$ 607,611</u>	<u>2,287,947</u>	<u>3,769,394</u>	<u>6,664,952</u>	<u>5,735,015</u>

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,

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from students and other customers	\$ 9,409,563	9,752,076
Receipts from grants and contracts	4,383,520	751,708
Receipts from loan collections from students and employees	5,431,853	5,117,513
Other receipts	658,480	789,548
Payments to or on behalf of employees	(24,065,529)	(22,887,864)
Payments to suppliers for goods or services	(9,079,048)	(9,413,464)
Payments of scholarships	(4,568,209)	(6,706,293)
Loans issued to student and employees	(5,455,491)	(5,205,048)
Other cash payments	(422,736)	(101,759)
	(23,707,597)	(27,903,583)
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES:		
Receipts from state allocations	6,996,733	6,893,480
Receipts from ad valorem taxes	22,615,104	20,943,262
Receipts from non-operating federal revenue	5,093,033	6,153,201
Receipts from gifts and grants other than for capital purposes	248,478	399,128
Receipts from student organizations and other agencies	411,057	(4,867,935)
Payments to student organizations and other agencies	(265,288)	5,020,728
Deposit with escrow agents	10,275	(435,749)
	35,109,392	34,106,115
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from issuance of capital financing	(95,763)	6,861,956
Proceeds from capital grants and gifts	2,818,824	452,667
Proceeds from sale of capital assets	-	-
Proceeds from insurance recoveries	47,552	100,277
Purchases of capital assets	(28,664,387)	(12,182,689)
Payments on capital debt and leases	(7,157,487)	(7,429,200)
	(33,051,261)	(12,196,989)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Receipts from sale and maturity of investments	40,541,593	20,501,731
Receipts from investment earnings	1,312,437	752,166
Purchases of investments	(17,856,313)	(67,353,899)
	23,997,717	(46,100,002)
Increase (decrease) in cash and cash equivalents	2,348,251	(52,094,459)
Cash and cash equivalents – September 1	20,779,525	72,873,984
Cash and cash equivalents – August 31	23,127,776	20,779,525

Odessa Junior College District

Exhibit 3

STATEMENTS OF CASH FLOWS (CONTINUED)

Years ended August 31,

	2013	2012
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating loss	\$ (28,453,881)	(28,654,071)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	1,574,999	1,448,526
Payments made directly to ERS by state for benefits	1,600,116	1,533,289
Changes in assets and liabilities:		
Receivable, net:		
Tuition and fees receivable, net	154,761	215,285
State and federal operating grants receivable	2,275,612	(2,057,589)
Private grants receivable	(38,744)	108,439
Employee receivable	14,213	(1,552)
Sales and services receivable, net	(19,085)	(441,000)
Auxiliary receivable, net	26,647	4,543
Inventories	(2,862)	(350)
Other assets	(422,736)	(101,759)
Accounts payable	7,332	(347,714)
Accrued payroll liabilities	(436,839)	450,788
Deferred revenue:		
Deferred tuition and fees revenue	(340,021)	(65,309)
Other deferred revenue	316,694	(83,500)
Compensated absences	26,527	15,224
Accrued workers comp	-	(2,499)
Loans to students and employees	9,670	75,666
Total adjustments	4,746,284	750,488
Net cash used by operating activities	\$ (23,707,597)	(27,903,583)

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

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS

August 31, 2013 and 2012

NOTE 1 – REPORTING ENTITY

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Reporting Guidelines*

The significant accounting policies followed by the District in preparing these financial statements are in accordance with the *Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges*. The District applies all applicable GASB pronouncements. The District is reported as a special-purpose government engaged in business-type activities.

2. *Tuition Discounting*

Texas Public Education Grants

Certain tuition amounts are required to be set aside for use as scholarships by qualifying students. This set aside, called the Texas Public Education Grant (“TPEG”), is shown with tuition and fee revenue amounts as a separate set aside amount (Texas Education Code §56.033). When the award for tuition is used by the student, the amount is recorded as tuition and a corresponding amount is recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Title IV, HEA Program Funds

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

Other Tuition Discounts

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

3. *Basis of Accounting*

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

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2013 and 2012

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. *Budgetary Data*

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

5. *Cash and Cash Equivalents*

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

6. *Investments*

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

7. *Inventories*

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

8. *Capital Assets*

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

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

9. *Deferred Revenue*

Deferred revenue relates to student tuition, fees and other revenues received during the current fiscal period for classes or activities to be held in the following period.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2013 and 2012

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. *Estimates*

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

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

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

12. *New Accounting Pronouncements*

GASBS No. 67

GASB Statement 67, *Financial Reporting for Pension plans—an Amendment of GASB No. 25*, was issued June 2012. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. The provisions of Statement 67 are effective for periods beginning after December 15, 2012. Earlier application is encouraged.

GASBS No. 68

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

GASBS No. 69

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

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2013 and 2012

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. *New Accounting Pronouncements (Continued)*

GASBS No. 70

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

13. *Characterization of Title IV Grant Revenue*

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

14. *Reclassifications*

Certain reclassifications have been made to conform to the 2013 presentation.

NOTE 3 – AUTHORIZED INVESTMENTS

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

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

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

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

Odessa Junior College District
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
August 31, 2013 and 2012

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits: At August 31, 2013 and 2012, the carrying amount of the District's deposits was \$11,134,142 and \$7,983,514, respectively; and bank balances equaled \$11,326,787 and \$8,270,981. Bank balances of \$520,392 and \$542,692 are covered by federal depository insurance and \$10,806,395 and \$7,728,289 were covered by collateral pledged in the District's name. The collateral was held by the District or by its Agent (Category 1). There were no uncollateralized bank balances (Category 3) at either year end. (This would have included any bank balance that was collateralized with securities held by the pledging financial institution's department or agent but not in the Districts' name). The District held \$11,978,797 and \$12,781,911 in state approved public investment pools at August 31, 2013 and 2012, respectively.

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

Cash and Deposits		
	2013	2012
Bank Deposits		
Demand Deposits	\$ 6,069,968	2,694,696
Transit Items	(192,645)	(287,467)
Time Deposits	5,256,819	5,576,285
	11,134,142	7,983,514
Cash and Cash Equivalents		
Public Funds Investment Pools	11,978,797	12,781,911
Petty Cash on Hand	14,837	14,100
Total cash and Deposits	\$ 23,127,776	20,779,525

Reconciliation of Deposits and Investments to Exhibit 1

Type of Security	Market Value August 31, 2013	Market Value August 31, 2012
Total Cash and Deposits	\$ 23,127,776	20,779,525
Total Investments	45,287,021	68,812,257
Total Deposits and Investments	\$ 68,414,797	89,591,782
Current Cash and Temporary Investments (Exh. 1)	\$ 15,699,685	11,391,306
Restricted Cash and Temporary Investments (Exh. 1)	7,428,091	9,388,219
Short-Term Investment (Exh. 1)	9,725,411	12,024,328
Endowment Investments (Exh. 1)	838,423	829,114
Other Long-Term Investments (Exh. 1)	34,723,187	55,958,815
Total Deposits and Investments (Exh. 1)	\$ 68,414,797	89,591,782

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

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

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2013 and 2012

NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)

As of August 31, 2012, 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	\$ 22,971,993	13,788,537	5,569,115	3,614,341
Certificates of Deposit	15,678,666	11,926,795	2,751,382	1,000,489
Commercial Paper	6,996,533	6,996,533	-	-
Municipal Bonds	12,139,667	7,830,189	4,309,478	-
Corporate Bonds	11,025,398	149,040	5,685,510	5,190,848
Total Fair Value	\$ 68,812,257	40,691,094	18,315,485	9,805,678

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

Credit Risk: In accordance with state law and the District's investment policy, investments in mutual funds and investment pools must be rated at least AAA, commercial paper must be rated at least A-1 or P-1, and investments in obligations of states, agencies, counties, cities, and other political subdivisions must be rated at least A. Applicable credit ratings of investments at August 31, 2013 and 2012 are reported below:

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

Concentration of Credit Risk: The District does not place a limit on the amount the District may invest in any one issuer. More than 5% of the District's investments are in FNMA securities (8.1%), FHLMC securities (5.9%), FFCB securities (5.6%).

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

Odessa Junior College District
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
August 31, 2013 and 2012

NOTE 5 – CAPITAL ASSETS

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

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

Capital assets activity for the year ended August 31, 2012, was as follows:

	Balance September 1, 2011	Increases	Decreases	Balance August 31, 2012
Not Depreciated:				
Land	\$ 3,865,566	129,913	-	3,995,479
Construction in progress	461,691	5,021,173	44,728	5,438,136
Total Capital Assets – Non-Depreciated	<u>4,327,257</u>	<u>5,151,086</u>	<u>44,728</u>	<u>9,433,615</u>
Other Capital Assets:				
Buildings and building improvements	29,456,881	6,699,525	-	36,156,406
Other real estate improvements	6,622,726	31,000	-	6,653,726
Total Buildings and Other Improvements	<u>36,079,607</u>	<u>6,730,525</u>	-	<u>42,810,132</u>
Library books	2,395,419	80,038	81,345	2,394,112
Furniture, machinery and equipment	8,261,816	948,223	36,685	9,173,354
Total Capital Assets – Depreciable	<u>46,736,842</u>	<u>7,758,786</u>	<u>118,030</u>	<u>54,377,598</u>
Accumulated Depreciation:				
Buildings and building improvements	14,251,943	504,165	-	14,756,108
Other real estate improvements	2,898,443	186,251	-	3,084,694
Total Buildings and Other Improvements	<u>17,150,386</u>	<u>690,416</u>	-	<u>17,840,802</u>
Library books	170,979	51,678	-	222,657
Furniture, machinery and equipment	5,281,797	706,432	33,203	5,955,026
Total Accumulated Depreciation	<u>22,603,162</u>	<u>1,448,526</u>	<u>33,203</u>	<u>24,018,485</u>
Net Capital Assets	<u>\$ 28,460,937</u>	<u>11,461,346</u>	<u>129,555</u>	<u>39,792,728</u>

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2013 and 2012

NOTE 6 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended August 31, 2012, was as follows:

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

Long-term liability activity for the year ended August 31, 2011, was as follows:

	Balance September 1, 2011	Increases	Decreases	Balance August 31, 2012	Due Within One Year
<u>Bonds</u>					
General obligation bonds, Series 2011	\$ 68,500,000	-	-	68,500,000	30,000
Revenue bonds, Series 2009	19,005,000	-	1,850,000	17,155,000	1,905,000
Revenue bonds, Series 2012	-	6,315,000	-	6,315,000	225,000
Total Bonds	87,505,000	6,315,000	1,850,000	91,970,000	2,160,000
<u>Leases</u>					
Capital Leases	168,961	160,923	134,679	195,205	114,744
Total Capital Leases	168,961	160,923	134,679	195,205	114,744
<u>Other Liabilities</u>					
Accrued compensation absences	413,219	15,224	-	428,443	428,443
Accrued workers compensation	2,499	-	2,499	-	-
Total Other Liabilities	415,718	15,224	2,499	428,443	428,443
Total Long-Term Liabilities	88,089,679	6,491,147	1,987,178	92,593,648	2,703,187

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2013 and 2012

NOTE 7 – DEBT AND LEASE OBLIGATIONS

Debt service obligations at August 31, 2013, 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
2014	\$ 130	4,266	4,396	2,155	739	2,894	2,285	5,005	7,290
2015	1,185	3,384	4,569	2,220	675	2,895	3,405	4,059	7,464
2016	1,395	3,357	4,752	2,285	609	2,894	3,680	3,966	7,646
2017	1,440	3,315	4,755	2,355	531	2,886	3,795	3,846	7,641
2018	1,495	3,258	4,753	2,460	437	2,897	3,955	3,695	7,650
2019-2023	8,410	15,360	23,770	5,925	1,099	7,024	14,335	16,459	30,794
2024-2028	10,670	13,092	23,762	1,370	683	2,053	12,040	13,775	25,815
2029-2033	13,585	10,176	23,761	1,660	387	2,047	15,245	10,563	25,808
2034-2038	17,440	6,277	23,717	910	36	946	18,350	6,313	24,663
2039-2041	12,720	1,391	14,111	-	-	-	12,720	1,391	14,111
Total	\$ 68,470	63,876	132,346	21,340	5,196	26,536	89,810	69,072	158,882

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

For the Year Ended August 31,	Capital Leases
2014	\$ 40,231
2015	40,231
Total minimum lease payments	80,462
Less: Amount representing interest costs	(11,658)
Present value of minimum lease payments	\$ 68,804

NOTE 8 – BONDS PAYABLE

General information related to bonds payable is summarized below:

2012 Revenue Bonds

- Consolidated Fund Revenue Bonds, Series 2012
- The bonds were issued to purchase existing student housing facilities on the Odessa College campus, to pay for related bond issuance costs, and to deposit \$438,055 in a debt service reserve fund.
- Issued on August 1, 2012
- \$6,315,000 original amount of issue; all authorized bonds have been issued.
- Source of payment – pledged revenues, including: the general use fee, the District bookstore revenues, the tuition pledge, the District cafeteria revenues, the dormitory system revenues, the operating fees, gifts, grants, or donations from any public or private source that are not restricted or dedicated with respect to their use or purpose, and the earnings on all investments of the District lawfully available for such purpose.
- The Bonds are due in annual installments of principal and interest varying from \$407,000 to \$946,400, with interest rates from 2.00% to 4.00%, and with the final installment due on July 1, 2034.
- The Bonds are not subject to redemption prior to stated maturity.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2013 and 2012

NOTE 8 – BONDS PAYABLE (CONTINUED)

2011 General Obligation Bonds

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

2009 Revenue Bonds

- Consolidated Fund Revenue Refunding Bonds, Series 2009
- The bonds were issued to refund the outstanding obligations of the Series 1998-A Bonds, to pay for related bond issuance costs, and to deposit \$2,491,009 in a debt service reserve fund.
- Issued on July 15, 2009.
- \$22,720,000 original amount of issue; all authorized bonds have been issued.
- Source of payment – pledged revenues, including: the general use fee, the District bookstore revenues, the tuition pledge, the District cafeteria revenues, the dormitory system revenues, the operating fees, gifts, grants, or donations from any public or private source that are not restricted or dedicated with respect to their use or purpose, and the earnings on all investments of the District lawfully available for such purpose.
- The Bonds are due in annual installments of principal and interest varying from \$2,478,600 to \$2,570,029, with interest rates from 3.00% to 4.00%, and with the final installment due on December 1, 2019.
- The Bonds are not subject to redemption prior to stated maturity.

A Summary of bond principal is as follows:

	Balance Sept. 1, 2012	Issued	Retired	Balance Aug. 31, 2013
Series 2009 Bonds	\$ 17,155,000	-	1,905,000	15,250,000
Series 2011 Bonds	68,500,000	-	30,000	68,470,000
Series 2012 Bonds	6,315,000	-	225,000	6,090,000
Total Bonds	<u>\$ 91,970,000</u>	<u>-</u>	<u>2,160,000</u>	<u>89,810,000</u>

At August 31, 2013, there were no defeased bonds outstanding.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2013 and 2012

NOTE 9 – OPERATING LEASE COMMITMENTS

The District leases various equipment and facilities by means of Operating Lease Agreements. These agreements have clauses which allow the District to terminate the agreement if funding becomes unavailable or the Board of Trustees does not approve funding. Operating lease payments during the fiscal years ended August 31, 2013 and 2012 were \$160,686 and \$155,184, respectively.

Future minimum rental payments are as follows:

For the Year Ended August 31,		Operating Leases
2014	\$	132,315
2015		59,831
2016		15,130
2017		8,959
2018		6,396
Total	\$	222,631

NOTE 10 – EMPLOYEES' RETIREMENT PLAN

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

Teacher Retirement System of Texas

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

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.40% and a state contribution rate of 6.00% for fiscal year 2013 and fiscal year 2012. In certain instances, the reporting district is required to make all or a portion of the state's 6.00% contribution for fiscal year 2013 and fiscal year 2012.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2013 and 2012

NOTE 10 – EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Optional Retirement Plan

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

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. State law provides for a member contribution rate of 6.65% and a state contribution rate of 6.00% for fiscal years 2013 and 2012. The District contributes 1.31% for employees who were participating in the optional retirement program prior to September 1, 1995. In certain instances, the reporting district is required to make all or a portion of the state's 6.00% contribution for fiscal year 2013 and fiscal year 2012. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program.

The retirement expense to the State for the District was \$904,829 and \$878,848 for the fiscal years ended August 31, 2013 and 2012, respectively. This amount represents the portion of expended appropriations made by the State Legislature on behalf of the District.

The total payroll for all District employees was \$19,388,854 and \$19,226,739 for fiscal years 2013 and 2012, respectively. The total payroll of employees covered by the Teacher Retirement System was \$12,907,014 and \$12,098,472 and the total payroll of employees covered by the Optional Retirement Program was \$4,268,222 and \$4,530,352 for fiscal years 2013 and 2012, 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, 2013 and 2012, 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, 2013 and 2012 in the amounts of \$454,970 and \$428,443, respectively.

Sick leave, which can be accumulated to a maximum of seven hundred twenty (720) hours, is earned at the rate of eight (8) hours per month. The District's policy is to recognize the cost of sick leave when paid. The liability is not shown in the financial statements since experience indicates the expenditure for sick leave to be minimal.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2013 and 2012

NOTE 13 – PENDING LAWSUITS AND CLAIMS

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

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

NOTE 14 – DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables at August 31, 2013 and 2012 were as follows:

	2013	2012
Tuition and fees receivable	\$ 435,316	448,293
Taxes receivable	1,490,234	1,470,358
Federal receivable	737,369	2,945,274
State receivable	29,141	96,848
Interest receivable	271,470	419,176
Other receivables	1,998,355	2,015,758
Subtotal	4,961,885	7,395,707
Allowance for doubtful accounts	(1,816,344)	(1,677,119)
Total	\$ 3,145,541	5,718,588

Payables at August 31, 2013 and 2012 were as follows:

	2013	2012
Vendors payable – operations	\$ 1,052,821	1,190,415
Vendors payable – capital	390,811	695,397
Students payable	1,297,429	1,152,503
Total	\$ 2,741,061	3,038,315

NOTE 15 – CONTRACT AND GRANT AWARDS

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, *Audits of Colleges and Universities*. Revenues are recognized on Exhibit 2 and Schedule A and Schedule C. For federal contract and grant awards, funds expended, but not collected, are reported as Federal Receivables on Exhibit 1. Non-federal contract and grant awards for which funds are expended, but not collected, are reported as Accounts Receivable on Exhibit 1. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. Contract and grant awards funds already committed, e.g., multi-year awards, or funds awarded during fiscal years 2013 and 2012 for which monies have not been received nor funds expended totaled \$3,316,317 and \$3,503,360, respectively. Of these amounts, \$2,586,129 and \$3,094,715 were from federal contract and grant awards; \$724,510 and \$356,190 were from state contract and grant awards; and \$5,678 and \$5,678 were from private contract and grant awards for the fiscal years ended August 31, 2013 and 2012, respectively.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2013 and 2012

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

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

Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. Certain categories of employees, such as physical plant and auxiliary staff, are not eligible for state funding of health care benefits. The District uses local funds to pay the premiums for those employees. The state’s contribution was \$1,184,606 and \$1,123,717 for the years ended August 31, 2013 and 2012, respectively, for retired and active employees.

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

	2013	2012
Number of retirees receiving benefits	\$ 171	169
Cost of state’s contribution	989,545	892,133
Cost of local contribution	81,745	81,745
Total cost of benefits for retirees	1,071,290	973,878
Number of active employees receiving benefits	330	337
Cost of state’s contribution	195,061	231,584
Cost of federal grant contribution	22,707	52,160
Cost of local contribution	2,030,324	1,887,660
Total cost of benefits for active employees	\$ 2,248,092	2,171,404

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2013 and 2012

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>2013</u>	<u>2012</u>
Assessed valuation of the District (at January 1, 2013 and 2012)	\$	14,112,226,708	12,709,098,669
Less: exemptions		(1,938,552,413)	(1,902,355,266)
Less: abatements		<u>(185,363,260)</u>	<u>(182,418,348)</u>
Net assessed valuation of the District	\$	<u>11,988,311,035</u>	<u>10,624,325,055</u>

At August 31:

	<u>2013</u>			<u>2012</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	\$ 0.15120	0.03597	0.18717	0.15840	0.036686	0.19526

Taxes levied (including adjustments to the certified levies) for the years ended August 31, 2013 and 2012 were \$22,438,522 and \$20,745,057, respectively. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

At August 31:

	<u>2013</u>			<u>2012</u>		
	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Current taxes collected	17,728,854	4,217,609	21,946,463	16,826,000	3,821,581	20,647,581
Delinquent taxes collected	\$ 388,243	35,152	423,395	402,752	-	402,752
Penalties and interest collected	\$ 256,815	28,746	285,561	278,884	18,924	297,808
Total collections	<u>18,373,912</u>	<u>4,281,507</u>	<u>22,655,419</u>	<u>17,507,636</u>	<u>3,840,505</u>	<u>21,348,141</u>

Tax collections for the years ended August 31, 2013 and 2012 were 99.8% and 100%, 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, 2013 and 2012.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2013 and 2012

NOTE 19 – COMPONENT UNITS

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

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

NOTE 20 – POST EMPLOYMENT BENEFITS OTHER THAN PENSION

(In accordance with GASB Statement 45)

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

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

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

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

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

State contribution to SRHP made on behalf of the District for the years ended August 31, 2013, 2012 and 2011 were \$989,545, \$892,133 and \$752,404, 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, 2013, 2012, and 2011 were \$85,745, \$81,475, and \$136,440, respectively, which equaled the required contributions each year.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2013 and 2012

NOTE 21 – CONTINGENCY

Texas Constitution article 16, section 67(b)(3) provides that the State of Texas must contribute “not less than six percent nor more than ten percent of the aggregate compensation paid to individuals participating in the system,” referring to the State’s Teacher Retirement System (TRS) including the related faculty Optional Retirement Program (ORP).

During the 2011 legislative session, the Texas Legislature appropriated retirement funds for various types of educational institutions other than community and junior colleges in satisfaction of this requirement, but the community college appropriations restricted the State’s contribution to TRS/ORP on behalf of community colleges to only six percent of each district’s unrestricted general revenue appropriation for each year of the biennium state budget.

There is no pending litigation concerning this issue to construe the constitutional funding requirements; or to hold that the State biennium appropriations satisfy those requirements; or to attempt to collect any shortfall contributions from any community college district. The District has calculated that as of August 31, 2012 the state’s matching contribution that has not been paid to TRS on behalf of District employees is \$469,274. The District has elected to record the matching amount that has not been paid to TRS as a contingent liability and a corresponding reduction in net assets. As of August 31, 2013 the state’s matching contribution that has not been paid to TRS on behalf of District employees is \$-0-.

NOTE 22 – SUBSEQUENT EVENTS

Management of the District has performed an evaluation of the District’s activity through December 5, 2013, the date these financial statements were available for issuance and noted no significant event that would require recording or disclosure.

REQUIRED SUPPLEMENTAL INFORMATION

Odessa Junior College District

Schedule A

SCHEDULE OF OPERATING REVENUES

**Year Ended August 31, 2013
With Memorandum Totals for the Year Ended August 31, 2012**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2013 Total</u>	<u>2012 Total</u>
Tuition:						
State-funded credit courses						
In-district resident tuition	\$ 3,543,377	-	3,543,377	-	3,543,377	3,361,288
Out-of-district tuition	2,219,568	-	2,219,568	-	2,219,568	2,152,501
Non-resident tuition	677,707	-	677,707	-	677,707	629,165
TPEG credit set aside*	326,837	-	326,837	-	326,837	317,208
State-funded continuing education	766,140	-	766,140	-	766,140	1,163,406
TPEG non-credit set aside*	48,923	-	48,923	-	48,923	74,017
Non-state funded educational programs	325,005	-	325,005	-	325,005	264,866
Total tuition	<u>7,907,557</u>	<u>-</u>	<u>7,907,557</u>	<u>-</u>	<u>7,907,557</u>	<u>7,962,451</u>
Fees:						
Student use fees	1,746,517	-	1,746,517	-	1,746,517	1,823,246
Institutional/course fees	677,373	-	677,373	-	677,373	734,845
Student/services fees	-	-	-	87,460	87,460	91,976
Laboratory fees	187,968	-	187,968	-	187,968	145,351
Other fees	75,941	8,155	84,096	-	84,096	103,931
Total fees	<u>2,687,799</u>	<u>8,155</u>	<u>2,695,954</u>	<u>87,460</u>	<u>2,783,414</u>	<u>2,899,349</u>
Scholarship allowances and discounts:						
Tuition bad debt allowance	(66,581)	-	(66,581)	-	(66,581)	(118,462)
Local remissions and exemptions	(308,785)	-	(308,785)	-	(308,785)	(720)
State remissions and exemptions	(289,769)	-	(289,769)	-	(289,769)	(253,100)
TPEG allowances	(125,604)	-	(125,604)	-	(125,604)	(121,591)
Federal grants to students	(1,339,936)	-	(1,339,936)	-	(1,339,936)	(2,061,218)
State grants to students	(115,066)	-	(115,066)	-	(115,066)	(60,448)
Local grants to students	(866,307)	-	(866,307)	-	(866,307)	(782,871)
Total scholarship allowances	<u>(3,112,048)</u>	<u>-</u>	<u>(3,112,048)</u>	<u>-</u>	<u>(3,112,048)</u>	<u>(3,398,410)</u>
Total net tuition and fees	<u>7,483,308</u>	<u>8,155</u>	<u>7,491,463</u>	<u>87,460</u>	<u>7,578,923</u>	<u>7,463,390</u>
Other operating revenues:						
Federal grants and contracts	17,711	1,384,242	1,401,953	-	1,401,953	2,236,602
State grants and contracts	-	385,248	385,248	-	385,248	493,036
Nongovernmental grants and contracts	25,000	29,942	54,942	-	54,942	61,863
Sales and services of educational activities	504,025	-	504,025	-	504,025	495,027
Investment income (program restricted)	-	14,643	14,643	376	15,019	14,547
General operating revenues	593,505	49,956	643,461	-	643,461	775,000
Total other operating revenues	<u>1,140,241</u>	<u>1,864,031</u>	<u>3,004,272</u>	<u>376</u>	<u>3,004,648</u>	<u>4,076,075</u>

Odessa Junior College District

Schedule A

SCHEDULE OF OPERATING REVENUES (CONTINUED)

**Year Ended August 31, 2013
With Memorandum Totals for the Year Ended August 31, 2012**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2013 Total</u>	<u>2012 Total</u>
Auxiliary enterprises:						
Bookstore	\$ -	-	-	205,930	205,930	206,252
Food service	-	-	-	462,734	462,734	494,244
Student housing	-	-	-	689,671	689,671	16,304
Other auxiliaries	-	-	-	133,793	133,793	130,297
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,492,128</u>	<u>1,492,128</u>	<u>847,097</u>
Total Operating Revenues	<u>\$ 8,623,549</u>	<u>1,872,186</u>	<u>10,495,735</u>	<u>1,579,964</u>	<u>12,075,699</u> (Exhibit 2)	<u>12,386,562</u> (Exhibit 2)

* In accordance with Education Code 56.033, \$375,760 and \$391,225 for years ending August 31, 2013 and 2012, 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, 2013
With Memorandum Totals for the Year Ended August 31, 2012**

	Salary & Wages	Staff Benefits		Other Expenses	2013 Total	2012 Total
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 9,513,005	-	1,801,050	1,645,894	12,959,949	13,422,972
Public service	651,473	-	88,153	137,068	876,694	833,478
Academic support	2,204,897	-	508,177	599,629	3,312,703	3,061,808
Student services	1,815,167	-	458,063	344,065	2,617,295	2,635,185
Institutional support	2,913,937	-	979,287	2,209,807	6,103,031	5,466,032
Operation and maintenance of plant	904,203	-	253,372	2,230,826	3,388,401	3,350,556
Scholarship and fellowships	-	-	-	495,847	495,847	655,677
Total Unrestricted Educational Activities	<u>18,002,682</u>	<u>-</u>	<u>4,088,102</u>	<u>7,663,136</u>	<u>29,753,920</u>	<u>29,425,708</u>
Restricted - Educational Activities						
Instruction	591,869	876,261	39,849	278,774	1,786,753	1,849,040
Public service	5,878	22,564	-	2,970	31,412	376,662
Academic support	279,927	187,953	58,540	209,848	736,268	1,075,939
Student services	25,003	170,798	-	-	195,801	278,798
Institutional support	14,995	342,540	-	3,498	361,033	330,503
Operation and maintenance of plant	-	-	-	-	-	-
Scholarship and fellowships	-	-	-	4,217,288	4,217,288	4,580,896
Total Unrestricted Educational Activities	<u>917,672</u>	<u>1,600,116</u>	<u>98,389</u>	<u>4,712,378</u>	<u>7,328,555</u>	<u>8,491,838</u>
Total Educational Activities	18,920,354	1,600,116	4,186,491	12,375,514	37,082,475	37,917,546
Auxiliary Enterprises	468,500	-	94,085	1,309,521	1,872,106	1,674,561
Depreciation Expense – Buildings and other real estate improvements	-	-	-	832,277	832,277	690,416
Depreciation Expense – Equipment and furniture	-	-	-	742,722	742,722	758,110
Total Operating Expenses	<u>\$ 19,388,854</u>	<u>1,600,116</u>	<u>4,280,576</u>	<u>15,260,034</u>	<u>40,529,580</u> (Exhibit 2)	<u>41,040,633</u> (Exhibit 2)

Odessa Junior College District

Schedule C

SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES

**Year Ended August 31, 2013
With Memorandum Totals for the Year Ended August 31, 2012**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2013 Total</u>	<u>2012 Total</u>
NON-OPERATING REVENUES:					
State appropriations:					
Education and general support	\$ 6,925,172	-	-	6,925,172	6,826,221
State group insurance	-	1,184,606	-	1,184,606	1,123,717
State retirement matching	-	415,510	-	415,510	409,574
Nursing shortage reduction grant	-	71,561	-	71,561	67,257
	<u>6,925,172</u>	<u>1,671,677</u>	<u>-</u>	<u>8,596,849</u>	<u>8,426,769</u>
Total state appropriations					
Property taxes for maintenance and operations	18,354,130	-	-	18,354,130	17,040,582
Property taxes for debt service	-	4,341,081	-	4,341,081	3,935,050
Federal revenue, non-operating	-	5,093,033	-	5,093,033	6,153,200
Gifts – noncapital	89,257	139,728	7,110	236,095	375,630
Investment income – not restricted to programs	324,775	-	-	324,775	419,571
Other non-operating revenues	35,564	11,988	-	47,552	1,029
	<u>25,728,898</u>	<u>11,257,507</u>	<u>7,110</u>	<u>36,993,515</u>	<u>36,351,831</u>
Total Non-Operating Revenues					
NON-OPERATING EXPENSES:					
Interest on capital-related debt	4,882,744	-	-	4,882,744	5,205,791
Loss on disposal of capital assets	79,891	-	-	79,891	84,828
Other non-operating expenses	136,105	-	-	136,105	125,776
	<u>5,098,740</u>	<u>-</u>	<u>-</u>	<u>5,098,740</u>	<u>5,416,395</u>
Total Non-Operating Expenses					
Net Non-Operating Revenues	\$ <u>20,630,158</u>	<u>11,257,507</u>	<u>7,110</u>	<u>31,894,775</u> (Exhibit 2)	<u>30,935,436</u> (Exhibit 2)

Odessa Junior College District

Schedule D

SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY

**Year Ended August 31, 2013
With Memorandum Totals for the Year Ended August 31, 2012**

	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	\$ 18,499,816	-	-	-	18,499,816	18,499,816	-
Unrestricted, board designated	29,679	-	-	-	29,679	-	29,679
Restricted	-	706,732	-	-	706,732	-	706,732
Auxiliary enterprises	11,804	-	-	-	11,804	11,804	-
Loans	261,200	9,451	-	-	270,651	-	270,651
Endowment	-	-	838,423	-	838,423	-	838,423
Plant:							
Capital projects	264,277	4,740,302	-	-	5,004,579	-	5,004,579
Debt service	-	3,561,993	-	-	3,561,993	-	3,561,993
Investment in plant	-	-	-	13,986,558	13,986,558	-	13,986,558
Total Net Position, August 31, 2013	19,066,776	9,018,478	838,423	13,986,558	42,910,235 (Exhibit 1)	18,511,620	24,398,615
Total Net Position, August 31, 2012	<u>17,923,699</u>	<u>7,605,423</u>	<u>829,114</u>	<u>12,021,942</u>	<u>38,380,178</u> (Exhibit 1)	<u>17,341,567</u>	<u>21,038,611</u>
Net Increase (Decrease) in Net Position	\$ <u>1,143,077</u>	<u>1,413,055</u>	<u>9,309</u>	<u>1,964,616</u>	<u>4,530,057</u> (Exhibit 2)	<u>1,170,053</u>	<u>3,360,004</u>

Odessa Junior College District

Schedule E

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended August 31, 2013

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 (11-12)	84.007A	P007A114089	\$ 300
Federal Supplemental Educational Opportunity Grant (12-13)	84.007A	P007A124089	83,371
Federal Supplemental Educational Opportunity Grant (13-14)	84.007A	P007A134089	31,750
Subtotal			<u>115,421</u>
Federal College Work Study (12-13)	84.033A	P033A124089	73,032
Federal College Work Study (13-14)	84.033A	P033A134089	1,164
Subtotal			<u>74,196</u>
Federal Pell Grant (11-12)	84.063P	P063P112294	6,651
Federal Pell Grant (12-13)	84.063P	P063P122294	2,962,939
Federal Pell Grant (13-14)	84.063P	P063P132294	2,008,022
Subtotal			<u>4,977,612</u>
Direct Student Loans	84.268	P268K132294	10,697
Title V Expanding and Improving Distance Learning in Rural Areas	84.031S	P031S100097	462,239
Pass-through from:			
Texas Education Agency Adult Basic Education (12-13)	84.002A	134100017110465	497,736
Pass-through from:			
Texas Higher Education Coordinating Board Carl Perkins Vocational Education - Basic	84.048	94235	172,433
Total U.S. Department of Education			<u>6,310,334</u>
<u>U.S. Department of Agriculture</u>			
Pass-through from:			
Texas Department of Human Services Child and Adult Care Food Program	10.558	165-0013	46,331
Total U.S. Department of Agriculture			<u>46,331</u>
<u>National Science Foundation</u>			
Pass-through from:			
University at El Paso LSAMP	47.076	HRD-0703584	8,348

Notes to Schedule on following page.

Odessa Junior College District

Schedule E

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended August 31, 2013

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Document/ Pass Through Grantor's Number	Pass Through Disbursement and Expenditures
<u>U.S. Department of Health and Human Services</u>			
Pass-through from:			
Texas Education Agency Temporary Assistance for Needy Families (12-13)	93.558	36251201	66,395
Pass-through from:			
West Texas Opportunities Designated Vendor Program	93.596		<u>74,275</u>
Total U.S. Department of Health and Human Services			<u>140,670</u>
Total Federal Financial Assistance			<u><u>6,505,683</u></u>

Note 1: FEDERAL ASSISTANCE RECONCILIATION

Federal revenues per Schedule A & C:	
Federal grants and contracts revenue, Operating Sch A	\$ 1,401,953
Federal grants and contracts revenue, Non-Operating Sch C	5,093,033
Federal Direct Student Loans	<u>10,697</u>
Total Federal Revenues Per Schedule of Expenditures of Federal Awards	\$ <u><u>6,505,683</u></u>

Note 2: SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

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

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

Federal Grantor CFDA Number/Program Name	Total Loans		Processed & Administrative Costs Recovered
	New Loans Processed	Administrative Costs Recovered	
<u>Department of Education</u>			
84.000 PLUS Parent Loan Program	\$ -	-	-
84.032 Federal Family Education Loan Program	<u>1,792,501</u>	-	<u>1,792,501</u>
Total U.S. Department of Education	\$ <u><u>1,792,501</u></u>	-	<u><u>1,792,501</u></u>

Odessa Junior College District

Schedule F

SCHEDULE OF EXPENDITURES OF STATE AWARDS

Year Ended August 31, 2013

Grantor Agency/Program Title	Grant contract Number	Disbursement and Expenditures
Texas Education Agency State Adult Education (12-13) ICA-HCDE Texas Learns	01001201	105,602 10,700
Texas Higher Education Coordinating Board Texas College Work Study (10-11) Texas Grant I TEOG State Top Ten % Schools Nursing Shortage Reduction Grant AVID Professional Training AVID Mentorship Tutor Program College Students Taking STRR Study	- - - - - 05834 - 06401	13,813 160,891 34,430 14,000 83,085 3,937 30,351 -
Texas Law Enforcement Officer Standards in Education Agency LEOSE Training Grant	-	-
Total Expenditures of State Awards		\$ <u>456,809</u>

NOTE 1: STATE ASSISTANCE RECONCILIATION

State revenues per Exhibit 2: Operating Revenues: State grants and contracts	\$ 385,248
State revenues per Schedule C: Non-Operating Revenues: Nursing shortage reduction grant	<u>71,561</u>
Total State Revenues per Schedule of Expenditures of State Awards	\$ <u>456,809</u>

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

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

SINGLE AUDIT REPORTS



**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, 2013, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon December 5, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Compliance and Other Matters (Continued)

We have performed tests designed to verify the District's compliance with the requirements of the Public Funds Investment Act. During the year ended August 31, 2013, 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 5, 2013



**Independent Auditors' Report on Compliance with
Requirements That Could Have a Direct and
Material Effect on Each Major Program and
on Internal Control Over Compliance
in Accordance with OMB Circular A-133**

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 Circular A-133 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, 2013. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2013.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of District's internal control over compliance.

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

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

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



Odessa, Texas
December 5, 2013

Odessa Junior College District

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

August 31, 2013

The Board of Trustees
Odessa Junior College District
Odessa, Texas

SECTION I - SUMMARY OF AUDITOR'S RESULTS

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

Odessa Junior College District

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

August 31, 2013

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
Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes
Section II – FINANCIAL STATEMENT FINDINGS	No matters were reported.
Section III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS	No matters were reported.
August 31, 2013	No matters were reported.
August 31, 2012	No matters were reported.

STATISTICAL SUPPLEMENT

Odessa Junior College District
Statistical Supplement 1
Net Assets by Component
Fiscal Years 2004 to 2013
(unaudited)
(amounts expressed in thousands)

For the Fiscal Year Ended August 31,

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Invested in capital assets, net of related debt	13,987	12,022	9,767	8,169	4,955	(976)	(3,148)	(5,114)	(7,115)	(8,978)
Restricted - expendable	9,018	7,605	4,820	4,633	4,953	5,496	6,498	6,599	6,662	8,743
Restricted - nonexpendable	838	829	807	813	774	813	838	707	672	670
Unrestricted	19,067	17,924	17,681	16,775	18,511	21,196	19,612	18,851	18,325	17,338
Total primary government net assets	\$ 42,910	\$ 38,380	\$ 33,075	\$ 30,390	\$ 29,193	\$ 26,529	\$ 23,800	\$ 21,043	\$ 18,544	\$ 17,773

Odessa Junior College District
Statistical Supplement 2
Revenues by Source
Fiscal Years 2004 to 2013
(unaudited)

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Tuition and Fees (Net of Discounts)	\$7,579	\$8,689	\$5,492	\$4,662	\$3,788	\$3,595	\$3,910	\$3,734	\$2,978	\$2,644
Governmental Grants and Contracts										
Federal Grants and Contracts	1,402	2,237	2,535	3,627	3,706	3,533	3,022	4,225	4,073	3,452
State Grants and Contracts	385	493	486	418	490	421	375	332	562	1,200
Non-Governmental Grants and Contracts	55	62	79	32	64	73	25	120	29	111
Sales and services of educational activities	504	495	417	288	252	287	275	262	262	273
Investment Income	15	15	13	15	16	38	45	37	20	14
Auxiliary enterprises	1,492	847	829	816	775	725	562	502	516	466
Other Operating Revenues	644	775	722	601	533	479	433	479	429	463
Total Operating Revenues	12,076	13,613	10,573	10,459	9,624	9,151	8,647	9,691	8,869	8,623
State Appropriations	8,597	8,427	10,803	10,873	11,388	11,302	11,265	11,003	10,564	10,486
Ad Valorem Taxes	18,354	17,040	16,027	15,153	15,399	14,058	12,796	11,656	10,346	9,407
Debt Service Taxes	4,341	3,935	-	-	-	-	-	-	-	-
Federal Grants, non-operating	5,093	6,153	7,570	6,441	4,631	3,313	3,453	4,287	4,897	4,167
Gifts	236	376	439	311	185	460	323	221	199	261
Investment income	325	420	296	442	578	1,075	1,387	1,033	496	495
Other non-operating revenues	48	1	1	195	667	900	1	25	14	13
Total Non-Operating Revenues	36,994	36,352	35,136	33,415	32,848	31,108	29,225	28,225	26,516	24,829
Total Revenue	\$ 49,070	\$ 49,965	\$ 45,709	\$ 43,874	\$ 42,472	\$ 40,259	\$ 37,872	\$ 37,916	\$ 35,385	\$ 33,452

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Tuition and fees (net of discounts)	15.45%	17.39%	12.02%	10.63%	8.92%	8.93%	10.32%	9.85%	8.42%	7.90%
Governmental grants and contracts										
Federal grants and contracts	2.86%	4.48%	5.55%	8.27%	8.73%	8.78%	7.98%	11.14%	11.51%	10.32%
State grants and contracts	0.78%	0.99%	1.06%	0.95%	1.15%	1.05%	0.99%	0.88%	1.59%	3.59%
Non-governmental grants and contracts	0.11%	0.12%	0.17%	0.07%	0.15%	0.18%	0.07%	0.32%	0.08%	0.33%
Sales and services of educational activities	1.03%	0.99%	0.91%	0.66%	0.59%	0.71%	0.73%	0.69%	0.74%	0.82%
Investment Income	0.03%	0.03%	0.03%	0.03%	0.04%	0.09%	0.12%	0.10%	0.06%	0.04%
Auxiliary enterprises	3.04%	1.70%	1.81%	1.86%	1.82%	1.80%	1.48%	1.32%	1.46%	1.39%
Other operating revenues	1.31%	1.55%	1.58%	1.37%	1.25%	1.19%	1.14%	1.26%	1.21%	1.38%
Total Operating Revenues	24.61%	27.25%	23.13%	23.84%	22.66%	22.73%	22.83%	25.56%	25.06%	25.78%
State appropriations	17.52%	16.87%	23.63%	24.78%	26.81%	28.07%	29.74%	29.02%	29.85%	31.35%
Ad valorem taxes	37.40%	34.10%	35.06%	34.54%	36.26%	34.92%	33.79%	30.74%	29.24%	28.12%
Debt service taxes	8.85%	7.88%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Federal Grants, non-operating	10.38%	12.31%	16.56%	14.68%	10.90%	8.23%	9.12%	11.31%	13.84%	12.46%
Gifts	0.48%	0.75%	0.96%	0.71%	0.44%	1.14%	0.85%	0.58%	0.56%	0.78%
Investment income	0.66%	0.84%	0.65%	1.01%	1.36%	2.67%	3.66%	2.72%	1.40%	1.48%
Other non-operating revenues	0.10%	0.00%	0.00%	0.44%	1.57%	2.24%	0.00%	0.07%	0.04%	0.04%
Total Non-Operating Revenues	75.39%	72.75%	76.87%	76.16%	77.34%	77.27%	77.17%	74.44%	74.94%	74.22%
Total Revenue	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Odessa Junior College District
Statistical Supplement 3
Program Expenses by Function
Fiscal Years 2004 to 2013
(unaudited)

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Instruction	\$14,747	\$15,272	\$15,266	\$14,382	\$13,461	\$12,698	\$11,937	\$11,520	\$11,769	\$11,895
Research	-	-	-	-	-	-	-	-	-	-
Public service	909	1,210	1,332	1,332	1,350	1,532	1,439	1,519	1,297	1,806
Academic support	4,049	4,138	3,805	4,006	4,219	3,732	3,592	4,329	3,598	2,837
Student services	2,813	2,914	2,837	3,332	3,109	3,175	3,084	2,894	3,246	2,829
Institutional support	6,464	5,796	6,313	6,089	5,211	4,606	4,048	3,742	3,984	3,697
Operation and maintenance of plant	3,388	3,351	3,705	5,036	5,015	5,021	4,301	3,862	3,521	3,614
Scholarships and fellowships	4,713	6,463	6,136	4,703	3,622	2,926	3,050	3,971	3,503	2,956
Auxiliary enterprises	1,872	1,675	1,668	1,685	1,707	1,597	1,309	1,178	1,223	1,241
Depreciation	1,575	1,448	1,375	1,315	1,084	990	952	844	750	780
Total Operating Expenses	40,530	42,267	42,437	41,880	38,778	36,277	33,712	33,859	32,891	31,655
Interest on capital related debt	4,883	5,206	570	650	1,461	1,257	1,347	1,424	1,501	1,573
Loss on disposal of fixed assets	80	85	119	90	95	126	101	112	147	135
Other non-operating	136	125	101	71	80	79	80	79	79	79
Total Non-Operating Expenses	5,099	5,416	790	811	1,636	1,462	1,528	1,615	1,727	1,787
Total Expenses	\$ 45,629	\$ 47,683	\$ 43,227	\$ 42,691	\$ 40,414	\$ 37,739	\$ 35,240	\$ 35,474	\$ 34,618	\$ 33,442

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Instruction	32.32%	32.03%	35.32%	33.69%	33.31%	33.65%	33.87%	32.47%	34.00%	35.57%
Research	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Public service	1.99%	2.54%	3.08%	3.12%	3.34%	4.06%	4.08%	4.28%	3.75%	5.40%
Academic support	8.87%	8.68%	8.80%	9.38%	10.44%	9.89%	10.19%	12.20%	10.39%	8.48%
Student services	6.16%	6.11%	6.56%	7.80%	7.69%	8.41%	8.75%	8.16%	9.38%	8.46%
Institutional support	14.17%	12.16%	14.60%	14.26%	12.89%	12.20%	11.49%	10.55%	11.51%	11.05%
Operation and maintenance of plant	7.43%	7.03%	8.57%	11.80%	12.41%	13.30%	12.20%	10.89%	10.17%	10.81%
Scholarships and fellowships	10.33%	13.55%	14.19%	11.02%	8.96%	7.75%	8.65%	11.19%	10.12%	8.84%
Auxiliary enterprises	4.10%	3.51%	3.86%	3.95%	4.22%	4.23%	3.71%	3.32%	3.53%	3.71%
Depreciation	3.45%	3.04%	3.18%	3.08%	2.68%	2.62%	2.70%	2.38%	2.17%	2.33%
Total Operating Expenses	88.83%	88.64%	98.17%	98.10%	95.95%	96.13%	95.66%	95.45%	95.01%	94.66%
Interest on capital related debt	10.70%	10.92%	1.32%	1.52%	3.62%	3.33%	3.82%	4.01%	4.34%	4.70%
Loss on disposal of fixed assets	0.18%	0.18%	0.28%	0.21%	0.24%	0.33%	0.29%	0.32%	0.42%	0.40%
Other non-operating	0.30%	0.26%	0.23%	0.17%	0.20%	0.21%	0.23%	0.22%	0.23%	0.24%
Total Non-Operating Expenses	11.17%	11.36%	1.83%	1.90%	4.05%	3.87%	4.34%	4.55%	4.99%	5.34%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	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
2012	\$ -	\$ 59	\$ 98	\$ 20	\$ 1	\$ -	\$ 960	\$ 1,428	5.26%	7.21%
2011	-	55	90	20	1	-	912	1,332	20.63%	42.31%
2010	-	52	77	10	1	-	756	936	8.62%	0.00%
2009	-	47	67	10	1	-	696	936	9.43%	14.71%
2008	-	42	57	10	1	-	636	816	0.00%	0.00%
2007	-	42	57	10	1	-	636	816	0.00%	0.00%
2006	-	42	57	10	1	-	636	816	10.42%	17.24%
2005	-	37	47	10	1	-	576	696	0.00%	0.00%
2004	-	37	47	10	1	-	576	696	17.07%	15.81%
2003	-	30	30	10	1	10	492	601	16.59%	10.89%

**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
2012	\$ 150	\$ 123	\$ 123	\$ 20	\$ 1	\$ -	\$ 1,878	\$ 1,878	5.39%	5.39%
2011	150	115	115	20	1	-	1,782	1,782	18.33%	18.33%
2010	150	102	102	10	1	-	1,506	1,506	31.41%	31.41%
2009	150	87	87	10	1	-	1,326	1,326	15.71%	15.71%
2008	150	72	72	10	1	-	1,146	1,146	0.00%	0.00%
2007	150	72	72	10	1	-	1,146	1,146	0.00%	0.00%
2006	150	72	72	10	1	-	1,146	1,146	26.49%	26.49%
2005	150	52	52	10	1	-	906	906	0.00%	0.00%
2004	150	52	52	10	1	-	906	906	18.90%	20.64%
2003	150	40	40	10	1	-	762	751	7.63%	6.07%

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 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
CE Students	1,392	21.72%	1,888	26.97%	1,828	25.97%	1,650	24.33%	1,934	29.21%
0-30 hours	3,904	60.90%	4,270	61.00%	4,362	61.97%	4,536	66.88%	4,035	60.94%
31-60 hours	884	13.79%	609	8.70%	773	10.98%	527	7.77%	601	9.08%
> 60 hours	230	3.59%	233	3.33%	76	1.08%	69	1.02%	51	0.77%
Total	6,410	100.00%	7,000	100.00%	7,039	100.00%	6,782	100.00%	6,621	100.00%

Tuition Status	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
CE Students	1,392	21.72%	1,888	26.97%	1,828	25.97%	1,650	24.33%	1,934	29.21%
Texas Resident (in-District)	3,473	54.18%	3,531	50.44%	3,595	51.07%	3,471	51.18%	3,071	46.38%
Texas Resident (out-of-District)	1,342	20.94%	1,383	19.76%	1,411	20.05%	1,481	21.84%	1,441	21.76%
Non-Resident Tuition	171	2.67%	166	2.37%	151	2.15%	138	2.03%	139	2.10%
Tuition Exempt	32	0.50%	32	0.46%	54	0.77%	42	0.62%	36	0.54%
Total	6,410	100.00%	7,000	100.00%	7,039	100.00%	6,782	100.00%	6,621	100.00%

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

Annual Headcount Enrollment by Type

	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>
<u>Credit Students:</u>					
General Academic	10,018	10,338	10,309	10,292	9,184
Vocational for Credit	<u>3,871</u>	<u>4,246</u>	<u>3,681</u>	<u>3,798</u>	<u>3,381</u>
Total for Credit	13,889	14,584	13,990	14,090	12,565
<u>Non-Credit Students:</u>					
Vocational (State funded)	<u>5,196</u>	<u>6,677</u>	<u>7,223</u>	<u>5,620</u>	<u>6,024</u>
TOTAL	<u>19,085</u>	<u>21,261</u>	<u>21,213</u>	<u>19,710</u>	<u>18,589</u>

*Includes non-credit equivalent hours.

Annual Headcount Enrollment*

<u>Academic Year</u>	<u>Fall</u>	<u>Spring</u>	<u>Summer Session</u>		<u>Annual Total</u>
			<u>First</u>	<u>Second</u>	
2003-04	7,664	6,795	3,978	3,054	21,491
2004-05	6,976	7,419	3,851	3,215	21,461
2005-06	6,855	6,365	2,979	2,617	18,816
2006-07	6,249	6,182	2,518	2,161	17,110
2007-08	6,051	6,194	3,361	2,930	18,536
2008-09	6,623	6,455	3,148	2,363	18,589
2009-10	6,782	6,931	3,122	2,869	19,704
2010-11	7,039	6,879	4,306	2,989	21,213
2011-12	7,000	7,857	3,528	2,876	21,261
2012-13	6,410	6,764	3,384	2,527	19,085

*Includes credit and non-credit fundable enrollment.

Semester Hours - Credit Classes Only

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

Annual Contact Hours Generated*

	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>
<u>Credit Students:</u>					
General Academic	1,295,248	1,354,704	1,414,944	1,415,536	1,228,233
Vocational for Credit	<u>714,336</u>	<u>709,312</u>	<u>728,048</u>	<u>711,840</u>	<u>650,384</u>
Total for Credit	2,009,584	2,064,016	2,142,992	2,127,376	1,878,617
<u>Non-Credit Students:</u>					
Vocational (State funded)	<u>258,006</u>	<u>320,602</u>	<u>318,279</u>	<u>285,982</u>	<u>257,325</u>
TOTAL	<u>2,267,590</u>	<u>2,384,618</u>	<u>2,461,271</u>	<u>2,413,358</u>	<u>2,135,942</u>

*Includes non-credit equivalent hours.

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

	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Gender												
Female	3,666	57.19%	3,822	54.60%	3,966	56.34%	3,831	56.49%	3,711	56.05%	3,379	55.93%
Male	2,744	42.81%	3,178	45.40%	3,073	43.66%	2,951	43.51%	2,910	43.95%	2,662	44.07%
Total	6,410	100.00%	7,000	100.00%	7,039	100.00%	6,782	100.00%	6,621	100.00%	6,041	100.00%
Ethnic Origin												
White	2,235	34.87%	1,963	28.04%	2,749	39.05%	2,878	42.44%	2,915	44.03%	2,748	45.49%
Hispanic	3,137	48.94%	3,687	52.67%	3,826	54.35%	3,522	51.93%	3,311	50.01%	2,965	49.08%
African American	183	2.85%	183	2.61%	308	4.38%	274	4.04%	289	4.36%	211	3.49%
Asian	54	0.84%	53	0.76%	61	0.87%	56	0.83%	51	0.77%	57	0.94%
Native American	41	0.64%	54	0.77%	40	0.57%	30	0.44%	39	0.59%	40	0.66%
International	14	0.22%	15	0.21%	13	0.18%	21	0.31%	14	0.21%	20	0.33%
Unknown	746	11.64%	1,045	14.93%	42	0.60%	1	0.01%	2	0.03%	-	0.00%
Total	6,410	100.00%	7,000	100.00%	7,039	100.00%	6,782	100.00%	6,621	100.00%	6,041	100.00%
Age												
Under 18	1,052	16.41%	1,007	14.39%	950	13.50%	1,004	14.80%	962	14.53%	810	13.41%
18 -21	2,073	32.34%	2,196	31.37%	2,243	31.87%	2,100	30.96%	1,925	29.07%	1,897	31.40%
22 - 24	713	11.12%	779	11.13%	753	10.70%	729	10.75%	749	11.31%	689	11.41%
25 - 35	1,432	22.34%	1,643	23.47%	1,654	23.50%	1,563	23.05%	1,501	22.67%	1,393	23.06%
36 - 50	806	12.57%	1,046	14.94%	1,060	15.06%	1,025	15.11%	1,106	16.70%	926	15.33%
51 & over	334	5.21%	329	4.70%	379	5.38%	361	5.32%	378	5.71%	326	5.40%
Total	6,410	100.00%	7,000	100.00%	7,039	100.00%	6,782	100.00%	6,621	100.00%	6,041	100.00%
Average Age (Credit)	23.0		23.0		24.0		23.6		24.0		23.8	
Average Age (CE)	37.6		36.0		37.0		37.0		38.0		38.0	

**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	
2012-13	\$ 6,925	3,540	\$ 1,956	1,295	714	259	2,268	\$ 3.05	
2011-12	6,826	3,641	1,875	1,355	709	320	2,384	2.86	
2010-11	7,844	3,792	2,069	1,415	728	318	2,461	3.19	
2009-10	7,945	3,719	2,136	1,416	712	286	2,414	3.29	
2008-09	8,474	3,260	2,599	1,228	650	257	2,135	3.97	
2007-08	8,474	3,206	2,643	1,188	628	294	2,110	4.02	
2006-07	8,474	3,391	2,499	1,185	676	256	2,117	4.00	
2005-06	8,474	3,452	2,455	1,286	713	383	2,382	3.56	
2004-05	8,318	4,062	2,048	1,299	750	780	2,829	2.94	
2003-04	8,318	3,604	2,308	1,253	784	384	2,421	3.44	

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
2011 Fall Students as of Fall 2012
(Includes only public senior colleges in Texas)
(unaudited)

	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of All Odessa Transfer Students	% of All Odessa Transfer Students	
1	The University of Texas of the Permian Basin	344	24	9	377	52.22%
2	Texas Tech University	99		1	100	13.85%
3	Angelo State University	36			36	4.99%
4	West Texas A & M University	31			31	4.29%
5	Texas A & M University	30			30	4.16%
6	Texas Tech University Health Science Center	26			26	3.60%
7	The University of Texas at Austin	22		1	23	3.19%
8	University of North Texas	17			17	2.35%
9	Texas State University at San Marcus	15			15	2.08%
10	The University of Texas at Arlington	9		2	11	1.52%
11	Tarleton State University	9	1		10	1.39%
12	Sul Ross State University	9			9	1.25%
13	The University of Texas at San Antonio	5	1	1	7	0.97%
14	Stephen F. Austin State University	3		1	4	0.55%
15	The University of Texas Medical Branch at Galve	4			4	0.55%
16	Texas A & M University at Commerce	3			3	0.42%
17	Midwestern State University	3			3	0.42%
18	University of Houston	3			3	0.42%
19	The University of Texas at El Paso	2			2	0.28%
20	The University of Brownsville	1	1		2	0.28%
21	The University of Texas Health Science Center a	2			2	0.28%
22	Texas A & M University at Corpus Christi	1			1	0.14%
23	Texas Woman's University	1			1	0.14%
24	Texas A & M University at Kingsville	0	1		1	0.14%
25	The University of Texas at Pan American	1			1	0.14%
26	Texas A & M University at Galveston	1			1	0.14%
27	University of Texas at Dallas	1			1	0.14%
28	Lamar University	1			1	0.14%
Totals	679	28	15	722	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)
2012-13	14,112,228	2,123,917	11,988,311	84.95%	0.151200	0.035970	0.187170
2011-12	12,709,099	2,084,774	10,624,325	83.60%	0.158400	0.038680	0.197080
2010-11	12,082,970	2,108,081	9,974,889	82.55%	0.158400	-	0.158400
2009-10	11,725,808	2,417,353	9,308,455	79.38%	0.162400	-	0.162400
2008-09	11,945,389	2,544,708	9,400,681	78.70%	0.162400	-	0.162400
2007-08	9,694,085	2,063,518	7,630,567	78.71%	0.181700	-	0.181700
2006-07	8,367,049	1,624,822	6,742,227	80.58%	0.190000	-	0.190000
2005-06	7,174,228	1,354,242	5,819,986	81.12%	0.200000	-	0.200000
2004-05	6,370,122	1,324,654	5,045,468	79.21%	0.200000	-	0.200000
2003-04	5,775,949	1,145,302	4,630,647	80.17%	0.200000	-	0.200000

Property Use Category	Detailed Tax Roll For Fiscal Years				
	2012/13	2011/12	2010/11	2009/10	2008/09
Real Property					
Single-Family Residential	\$ 3,768,789	\$ 3,604,499	\$ 3,578,944	\$ 3,601,843	\$ 3,320,398
Multi-Family Residential	269,959	199,739	185,067	195,706	184,478
Vacant Lots/Tracts	103,505	96,732	101,441	106,371	105,603
Acreage (Land Only)	134,490	124,026	122,227	128,470	125,168
Farm and Ranch Improvements	15,278	14,220	13,438	19,338	19,488
Commercial and Industrial	1,723,487	1,602,608	1,525,132	1,610,747	1,612,968
Oil, Gas & Minerals	4,558,628	4,105,181	3,854,425	3,193,131	3,829,259
Inventory	62,316	45,363	38,237	55,944	57,393
Tangible Personal Property					
Business	2,220,925	1,759,954	1,570,466	1,834,895	1,611,526
Other	146,024	132,191	121,928	116,186	105,943
Real & Tangible Personal Property					
Utilities	322,520	259,137	216,347	105,011	231,130
Total Market Assessed Valuations	13,325,921	11,943,650	11,327,652	10,967,642	11,203,354
Constitutionally Exempt Values	786,307	765,449	755,318	758,166	742,035
Total Assessed Valuations	14,112,228	12,709,099	12,082,970	11,725,808	11,945,389
Less Exemptions:					
Constitutionally Exempt	786,307	765,449	755,318	758,166	742,035
Residential Homestead	591,446	570,765	558,211	518,120	460,927
Loss to 10% Cap	57,929	81,076	186,100	410,766	488,952
Over 65	173,421	172,815	170,760	164,600	158,765
Disabled/Others	1,892	1,189	848	940	747
Productivity Loss	94,864	86,410	90,453	93,670	88,617
Freeport Exemption	83,547	73,336	46,692	65,787	77,167
Pollution Control	149,147	151,315	135,845	171,327	28,926
Abatements	185,364	182,419	163,854	233,977	498,572
Total Exemptions	2,123,917	2,084,774	2,108,081	2,417,353	2,544,708
Taxable Assessed Valuation	\$ 11,988,311	\$ 10,624,325	\$ 9,974,889	\$ 9,308,455	\$ 9,400,681

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)									
		2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Occidental Permian LTD	Oil & Gas	\$ 810,640	\$ 677,300	\$ 671,537	\$ 722,406	\$ 665,706	\$ 845,024	\$ 610,832	\$ 514,882	\$ 449,259	\$ 342,424
Conocophoillips	Oil & Gas	375,281	382,053	401,298	457,937	350,225	372,529	231,750	212,867	172,712	127,058
Odessa-Ector Power Partners	Utility	318,767	316,562	226,811	191,925	191,713	-	-	-	-	-
Apache Corporation	Oil & Gas	265,774	264,552	236,650	236,130	160,352	286,547	-	-	-	-
Halliburton Energy Services	Oil & Gas	238,475	132,610	-	-	-	-	-	-	-	-
Devon Energy Production	Oil & Gas	222,788	256,806	203,373	126,613	-	-	-	-	-	-
Oxy USA WTP LP	Oil & Gas	206,678	244,011	223,194	225,445	232,478	296,757	212,925	188,176	119,146	89,841
XTO Energy	Oil & Gas	197,932	243,275	308,732	296,139	278,509	313,628	223,288	147,857	82,277	-
Sheridan Production Co	Oil & Gas	194,557	-	-	-	-	-	-	-	-	-
Chevron USA Inc.	Oil & Gas	175,878	-	-	-	-	-	-	-	-	72,084
Sandridge Exploration & Prod	Oil & Gas	-	244,663	211,724	179,281	-	-	-	-	-	-
COG Operating	Oil & Gas	-	235,003	190,344	94,093	-	-	-	-	-	-
Oxy USA Inc.	Oil & Gas	-	-	82,994	-	97,017	129,370	-	-	-	-
Energen Resources	Oil & Gas	-	-	-	95,603	77,649	100,632	66,137	-	-	-
Oncore Electric Delivery	Utility	-	-	-	-	80,011	84,067	-	-	-	72,286
Four Star Oil and Gas	Oil & Gas	-	-	-	-	78,154	116,096	132,860	167,372	123,514	109,559
Flint Hills/Huntsman Polmers	Chemicals	-	-	-	-	-	180,234	184,317	282,588	229,892	242,777
Anadarko Petroleum Corp.	Oil & Gas	-	-	-	-	-	-	248,127	229,934	193,987	113,847
TXU Electric Delivery Co.	Utility	-	-	-	-	-	-	82,686	81,073	77,387	-
BP American Production Co.	Oil & Gas	-	-	-	-	-	-	51,858	52,168	43,699	36,772
Southwestern Bell	Utility	-	-	-	-	-	-	-	-	-	36,475
Encore Operating LP	Oil & Gas	-	-	-	-	-	-	-	59,604	60,009	-
Totals		\$ 3,006,770	\$ 2,996,835	\$ 2,756,657	\$ 2,625,572	\$ 2,211,814	\$ 2,724,884	\$ 2,044,780	\$ 1,936,521	\$ 1,551,882	\$ 1,243,123
Total Taxable Assessed Value		\$ 11,988,311	\$ 10,624,325	\$ 9,974,889	\$ 9,308,455	\$ 9,400,680	\$ 7,630,567	\$ 6,742,227	\$ 5,819,986	\$ 5,045,468	\$ 4,630,647

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year									
		2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Occidental Permian LTD	Oil & Gas	6.76%	6.37%	6.73%	7.76%	7.08%	11.07%	9.06%	8.85%	8.90%	7.39%
Conocophoillips	Oil & Gas	3.13%	3.60%	4.02%	4.92%	3.73%	4.88%	3.44%	3.66%	3.42%	2.74%
Odessa-Ector Power Partners	Utility	2.66%	2.98%	2.27%	2.06%	2.04%	-	-	-	-	-
Apache Corporation	Oil & Gas	2.22%	2.49%	2.37%	2.54%	1.71%	3.76%	-	-	-	-
Halliburton Energy Services	Oil & Gas	1.99%	1.25%	-	-	-	-	-	-	-	-
Devon Energy Production	Oil & Gas	1.86%	2.42%	2.04%	1.36%	-	-	-	-	-	-
Oxy USA WTP LP	Oil & Gas	1.72%	2.30%	2.24%	2.42%	2.47%	3.89%	3.16%	3.23%	2.36%	1.94%
XTO Energy	Oil & Gas	1.65%	2.29%	3.10%	3.18%	2.96%	4.11%	3.31%	2.54%	1.63%	-
Sheridan Production Co	Oil & Gas	1.62%	-	-	-	-	-	-	-	-	-
Chevron USA Inc.	Oil & Gas	1.47%	-	-	-	-	-	-	-	-	1.56%
Sandridge Exploration & Prod	Oil & Gas	-	2.30%	2.12%	1.93%	-	-	-	-	-	-
COG Operating	Oil & Gas	-	2.21%	1.91%	1.01%	-	-	-	-	-	-
Oxy USA Inc.	Oil & Gas	-	-	0.83%	-	1.03%	1.70%	-	-	-	-
Energen Resources	Oil & Gas	-	-	-	1.03%	0.83%	1.32%	0.98%	-	-	-
Oncore Electric Delivery	Utility	-	-	-	-	0.85%	1.10%	-	-	-	1.56%
Four Star Oil and Gas	Oil & Gas	-	-	-	-	0.83%	1.52%	1.97%	2.88%	2.45%	2.37%
Flint Hills/Huntsman Polmers	Chemicals	-	-	-	-	-	2.36%	2.73%	4.86%	4.56%	5.24%
Anadarko Petroleum Corp.	Oil & Gas	-	-	-	-	-	-	3.68%	3.95%	3.84%	2.46%
TXU Electric Delivery Co.	Utility	-	-	-	-	-	-	1.23%	1.39%	1.53%	-
BP American Production Co.	Oil & Gas	-	-	-	-	-	-	0.77%	0.90%	0.87%	0.79%
Southwestern Bell	Utility	-	-	-	-	-	-	-	-	-	0.79%
Encore Operating LP	Oil & Gas	-	-	-	-	-	-	-	1.02%	1.19%	-
Totals		25.08%	28.21%	27.64%	28.21%	23.53%	35.71%	30.33%	33.27%	30.76%	26.85%

**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
2012	144,325	(a)	(a)	4.2%
2011	140,111	\$ 5,378,120	\$ 38,385	5.8%
2010	137,130	4,752,997	34,653	7.8%
2009	134,625	4,515,835	33,544	6.2%
2008	131,180	4,731,242	36,067	3.4%
2007	128,874	4,197,617	32,571	4.2%
2006	126,076	3,739,763	29,663	5.0%
2005	124,187	3,286,755	26,466	6.0%
2004	123,243	2,954,940	23,977	6.7%
2003	122,021	2,823,263	23,138	6.8%

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