



**Financial Statements and
Independent Auditors' Report**



*Odessa Junior College District
August 31, 2012 and 2011*

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ODESSA JUNIOR COLLEGE DISTRICT

ORGANIZATIONAL DATA

For the Year Ended August 31, 2012

BOARD OF TRUSTEES



OFFICERS

Ms. Ray Ann Zant	President
Mr. Gary S. Johnson	Vice President
Mr. Walter Smith	Secretary
Dr. Tara Deaver	Assistant Secretary

MEMBERS

TERM EXPIRES MAY,

Mr. Richard C. Abalos	Odessa, Texas	2017
Dr. Tara Deaver	Odessa, Texas	2017
Mr. Gary S. Johnson	Odessa, Texas	2015
Mr. Ralph M. McCain	Odessa, Texas	2013
Mr. JE "Coach" Pressly	Odessa, Texas	2015
Mr. Bruce Shearer	Odessa, Texas	2017
Mr. Walter Smith	Odessa, Texas	2013
Mr. David R. Turner	Odessa, Texas	2013
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	Chief of Staff & Chief Student Services Officer
Dr. Ken Tunstall	Vice President for Instruction
Dr. Don Wood	Vice President for Institutional Effectiveness
Ms. Kristi Gibbs	Controller



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Odessa, Texas
Midland, Texas
Hobbs, New Mexico

Independent Auditors' Report

The Board of Trustees
Odessa Junior College District
Odessa, Texas

We have audited the accompanying financial statements of Odessa Junior College District (the "District") as of and for the years ended August 31, 2012 and 2011 which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of August 31, 2012 and 2011, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 6, 2012 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 operations, economic, or historical content. 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.

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The organizational data and statistical supplement on page 1 and pages 61 through 72 are presented for additional analysis are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis is 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 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole. 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.

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

Odessa, Texas
December 6, 2012

Management's Discussion and Analysis For the Period Ending August 31, 2012 (Unaudited)

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, 2012 (Fiscal Year 2012), 2011 (Fiscal Year 2011), and 2010 (Fiscal Year 2010). 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 2012 are as follows:

- The District's assets exceeded liabilities by \$38.8 million at the end of fiscal year 2012, compared to \$33.1 million and \$30.4 million at the end of fiscal years 2011 and 2010, respectively. Of these amounts, unrestricted net assets totaled \$17.9 million, \$17.7 million, and \$16.8 million for fiscal years 2012, 2011, and 2010. These unrestricted net assets are available to meet any of the District's ongoing obligations.
- The District's total debt increased during fiscal year 2012 by \$4.5 million to \$92.1 million due primarily to the issuance of a student housing revenue bond. In fiscal year 2011, the debt increased by \$66.6 million to \$87.6 million due to the issuance of \$68.5 million of general obligation bonds for capital improvements.
- State appropriations for instruction and employee benefits declined by \$2.4 million in fiscal 2012. This loss in revenue was more than offset by a \$3 million increase in tuition and fees and a \$1 million increase in taxes for maintenance and operations.
- Total revenues exceeded total expenses by \$5.3 million in fiscal year 2012, largely due to a \$3 million contribution to the Vision 2015 construction project. Revenues exceeded expenses by \$2.7 million and \$1.2 million in fiscal years 2011 and 2010.
- Federal Pell Grants awards decreased by 18.4% to \$6.1 million during fiscal year 2012, compared to an increase of 17.6% to \$7.4 million in 2011 and an increase of 39.1% to \$6.3 million in 2010. The total number of student receiving Pell awards declined from 2,266 in fiscal 2011 to 1,966 in fiscal 2012.
- Total duplicated headcount (both credit and non-credit) for all semesters increased slightly to 21,261 for the 2011-12 academic year from 21,213 during 2010-11 and 19,704 during 2009-10.
- Total fall enrollments in credit and noncredit classes decreased slightly to 7,000 in fall 2011 from 7,039 in fall 2010, but was still a sizable increase from the fall 2009 enrollment of 6,782.
- Total contact hours from both credit and noncredit instruction decreased by 3% to 2,384,618 in 2011-12 from 2,461,271 in 2010-11 and 2,413,358 in 2009-10.

Management's Discussion and Analysis For the Period Ending August 31, 2012 (Unaudited)

BASIC FINANCIAL STATEMENTS

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

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 2011 and 2010 are presented as discrete reports on pages 23 and 26 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 Assets**

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

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

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

Net assets are the difference between total assets and total liabilities. Net assets are 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 assets is one indicator of whether the overall financial condition has improved or deteriorated during the year when considered with other factors such as enrollment, contact hours of instruction, student retention and other non-financial information.

Net assets are divided into three major categories.

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

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

The Statement of Revenues, Expenses, and Changes in Net Assets (Exhibit 2) explains "why" the net assets have 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.

**Management's Discussion and Analysis
For the Period Ending August 31, 2012 (Unaudited)**

BASIC FINANCIAL STATEMENTS (CONTINUED)

• **The Statement of Revenues, Expenses, and Changes in Net Assets (Continued)**

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

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

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

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

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

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

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

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

• **The Statement of Cash Flows**

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

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

**Management's Discussion and Analysis
For the Period Ending August 31, 2012 (Unaudited)**

CONDENSED COMPARATIVE FINANCIAL INFORMATION

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

	Year Ended August 31,			Increase (Decrease)	
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2011 to</u> <u>2012</u>	<u>2010 to</u> <u>2011</u>
Current assets	\$ 32,139	\$ 29,853	\$ 17,807	\$ 2,286	\$ 12,046
Capital assets, net of depreciation	39,793	28,461	28,249	11,332	212
Other non-current assets	70,241	72,875	14,055	(2,634)	58,820
Total assets	142,173	131,189	60,111	10,984	71,078
Current liabilities	11,955	10,820	9,986	1,135	834
Non-current liabilities	91,839	87,294	19,735	4,545	67,559
Total liabilities	103,794	98,114	29,721	5,680	68,393
Net Assets:					
Invested in capital assets, net of related debt	12,022	9,767	8,169	2,255	1,598
Restricted: nonexpendable	829	807	813	22	(6)
Restricted: expendable	7,605	4,820	4,633	2,785	187
Unrestricted	17,924	17,681	16,775	243	906
Total net assets	\$ 38,380	\$ 33,075	\$ 30,390	\$ 5,305	\$ 2,685

Figure 1

As shown in Figure 1 above, total assets increased by \$11 million in fiscal year 2012 and by \$71.1 million in fiscal year 2011. During the same periods, total liabilities increased by \$5.7 million in 2012 and by \$68.4 million in 2011. As a result, the total net assets increased by \$5.3 million in 2012 and by \$2.7 million in 2011.

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

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.

**Management's Discussion and Analysis
For the Period Ending August 31, 2012 (Unaudited)**

CONDENSED COMPARATIVE FINANCIAL INFORMATION (CONTINUED)

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.

During fiscal year 2010:

- Cash and cash equivalents decreased due to payments made on capital construction projects and the reduction of state appropriations.
- The amount receivable from the Odessa College Foundation at August 31, 2010 was reduced from approximately \$728,000 at August 31, 2009 to approximately \$428,000 at August 31, 2010.

Capital assets, net of depreciation, increased by 39.8%, or \$11.3 million, during 2012 while increasing only \$212,000 during 2011 and \$1.3 million during fiscal year 2010. 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 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.

**Management's Discussion and Analysis
For the Period Ending August 31, 2012 (Unaudited)**

CONDENSED COMPARATIVE FINANCIAL INFORMATION (CONTINUED)

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.

During fiscal 2010:

- Buildings and improvements increased by \$760,000 due to purchase of portable classroom buildings and completion of renovations to the Student Success Center, Saulsbury Center, Graham Ranch Center, and Wrangler Express.
- Land improvements increased by \$685,000 as pathway lighting projects, roof coping, and the Children's Center playground were completed.
- Equipment increased by \$1.1 million. Additions included \$262,000 in buses and vehicles, \$129,000 in software and computers, and \$133,000 in furnishings for renovated buildings. Major grant purchases included \$108,000 for research software (ARRA grant), \$330,000 for chemistry and physics equipment (CCRA Pre-engineering Grant), and \$73,000 for laboratory equipment (Carl Perkins).
- Accumulated depreciation increased by 6.6% or \$1.3 million.

Total liabilities increased by \$5.7 million in fiscal year 2012 after increasing by \$68.4 million in 2011 and decreasing by \$2.1 million in 2010. The major changes were in non-current liabilities which increased by \$4.5 million in 2012 and \$67.6 million in 2011 while decreasing by \$1.8 million in 2010. The major contributing factors are explained below.

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. More 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.

**Management's Discussion and Analysis
For the Period Ending August 31, 2012 (Unaudited)**

CONDENSED COMPARATIVE FINANCIAL INFORMATION (CONTINUED)

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.

During fiscal 2010:

- Accounts payable recorded a decrease of \$623,038 due to completion of several capital construction projects on campus.
- Deferred tuition increased by \$417,098 due to record enrollment and a tuition increase of \$5 per semester hour for in-district students and \$10 per semester hour of out-of district students.
- The current portion of bonds payable decreased in fiscal year 2010 by \$125,000 due to refinancing of the 1998 revenue bonds at a lower interest rate.
- Non-current liabilities decreased by \$1.8 million, also due to the refinancing of the 1998 revenue bond.

Overall, net assets increased by \$5.3 million during fiscal 2012, \$2.7 million in 2011, and \$1.2 million in 2010. The net assets represent the District's equity, some of which is restricted for certain uses and some of which is unrestricted.

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 Assets 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 Assets increased by approximately \$243,000 due to an excess of unrestricted revenues over unrestricted expenses.

**Management's Discussion and Analysis
For the Period Ending August 31, 2012 (Unaudited)**

CONDENSED COMPARATIVE FINANCIAL INFORMATION (CONTINUED)

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 Assets 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 Assets increased by approximately \$906,000 due to an excess of unrestricted net revenues.

During fiscal 2010:

- Capitalized assets increased by \$1.3 million while the related long-term debt decreased by \$1.9 million, resulting in a total increase of \$3.2 million in capital equity
- Restricted Net Assets showed a net decrease of approximately \$281,000. Assets restricted for student aid increased by \$211,000 while assets restricted for debt service decreased by \$549,000.
- Unrestricted Net Assets decreased by approximately \$1.7 million due to cash expenditures for capital renovations and deferred maintenance.

**Management's Discussion and Analysis
For the Period Ending August 31, 2012 (Unaudited)**

CONDENSED COMPARATIVE FINANCIAL INFORMATION (CONTINUED)

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

	Year Ended August 31,			Increase (Decrease)	
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2011 to 2012</u>	<u>2010 to 2011</u>
Operating revenues					
Tuition and fees (net of discounts)	\$ 8,689	\$ 5,492	\$ 4,661	\$ 3,197	\$ 831
Grants and contracts	2,730	3,020	4,044	(290)	(1,024)
Other	2,194	2,060	1,753	134	307
Total operating revenue	<u>13,613</u>	<u>10,572</u>	<u>10,458</u>	<u>3,041</u>	<u>114</u>
Operating expenses					
Instruction	15,272	15,265	14,381	7	884
Public Service	1,210	1,332	1,332	(122)	-
Academic Support	4,138	3,805	4,006	333	(201)
Student Services	2,914	2,837	3,333	77	(496)
Institutional Support	5,796	6,313	6,089	(517)	224
Operations & Maint of Plant	3,351	3,705	5,036	(354)	(1,331)
Scholarship & Fellowships	6,462	6,136	4,703	326	1,433
Auxiliary enterprises	1,675	1,668	1,685	7	(17)
Depreciation	1,449	1,375	1,315	74	60
Total operating expenses	<u>42,267</u>	<u>42,436</u>	<u>41,880</u>	<u>(169)</u>	<u>556</u>
Operating loss	(28,654)	(31,864)	(31,422)	3,210	(442)
Non-operating revenue/(expense)					
State appropriation	8,427	10,803	10,873	(2,376)	(70)
Ad valorem taxes	20,976	16,027	15,153	4,949	874
Federal Revenue, non operating	6,153	7,570	6,440	(1,417)	1,130
Interest on debt	(5,206)	(570)	(650)	(4,636)	80
Other	586	516	788	70	(272)
Total non-operating income	<u>30,936</u>	<u>34,346</u>	<u>32,604</u>	<u>(3,410)</u>	<u>1,742</u>
Other revenue					
Capital grants and gifts	3,023	203	15	2,820	188
Increase in net assets	<u>5,305</u>	<u>2,685</u>	<u>1,197</u>	<u>2,620</u>	<u>1,488</u>
Net assets, beginning of year	<u>33,075</u>	<u>30,390</u>	<u>29,193</u>	<u>2,685</u>	<u>1,197</u>
Net assets, end of year	<u>\$ 38,380</u>	<u>\$ 33,075</u>	<u>\$ 30,390</u>	<u>\$ 5,305</u>	<u>\$ 2,685</u>

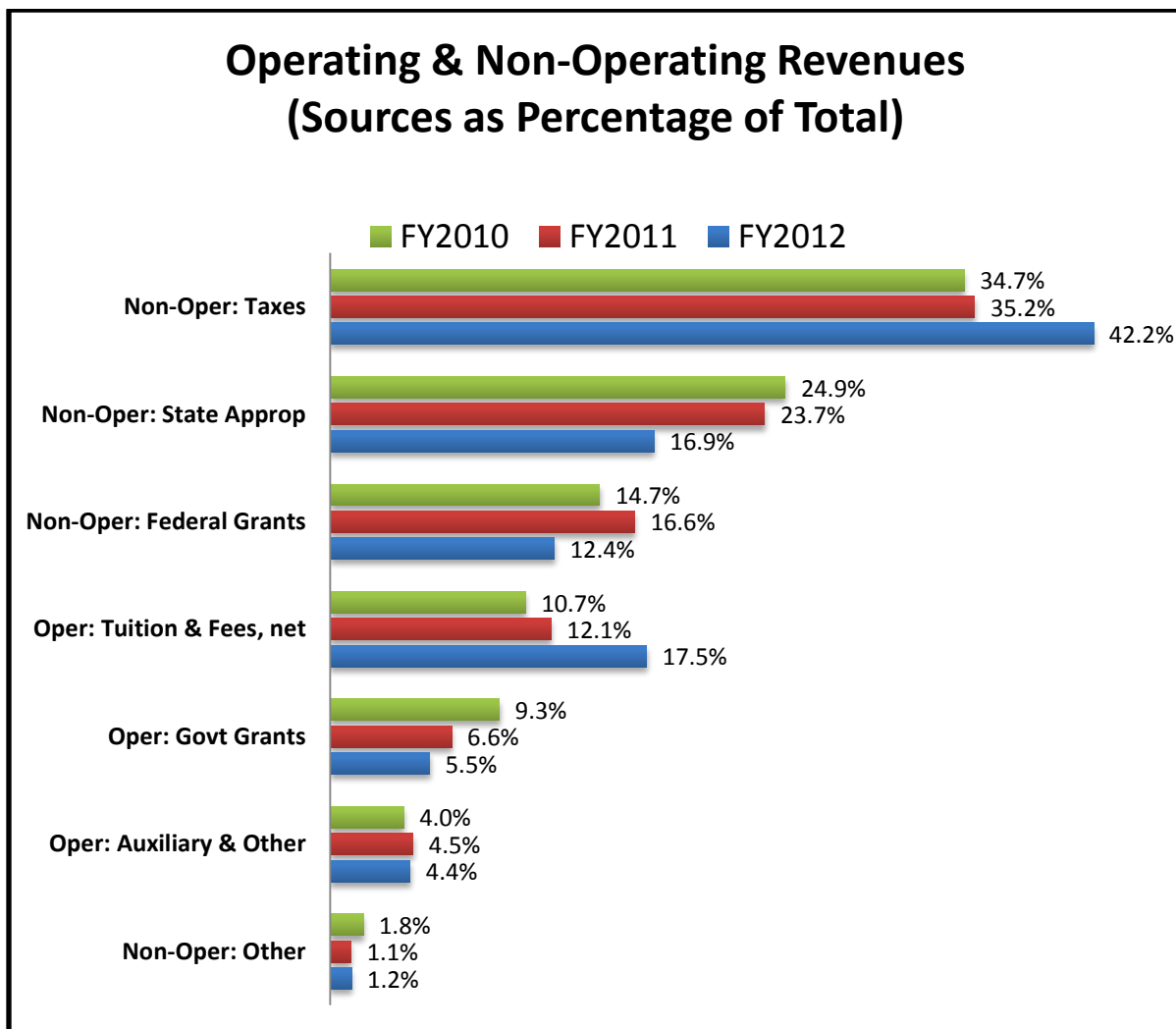
Figure 2

**Management's Discussion and Analysis
For the Period Ending August 31, 2012 (Unaudited)**

CONDENSED COMPARATIVE FINANCIAL INFORMATION (CONTINUED)

Graph 1 below illustrates the sources of operating and non-operating revenues for fiscal years 2012, 2011, and 2010. 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. The percent of total revenue provided by property taxes increased slightly 2010 to 2011 and then increased significantly during 2012. 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, 2012 (Unaudited)**

CONDENSED COMPARATIVE FINANCIAL INFORMATION (CONTINUED)

Key factors impacting Operating Revenues are explained below:

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.

During fiscal 2010:

- Tuition revenue increased by \$874,000, or 23.1%, and is attributable to an increase in student enrollment and higher tuition rates for the spring of 2010.
- State Grants and Contracts revenue decreased by \$72,000, or 14.8%, due to decline in number of awards to renewal students for Texas Grant and TEOG. In addition, the Nursing Shortage grant revenue decreased due to grant funded nursing faculty position vacancies.
- Sales and Services of Education Activities revenue increased by \$36,000, or 14.4%, due to increases in Children's Center revenue, Cosmetology revenue, and hay sales.
- Other Operating Revenue increased \$68,000, or 12.7%. Increases in Community Recreation programs, Sponsorships, and Continuing Education Fees are responsible for this increase.

**Management's Discussion and Analysis
For the Period Ending August 31, 2012 (Unaudited)**

CONDENSED COMPARATIVE FINANCIAL INFORMATION (CONTINUED)

Non-Operating Revenues decreased by \$2.9 million in 2012, after increasing \$1.7 million during 2011 and \$1.3 million during 2010. Key factors impacting Non-Operating Revenues are discussed below:

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.

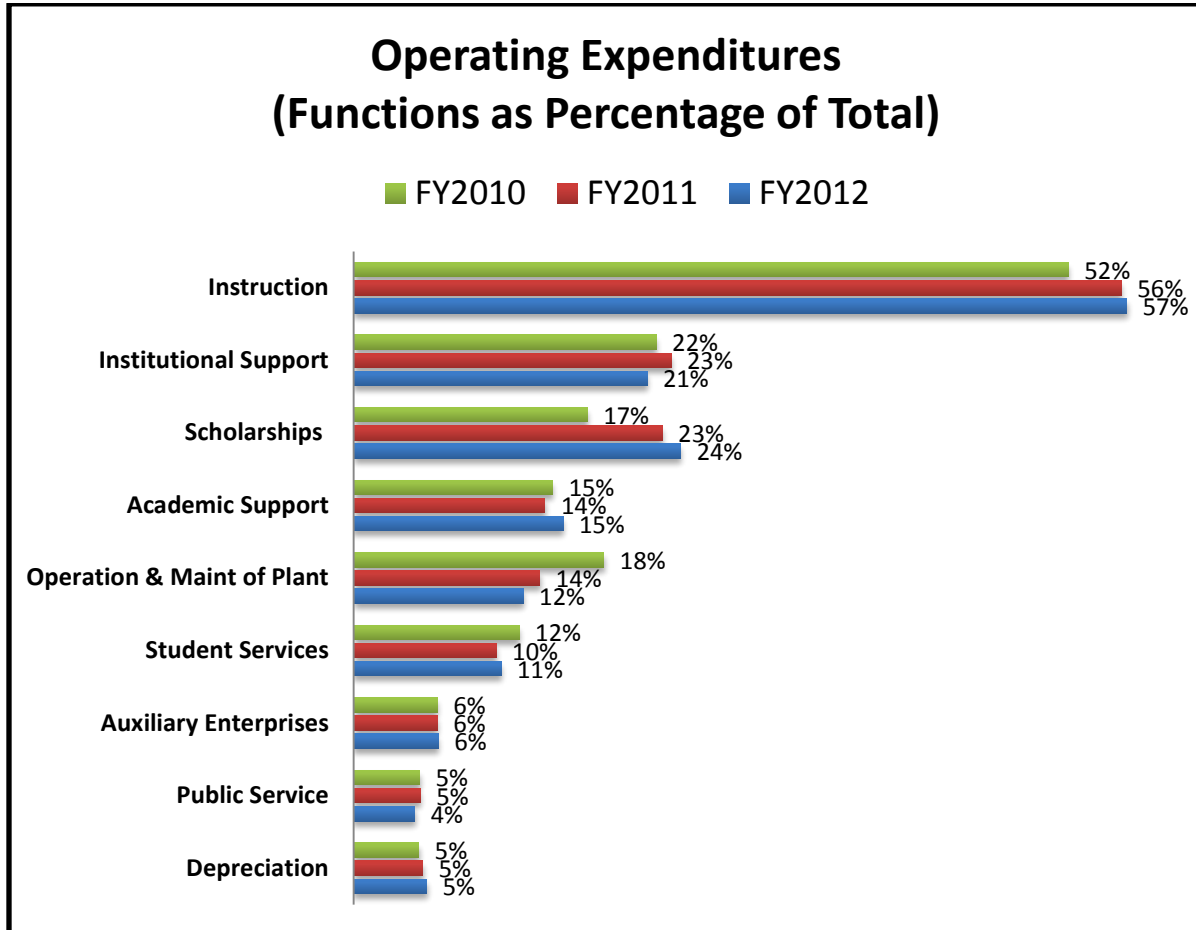
During fiscal 2010:

- State Appropriations decreased \$514,911, or 4.5% due to State mandated funding cuts during fiscal year 2010.
- Non-operating federal revenue increased 39.1% or \$1.8 million over 2009. The increase can be attributed to a 5.1% increase in Pell eligible students and a 13% increase in the maximum Pell award amount.
- Private Gifts increased \$126,651 or 68.5%, due to additional contributions for the Saulsbury Center capital campaign, Hext Family Foundation Scholarship donations, and athletic fundraisers.
- Non-operating Investment income decreased by \$810,916, or 55.5%, due to declining interest rates.
- In 2010, there were considerably fewer insurance claims which resulted in the 70.7%, or \$472,000, decline in Other Non-Operating Revenues from 2009.
- Ad valorem tax revenue for fiscal year 2010 was slightly less, 1.6%, than fiscal year 2009 figures, although the tax rate remained constant. The largest percentage of the decrease is attributable to a decline in mineral taxable values. This decline was largely attributable to a change in the valuation methodology implemented by the State Comptroller's Office.

**Management's Discussion and Analysis
For the Period Ending August 31, 2012 (Unaudited)**

CONDENSED COMPARATIVE FINANCIAL INFORMATION (CONTINUED)

Graph 2 below compares operating expenses classified by functional category for fiscal years 2012, 2011 and 2010. The current trend reveals an increasing percentage of total expenditures being spent on Instruction, Scholarships, and Academic Support. The amount spent on all other functions has declined or held steady as a percent of total expenditures over the last three years.



Graph 2

As shown in Figure 2, total Operating Expenses decreased slightly by \$169,000, or 0.4%, during 2012 after increasing by \$555,000, or 1.3%, in 2011 and \$3.1 million, or 8%, in 2010. Key factors impacting operating expenses by functional expense categories are described below:

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.

**Management's Discussion and Analysis
For the Period Ending August 31, 2012 (Unaudited)**

CONDENSED COMPARATIVE FINANCIAL INFORMATION (CONTINUED)

- Institutional Support decreased by \$517,000, or 8.2%, due to a decrease 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 increased by \$326,000, or 5.3%, due to an increase in athletic and departmental scholarships related to higher tuition and fee rates. In addition, late awarding of Pell grants for fall 2011 resulted in larger residual checks released after the start of the 2012 fiscal year.
- Depreciation expenditures increased by \$74,000, or 5.4%, due to the increase in capitalized assets.

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.

During fiscal 2010:

- Instructional expenditures increased by \$921,463, or 6.8%. The increase can be partially attributed to equipment purchased for the physics, math, and science labs paid for with CCRA Pre-engineering federal grant funds. The remainder of the increase is due to a salary increase along with higher faculty overload and adjunct payroll to accommodate increased enrollments.
- Institutional Support expenditures increased by \$878,958, or 16.9%. A change in vacation policy resulted in an increased of compensated absences of \$161,608. Software maintenance agreements have increased due to the ending of the Title V Co-op grant and the new enhancements to the District's administrative software system. Increased property tax valuations resulted in increased tax appraisal fees. Annual salary raises also contributed to the increase.
- Scholarship expenses increased by \$1,081,947, 29.9%, due to an increase in Title IV eligible student enrollment and an increase in the Pell and SEOG maximum awards.
- Depreciation expense increased by 230,958, or 21.2%, due to completion of several building renovation projects.

**Management's Discussion and Analysis
For the Period Ending August 31, 2012 (Unaudited)**

CONDENSED COMPARATIVE FINANCIAL INFORMATION (CONTINUED)

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 2012 were \$3 million, compared to \$196,000 in 2011, and none in 2010. The \$3 million gift was received from the Wood Family Foundation to aid in the construction of the new math and science building. The \$196,000 contribution in 2011 was from a state grant for renovation of the instrumentation lab.

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets, net of depreciation, was \$39.8 million at the end of fiscal 2012, \$28.5 million in 2011, and \$28.2 million in 2010. Capital assets have increased by 41% over this three year period. A summary of capitalized assets for fiscal years 2012, 2011, and 2010 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 page 8 of this Management's Discussion and Analysis report.

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

	Year Ended August 31,			Increase (Decrease)	
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2011 to</u> <u>2012</u>	<u>2010 to</u> <u>2011</u>
Land	\$ 3,996	\$ 3,866	\$ 3,866	\$ 130	\$ -0-
Buildings and improvements	36,156	29,457	29,006	6,699	451
Other improvements and related construction in progress	12,092	7,084	6,615	5,008	469
Furniture and equipment	9,173	8,262	7,699	911	563
Library materials	2,394	2,395	2,394	(1)	1
Subtotal	63,811	51,064	49,580	12,747	1,484
Less: Accumulated depreciation	(24,018)	(22,603)	(21,331)	(1,415)	(1,272)
Net Capital Assets	\$ 39,793	\$ 28,461	\$ 28,249	\$ 11,332	\$ 212

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 \$40 million of construction commitments have been awarded as of August 31, 2012.

**Management’s Discussion and Analysis
For the Period Ending August 31, 2012 (Unaudited)**

CONDENSED COMPARATIVE FINANCIAL INFORMATION (CONTINUED)

Debt Administration

The District had outstanding debt of \$92.2 million as of August 31, 2012, and \$87.7 million and \$21.1 million as of August 31, 2011 and 2010, respectively. 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 \$1,985,000 in 2012, \$1,889,000 in 2011, and \$2,047,000 in 2010. Details of the outstanding long-term liabilities by type as of August 31, 2012, 2011, and 2010 can be seen below in Figure 4.

**Outstanding Debt
(thousands of dollars)**

	Year Ended August 31,		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Obligation Bonds	\$ 68,500	\$ 68,500	\$ -0-
Revenue Bonds	23,470	19,005	20,800
Capital Lease Notes	195	169	263
Total Outstanding Debt	\$ 92,165	\$ 87,674	\$ 21,063

Figure 4

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.”

Moody’s Investors Service has assigned a rating of “A2” with a stable outlook. 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”).

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 currently has the second lowest unemployment rate in the state and the twelfth lowest in the nation, and oil-related business activity and retail indicators are continuing to rise. The District has benefitted from

**Management's Discussion and Analysis
For the Period Ending August 31, 2012 (Unaudited)**

CONDENSED COMPARATIVE FINANCIAL INFORMATION (CONTINUED)

Economic Factors That Will Affect the Future (Continued)

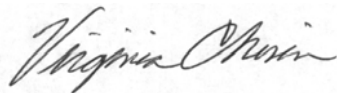
increases in taxable values, and this positive trend is expected to continue, although at a more moderate rate. Tuition revenues are higher as a result of enrollment and tuition rate increases. This source of revenue is also expected to continue.

The District has compensated for reduced state support through conservative budgeting combined with increases in enrollment, tuition, and local property tax revenue. 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 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 ASSETS

Exhibit 1

August 31,

	<u>2012</u>	<u>2011</u>
ASSETS:		
Current Assets		
Cash and cash equivalents (Notes 2 and 4)	\$ 11,391,306	24,318,055
Short-term investments (Notes 2 and 4)	12,024,328	-
Accounts receivable, net (Note 14)	5,718,588	3,407,765
Inventories (Note 2)	5,665	5,315
Notes receivable – current, net	1,509,442	1,169,316
Prepaid items	1,000,684	898,925
Escrow deposits	<u>489,938</u>	<u>54,189</u>
Total Current Assets	<u>32,139,951</u>	<u>29,853,565</u>
Noncurrent Assets:		
Restricted cash and cash equivalents (Notes 2 and 4)	9,388,219	48,555,929
Endowment investments (Notes 2, 3 and 4)	829,114	807,426
Other long-term investments (Notes 2, 3 and 4)	55,958,815	21,843,849
Notes receivable – noncurrent, net	2,423,570	139,362
Unamortized bond issuance costs	1,641,050	1,528,096
Capital assets, net of accumulated depreciation (Notes 2 and 5)	<u>39,792,728</u>	<u>28,460,937</u>
Total Noncurrent Assets	<u>110,033,496</u>	<u>101,335,599</u>
Total Assets	<u>\$ 142,173,447</u>	<u>131,189,164</u>
LIABILITIES:		
Current Liabilities:		
Accounts payable (Note 14)	\$ 3,038,315	2,703,574
Accrued liabilities	231,816	250,302
Accrued compensable absences (Notes 6 and 12)	428,443	413,219
Funds held for others	448,535	295,742
Deferred revenue – tuition and fees (Note 2)	4,494,561	4,559,870
Deferred revenue – other (Note 2)	569,078	652,578
Capital lease payable – current portion (Notes 6 and 7)	114,744	94,448
Bonds payable – current portion (Notes 6, 7 and 8)	2,160,000	1,850,000
Contingent liability	<u>469,274</u>	<u>-</u>
Total Current Liabilities	<u>11,954,766</u>	<u>10,819,733</u>
Noncurrent Liabilities:		
Capital lease payable – noncurrent (Notes 6 and 7)	80,461	74,513
Bonds payable – noncurrent (Notes 6, 7 and 8)	89,810,000	85,655,000
Unamortized bond premium	1,948,042	1,562,009
Other noncurrent liabilities (Note 6)	<u>-</u>	<u>2,499</u>
Total Noncurrent Liabilities	<u>91,838,503</u>	<u>87,294,021</u>
Total Liabilities	<u>103,793,269</u>	<u>98,113,754</u>

Odessa Junior College District
STATEMENTS OF NET ASSETS (CONTINUED)

Exhibit 1

August 31,

	<u>2012</u>	<u>2011</u>
NET ASSETS:		
Invested in capital assets, net of related debt	\$ 12,021,942	9,767,028
Restricted for:		
Nonexpendable:		
Student aid	829,114	807,426
Expendable:		
Student aid	503,067	415,730
Instructional programs	165,849	218,460
Loans	9,451	9,451
Unexpended capital projects	3,507,425	23,514
Debt service	3,419,631	4,153,136
Unrestricted	<u>17,923,699</u>	<u>17,680,665</u>
Total Net Assets (Schedule D)	<u>38,380,178</u>	<u>33,075,410</u>
Total Liabilities and Net Assets	\$ <u>142,173,447</u>	<u>131,189,164</u>

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

Odessa College Foundation, Incorporated

STATEMENTS OF FINANCIAL POSITION

December 31,

ASSETS

	<u>2011</u>	<u>2010</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 746,148	592,074
Pledges receivable	170,786	214,796
Due from Odessa College	<u>6,744</u>	<u>5,143</u>
Total current assets	923,678	812,013
MARKETABLE SECURITIES AT FAIR VALUE	4,624,822	4,658,992
PLEDGES RECEIVABLE – NONCURRENT	<u>190,167</u>	<u>171,667</u>
Total assets	\$ <u>5,738,667</u>	<u>5,642,672</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable	\$ 894	52,273
Deferred revenue	<u>2,758</u>	<u>2,758</u>
Total current liabilities	<u>3,652</u>	<u>55,031</u>
NET ASSETS		
Unrestricted:		
Undesignated	(252,688)	(103,929)
Designated for Half-Century scholarships	205,155	205,155
Designated for Health Science scholarships	156,039	156,039
Temporarily restricted	2,196,849	2,021,169
Permanently restricted	<u>3,429,660</u>	<u>3,309,207</u>
Total net assets	<u>5,735,015</u>	<u>5,587,641</u>
Total current liabilities and net assets	\$ <u>5,738,667</u>	<u>5,642,672</u>

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

Odessa Junior College District

Exhibit 2

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Years ended August 31,

	2012	2011
OPERATING REVENUES:		
Tuition and fees (net of discounts of \$2,166,072 and \$3,737,212, respectively)	\$ 8,689,291	5,492,067
Federal grants and contracts	2,236,602	2,534,665
State grants and contracts	493,036	485,752
Non-governmental grants and contracts	61,863	78,813
Sales and services of educational activities	495,027	417,249
Investment income (program restricted)	14,547	12,687
Auxiliary enterprises	847,097	829,462
Other operating revenue	775,000	722,176
Total operating revenues (Schedule A)	13,612,463	10,572,871
OPERATING EXPENSES:		
Instruction	15,272,012	15,265,549
Public service	1,210,140	1,332,473
Academic support	4,137,747	3,804,672
Student services	2,913,983	2,836,627
Institutional support	5,796,535	6,312,775
Operation and maintenance of plant	3,350,556	3,705,374
Scholarships and fellowships	6,462,474	6,135,967
Auxiliary enterprises	1,674,561	1,668,334
Depreciation	1,448,526	1,374,787
Total operating expenses (Schedule B)	42,266,534	42,436,558
OPERATING LOSS	(28,654,071)	(31,863,687)
NON-OPERATING REVENUES (EXPENSES):		
State appropriations	8,426,769	10,802,609
Property taxes for maintenance and operations	20,975,632	16,026,859
Federal grants, non-operating	6,153,200	7,570,334
Gifts – noncapital	375,630	438,574
Investment income – not restricted to programs	419,571	296,180
Interest on capital – related debt	(5,205,791)	(569,729)
Loss on disposal of capital assets	(84,828)	(118,622)
Other non-operating revenues	1,029	1,262
Other non-operating expenses	(125,776)	(101,372)
Net non-operating revenues (Schedule C)	30,935,436	34,346,095
Income before other revenues	2,281,365	2,482,408

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

	<u>2012</u>	<u>2011</u>
OTHER REVENUES (EXPENSES):		
State capital grants	\$ -	195,812
Private capital gifts and grants	3,000,000	-
Additions to permanent endowment	<u>23,403</u>	<u>6,946</u>
Total other revenues	<u>3,023,403</u>	<u>202,758</u>
Increase in Net Assets	5,304,768	2,685,166
Net assets – beginning of year	<u>33,075,410</u>	<u>30,390,244</u>
Net assets – end of year	\$ <u>38,380,178</u>	<u>33,075,410</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, 2011 and 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2011</u>	<u>Total 2010</u>
Revenues, gains and other support:					
Contributions (including pledges)	\$ -	321,500	113,498	434,998	425,553
Earnings (loss) on investments	734	95,835	6,955	103,524	(258,908)
Net unrealized gains (losses) on marketable securities	(136,660)	-	-	(136,660)	708,436
Net assets released from restrictions through satisfaction of program restrictions	<u>241,655</u>	<u>(241,655)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>105,729</u>	<u>175,680</u>	<u>120,453</u>	<u>401,862</u>	<u>875,081</u>
Expenses:					
Scholarships	135,791	-	-	135,791	127,267
Program and college support	105,864	-	-	105,864	228,199
General and administrative	<u>12,833</u>	<u>-</u>	<u>-</u>	<u>12,833</u>	<u>34,343</u>
Total expenses	<u>254,488</u>	<u>-</u>	<u>-</u>	<u>254,488</u>	<u>389,809</u>
CHANGES IN NET ASSETS	(148,759)	175,680	120,453	147,374	485,272
Net assets at beginning of year	<u>257,265</u>	<u>2,021,169</u>	<u>3,309,207</u>	<u>5,587,641</u>	<u>5,102,369</u>
Net assets at end of year	\$ <u>108,506</u>	<u>2,196,849</u>	<u>3,429,660</u>	<u>5,735,015</u>	<u>5,587,641</u>

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

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

Years ended August 31,

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from students and other customers	\$ 9,752,076	7,109,346
Receipts from grants and contracts	751,708	3,122,586
Receipts from loan collections from students and employees	5,117,513	166,688
Other receipts	789,548	734,862
Payments to or on behalf of employees	(22,887,864)	(22,271,984)
Payments to suppliers for goods or services	(9,413,464)	(10,057,426)
Payments of scholarships	(6,706,293)	(6,154,872)
Loans issued to student and employees	(5,205,048)	(151,187)
Other cash payments	<u>(101,759)</u>	<u>110,193</u>
Net cash used in operating activities	<u>(27,903,583)</u>	<u>(27,391,794)</u>
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES:		
Receipts from state allocations	6,893,480	7,884,706
Receipts from ad valorem taxes	20,943,262	16,055,547
Receipts from non-operating federal revenue	6,153,201	7,570,334
Receipts from gifts and grants other than for capital purposes	399,128	445,897
Receipts from student organizations and other agencies	(4,867,935)	1,833,278
Payments to student organizations and other agencies	5,020,728	(1,584,015)
Deposit with escrow agents	<u>(435,749)</u>	<u>(13,960)</u>
Net cash provided by non-capital and related financing activities	<u>34,106,115</u>	<u>32,191,787</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from issuance of capital financing	6,861,956	69,501,363
Proceeds from capital grants and gifts	452,667	176,311
Proceeds from insurance recoveries	100,276	18,238
Purchases of capital assets	(12,182,689)	(1,735,104)
Payments on capital debt and leases	<u>(7,429,200)</u>	<u>(2,894,835)</u>
Net cash provided by (used in) capital and related financing activities	<u>(12,196,990)</u>	<u>65,065,973</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Receipts from sale and maturity of investments	20,501,731	3,000,000
Receipts from investment earnings	752,166	240,870
Purchases of investments	<u>(67,353,899)</u>	<u>(13,250,000)</u>
Net cash provided by investing activities	<u>(46,100,002)</u>	<u>(10,009,130)</u>
Increase (decrease) in cash and cash equivalents	(52,094,460)	59,856,836
Cash and cash equivalents – September 1	<u>72,873,984</u>	<u>13,017,148</u>
Cash and cash equivalents – August 31	\$ <u>20,779,524</u>	<u>72,873,984</u>

Odessa Junior College District

Exhibit 3

STATEMENTS OF CASH FLOWS (CONTINUED)

Years ended August 31,

	2012	2011
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating loss	\$ (28,654,071)	(31,863,642)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	1,448,526	1,374,788
Payments made directly to ERS by state for benefits	1,533,289	2,917,903
Changes in assets and liabilities:		
Receivable, net:		
Tuition and fees receivable, net	215,285	87,427
State and federal operating grants receivable	(2,057,589)	(124,505)
Private grants receivable	108,439	-
Employee receivable	(1,552)	4,523
Sales and services receivable, net	(441,000)	(508,892)
Auxiliary receivable, net	4,543	12,722
Inventories	(350)	1,792
Other assets	(101,759)	110,193
Accounts payable	(347,714)	(354,887)
Accrued payroll liabilities	450,788	32,022
Deferred revenue:		
Deferred tuition and fees revenue	(65,309)	711,711
Other deferred revenue	(83,500)	151,063
Compensated absences	15,224	19,271
Accrued workers comp	(2,499)	2,393
Loans to students and employees	75,666	34,369
Total adjustments	750,488	4,471,893
Net cash used by operating activities	\$ <u>(27,903,583)</u>	<u>(27,391,794)</u>

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

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS

August 31, 2012 and 2011

NOTE 1 – REPORTING ENTITY

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Reporting Guidelines*

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

2. *Tuition Discounting*

Texas Public Education Grants

Certain tuition amounts are required to be set aside for use as scholarships by qualifying students. This set aside, called the Texas Public Education Grant (“TPEG”), is shown with tuition and fee revenue amounts as a separate set aside amount (Texas Education Code §56.033). 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, 2012 and 2011

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, 2012 and 2011

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. 64

GASB Statement 64, *Derivative Instruments: Application of Hedging Accounting Termination Provisions—an amendment of GASB Statement No. 53*, was issued June 2011. GASB 64 is to clarify whether an effective hedging relationship continues after the replacement of a swap counter-party or a swap counterparty's credit support provider. This statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The provisions of this statement are effective for financial statements for periods beginning after June 15, 2011. Earlier application is encouraged.

GASBS No. 65

GASBS Statement 65, *Items Previously Reported as Assets and Liabilities*, was issued March 2012. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. The provisions of this statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged.

GASBS No. 66

GASB Statement No. 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62*, was issued March 2012. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. As a result, governments should base their decisions about fund type classification on the nature of the activity to be reported, as required in Statement 54 and Statement No. 34, *Basic Financial Statements—and Management's Discussion and*

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2012 and 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. *New Accounting Pronouncements (Continued)*

GASBS No. 66 (Continued)

Analysis—for State and Local Governments. This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes clarify how to apply Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. 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 2012 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, 2012 and 2011

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits: At August 31, 2012 and 2011, the carrying amount of the District's deposits was \$7,983,513 and \$6,994,824, respectively; and bank balances equaled \$8,270,981 and \$7,516,578. Bank balances of \$542,692 and \$526,364 are covered by federal depository insurance and \$7,728,289 and \$6,990,214 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 \$12,781,912 and \$65,865,060 in state approved public investment pools at August 31, 2012 and 2011, respectively.

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

Cash and Deposits		
	<u>2012</u>	<u>2011</u>
Bank Deposits		
Demand Deposits	\$ 2,694,696	1,117,406
Transit Items	(287,468)	(521,754)
Time Deposits	<u>5,576,285</u>	<u>6,399,172</u>
	<u>7,983,513</u>	<u>6,994,824</u>
Cash and Cash Equivalents		
Public Funds Investment Pools	12,781,912	65,865,060
Petty Cash on Hand	<u>14,100</u>	<u>14,100</u>
Total Cash and Deposits	\$ <u>20,779,525</u>	<u>72,873,984</u>

Reconciliation of Deposits and Investments to Exhibit 1

<u>Type of Security</u>	<u>Market Value</u> <u>August 31, 2012</u>	<u>Market Value</u> <u>August 31, 2011</u>
Total Cash and Deposits	\$ 20,779,525	72,873,984
Total Investments	<u>68,812,257</u>	<u>22,651,275</u>
Total Deposits and Investments	\$ <u>89,591,782</u>	<u>95,525,259</u>
Current Cash and Temporary Investments (Exh. 1)	\$ 11,391,306	24,318,055
Restricted Cash and Temporary Investments (Exh. 1)	9,388,219	48,555,929
Short-Term Investment (Exh. 1)	12,024,328	-
Endowment Investments (Exh. 1)	829,114	807,426
Other Long-Term Investments (Exh. 1)	<u>55,958,815</u>	<u>21,843,849</u>
Total Deposits and Investments (Exh. 1)	\$ <u>89,591,782</u>	<u>95,525,259</u>

As of August 31, 2012, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities in Years</u>		
		<u>Less than 1</u>	<u>1 to 2</u>	<u>2 to 5</u>
U.S. Government Securities	\$ 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	<u>11,025,398</u>	<u>149,040</u>	<u>5,685,510</u>	<u>5,190,848</u>
Total Fair Value	\$ <u>68,812,257</u>	<u>40,691,094</u>	<u>18,315,485</u>	<u>9,805,678</u>

Odessa Junior College District
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2012 and 2011

NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)

As of August 31, 2011, 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	\$ 17,262,400	-	8,551,805	8,710,595
Certificate of Deposit	<u>5,388,875</u>	<u>5,388,875</u>	-	-
Total Fair Value	\$ <u>22,651,275</u>	<u>5,388,875</u>	<u>8,551,805</u>	<u>8,710,595</u>

Interest Rate Risk: In accordance with state law and District policy, the District has established maturity limitations on investments purchased. Investments of the operating and renewal and replacement funds do not have maturities in excess of 5 years. Investments of debt service funds do not have maturities in excess of the debt service dates. Additionally, maturities of commercial paper and 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, 2012 and 2011 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, 2012 and 2011

NOTE 5 – CAPITAL ASSETS

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

	Balance September 1, <u>2011</u>	<u>Increases</u>	<u>Decreases</u>	Balance August 31, <u>2012</u>
Not Depreciated:				
Land	\$ 3,865,566	129,913	-	3,995,479
Construction in progress	<u>461,691</u>	<u>5,021,173</u>	<u>44,728</u>	<u>5,438,136</u>
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	<u>6,622,726</u>	<u>31,000</u>	-	<u>6,653,726</u>
Total Buildings and Other Improvements	36,079,607	6,730,525	-	42,810,132
Library books	2,395,419	80,038	81,345	2,394,112
Furniture, machinery and equipment	<u>8,261,816</u>	<u>948,223</u>	<u>36,685</u>	<u>9,173,354</u>
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	<u>2,898,443</u>	<u>186,251</u>	-	<u>3,084,694</u>
Total Buildings and Other Improvements	17,150,386	690,416	-	17,840,802
Library books	170,979	51,678	-	222,657
Furniture, machinery and equipment	<u>5,281,797</u>	<u>706,432</u>	<u>33,203</u>	<u>5,955,026</u>
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>

Capital assets activity for the year ended August 31, 2011, was as follows:

	Balance September 1, <u>2010</u>	<u>Increases</u>	<u>Decreases</u>	Balance August 31, <u>2011</u>
Not Depreciated:				
Land	\$ 3,865,566	-	-	3,865,566
Construction in progress	<u>124,415</u>	<u>461,690</u>	<u>124,414</u>	<u>461,691</u>
Total Capital Assets – Non-Depreciated	<u>3,989,981</u>	<u>461,690</u>	<u>124,414</u>	<u>4,327,257</u>
Other Capital Assets:				
Buildings and building improvements	29,005,867	451,014	-	29,456,881
Other real estate improvements	<u>6,490,894</u>	<u>131,832</u>	-	<u>6,622,726</u>
Total Buildings and Other Improvements	35,496,761	582,846	-	36,079,607
Library books	2,393,736	87,310	85,627	2,395,419
Furniture, machinery and equipment	<u>7,699,242</u>	<u>697,884</u>	<u>135,310</u>	<u>8,261,816</u>
Total Capital Assets – Depreciable	<u>45,589,739</u>	<u>1,368,040</u>	<u>220,937</u>	<u>46,736,842</u>
Accumulated Depreciation:				
Buildings and building improvements	13,767,764	484,179	-	14,251,943
Other real estate improvements	<u>2,712,694</u>	<u>185,749</u>	-	<u>2,898,443</u>
Total Buildings and Other Improvements	16,480,458	669,928	-	17,150,386
Library books	125,081	45,898	-	170,979
Furniture, machinery and equipment	<u>4,725,150</u>	<u>658,962</u>	<u>102,315</u>	<u>5,281,797</u>
Total Accumulated Depreciation	<u>21,330,689</u>	<u>1,374,788</u>	<u>102,315</u>	<u>22,603,162</u>
Net Capital Assets	\$ <u>28,249,031</u>	<u>454,942</u>	<u>243,036</u>	<u>28,460,937</u>

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2012 and 2011

NOTE 6 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended August 31, 2012, 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 compensable 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

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

	Balance September 1, 2010	Increases	Decreases	Balance August 31, 2011	Due Within One Year
<u>Bonds</u>					
2009 Revenue bonds	\$ 20,800,000	-	1,795,000	19,005,000	1,850,000
General obligation bonds	-	68,500,000	-	68,500,000	-
Total Bonds	20,800,000	68,500,000	1,795,000	87,505,000	1,850,000
<u>Leases</u>					
Capital Leases	263,409	-	94,448	168,961	94,448
Total Capital Leases	263,409	-	94,448	168,961	94,448
<u>Other Liabilities</u>					
Accrued compensable absences	393,948	19,271	-	413,219	413,219
Accrued workers compensation	106	2,393	-	2,499	-
Total Other Liabilities	394,054	21,664	-	415,718	413,219
Total Long-Term Liabilities	\$ 21,457,463	68,521,664	1,889,448	88,089,679	2,357,667

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2012 and 2011

NOTE 7 – DEBT AND LEASE OBLIGATIONS

Debt service obligations at August 31, 2012, 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
2013	\$ 30	4,196	4,226	2,130	783	2,913	2,160	4,979	7,139
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
2018-2022	8,070	15,697	23,767	8,140	1,368	9,508	16,210	17,065	33,275
2023-2027	10,165	13,601	23,766	1,315	736	2,051	11,480	14,337	25,817
2028-2032	12,935	10,826	23,761	1,600	451	2,051	14,535	11,277	25,812
2033-2037	16,615	7,150	23,765	1,270	87	1,357	17,885	7,237	25,122
2038-2041	16,535	2,280	18,815	-	-	-	16,535	2,280	18,815
Total	\$ 68,500	68,072	136,572	23,470	5,979	29,449	91,970	74,051	166,021

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
2013	\$ 114,744
2014	40,231
2015	<u>40,230</u>
Total minimal lease payments	195,205
Less: Amount representing interest costs	<u>(21,739)</u>
Present value of minimum lease payments	\$ <u>173,466</u>

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, 2012 and 2011

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, 2011	Issued	Retired	Balance Aug. 31, 2012
Series 2009 Bonds	\$ 19,005,000	-	1,850,000	17,155,000
Series 2011 Bonds	68,500,000	-	-	68,500,000
Series 2012 Bonds	-	6,315,000	-	6,315,000
Total Bonds	<u>\$ 87,505,000</u>	<u>6,315,000</u>	<u>1,850,000</u>	<u>91,970,000</u>

At August 31, 2012, there were no defeased bonds outstanding.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2012 and 2011

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, 2012 and 2011 were \$155,184 and \$168,323, respectively.

Future minimum rental payments are as follows:

<u>For the Year Ended August 31,</u>	<u>Operating Leases</u>
2013	\$ 138,798
2014	95,519
2015	46,469
2016	7,858
2017	<u>2,563</u>
Total	\$ <u>291,207</u>

NOTE 10 – EMPLOYEES' RETIREMENT PLAN

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

Teacher Retirement System of Texas

Plan Description. The 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 2012 and fiscal year 2011. In certain instances, the reporting district is required to make all or a portion of the state's 6.00% contribution for fiscal year 2012 and fiscal year 2011.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2012 and 2011

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 2012 and 2011. 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 2012 and fiscal year 2011. 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 \$878,848 and \$983,622 for the fiscal years ended August 31, 2012 and 2011, 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 \$19,226,739 and \$19,461,894 for fiscal years 2012 and 2011, respectively. The total payroll of employees covered by the Teacher Retirement System was \$12,098,472 and \$12,006,514 and the total payroll of employees covered by the Optional Retirement Program was \$4,530,352 and \$4,962,430 for fiscal years 2012 and 2011, 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, 2012 and 2011, 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, 2012 and 2011 in the amounts of \$428,443 and \$413,219 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, 2012 and 2011

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, 2012 and 2011 were as follows:

	<u>2012</u>	<u>2011</u>
Tuition and fees receivable	\$ 448,293	528,079
Taxes receivable	1,470,358	1,497,113
Federal receivable	2,945,274	710,654
State receivable	96,848	273,879
Interest receivable	419,176	60,589
Other receivables	<u>2,015,758</u>	<u>1,915,541</u>
Subtotal	7,395,707	4,985,855
Allowance for doubtful accounts	<u>(1,677,119)</u>	<u>(1,578,090)</u>
Total	\$ <u>5,718,588</u>	<u>3,407,765</u>

Payables at August 31, 2012 and 2011 were as follows:

	<u>2012</u>	<u>2011</u>
Vendors payable – operations	\$ 1,190,415	1,294,310
Vendors payable – capital	695,397	12,942
Students payable	<u>1,152,503</u>	<u>1,396,322</u>
Total	\$ <u>3,038,315</u>	<u>2,703,574</u>

NOTE 15 – CONTRACT AND GRANT AWARDS

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, *Audits of Colleges and Universities*. Revenues are recognized on Exhibit 2 and Schedule A 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 2012 and 2011 for which monies have not been received nor funds expended totaled \$3,503,360 and \$4,901,382, respectively. Of these amounts, \$3,094,715 and \$4,486,105 were from federal contract and grant awards; \$356,190 and \$252,820 were from state contract and grant awards; and \$5,678 and \$161,347 were from private contract and grant awards for the fiscal years ended August 31, 2012 and 2011, respectively.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2012 and 2011

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 \$1,123,717 and \$1,934,280 for the years ended August 31, 2012 and 2011, 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:

	2012	2011
Number of retirees receiving benefits	169	159
Cost of state’s contribution	\$ 892,133	752,404
Cost of local contribution	81,745	136,440
Total cost of benefits for retirees	\$ 973,878	888,844
Number of active employees receiving benefits	337	335
Cost of state’s contribution	\$ 231,584	1,181,876
Cost of federal grant contribution	52,160	15,444
Cost of local contribution	1,887,660	909,213
Total cost of benefits for active employees	\$ 2,171,404	2,106,533

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2012 and 2011

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>2012</u>	<u>2011</u>
Assessed valuation of the District (at January 1, 2011 and 2010)	\$ 12,709,098,669	12,082,969,835
Less: exemptions	(1,902,355,266)	(1,944,226,797)
Less: abatements	<u>(182,418,348)</u>	<u>(163,854,176)</u>
Net assessed valuation of the District	\$ <u>10,624,325,055</u>	<u>9,974,888,862</u>

At August 31:

	<u>2012</u>			<u>2011</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)	\$.20	.50	.70	0.20	.50	0.70
Assessed tax rate per \$100 valuation	\$ 0.15840	0.03686	0.19526	.1584	-	.1584

Taxes levied (including adjustments to the certified levies) for the years ended August 31, 2012 and 2011 were \$20,745,057 and \$15,800,224, 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>2012</u>			<u>2011</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	\$ 16,826,000	3,821,581	20,647,581	15,352,752	-	15,352,752
Delinquent taxes collected	402,752	-	402,752	438,089	-	438,089
Penalties and interest collected	<u>278,884</u>	<u>18,924</u>	<u>297,808</u>	<u>289,794</u>	-	<u>289,794</u>
Total collections	\$ <u>17,507,636</u>	<u>3,840,505</u>	<u>21,348,141</u>	<u>16,080,635</u>	-	<u>16,080,635</u>

Tax collections for the years ended August 31, 2012 and 2011 were 102% 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, 2012 and 2011.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2012 and 2011

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.

The District's contribution on behalf of retirees to SRHP for the years ended August 31, 2012, 2011, and 2010 were \$81,475, \$136,440, and \$49,328, respectively, which equaled the required contributions each year.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2012 and 2011

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.

NOTE 22 – SUBSEQUENT EVENTS

Management of the District has performed an evaluation of the District’s activity through December 6, 2012, 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, 2012
With Memorandum Totals for the Year Ended August 31, 2011**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	2012 Total	2011 Total
Tuition:						
State-funded credit courses						
In-district resident tuition	\$ 3,361,288	-	3,361,288	-	3,361,288	3,324,530
Out-of-district resident tuition	2,152,501	-	2,152,501	-	2,152,501	1,749,691
Non-resident tuition	629,165	-	629,165	-	629,165	557,504
TPEG credit set aside *	317,208	-	317,208	-	317,208	297,047
State-funded continuing education	1,163,406	-	1,163,406	-	1,163,406	975,950
TPEG non-credit set aside *	74,017	-	74,017	-	74,017	61,035
Non-state funded educational programs	<u>264,866</u>	-	<u>264,866</u>	-	<u>264,866</u>	<u>280,434</u>
Total tuition	<u>7,962,451</u>	<u>-</u>	<u>7,962,451</u>	<u>-</u>	<u>7,962,451</u>	<u>7,246,191</u>
Fees:						
Student use fees	1,823,246	-	1,823,246	-	1,823,246	1,122,908
Institutional/course fees	734,845	-	734,845	-	734,845	624,446
Student service fees	-	-	-	91,976	91,976	96,922
Laboratory fees	145,351	-	145,351	-	145,351	153,453
Other fees	<u>92,805</u>	<u>11,126</u>	<u>103,931</u>	-	<u>103,931</u>	<u>110,753</u>
Total fees	<u>2,796,247</u>	<u>11,126</u>	<u>2,807,373</u>	<u>91,976</u>	<u>2,899,349</u>	<u>2,108,482</u>
Scholarship allowances and discounts:						
Tuition bad debt allowance	(118,462)	-	(118,462)	-	(118,462)	(63,697)
Local remissions and exemptions	(720)	-	(720)	-	(720)	(3,706)
State remissions and exemptions	(253,100)	-	(253,100)	-	(253,100)	(236,501)
TPEG allowances	(121,591)	-	(121,591)	-	(121,591)	(98,297)
Federal grants to students	(835,317)	-	(835,317)	-	(835,317)	(2,695,747)
State grants to students	(60,448)	-	(60,448)	-	(60,448)	(105,994)
Local grants to students	<u>(782,871)</u>	-	<u>(782,871)</u>	-	<u>(782,871)</u>	<u>(658,664)</u>
Total scholarship allowances	<u>(2,172,509)</u>	<u>-</u>	<u>(2,172,509)</u>	<u>-</u>	<u>(2,172,509)</u>	<u>(3,862,606)</u>
Total net tuition and fees	<u>8,586,189</u>	<u>11,126</u>	<u>8,597,315</u>	<u>91,976</u>	<u>8,689,291</u>	<u>5,492,067</u>
Other operating revenues:						
Federal grants and contracts	33,815	2,202,787	2,236,602	-	2,236,602	2,534,665
State grants and contracts	4,689	488,347	493,036	-	493,036	485,752
Nongovernmental grants and contracts	25,000	36,863	61,863	-	61,863	78,813
Sales and services of educational activities	495,027	-	495,027	-	495,027	417,249
Investment income (program restricted)	-	13,808	13,808	739	14,547	12,687
General operating revenues	<u>731,957</u>	<u>43,043</u>	<u>775,000</u>	-	<u>775,000</u>	<u>722,176</u>
Total other operating revenues	<u>1,290,488</u>	<u>2,784,848</u>	<u>4,075,336</u>	<u>739</u>	<u>4,076,075</u>	<u>4,251,342</u>

Odessa Junior College District

Schedule A

SCHEDULE OF OPERATING REVENUES (CONTINUED)

**Year Ended August 31, 2012
With Memorandum Totals for the Year Ended August 31, 2011**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2012 Total</u>	<u>2011 Total</u>
Auxiliary enterprises:						
Bookstore	\$ -	-	-	206,252	206,252	225,316
Food service	-	-	-	494,244	494,244	447,440
Student housing	-	-	-	16,304	16,304	1,027
Other auxiliaries	-	-	-	<u>130,297</u>	<u>130,297</u>	<u>155,679</u>
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>847,097</u>	<u>847,097</u>	<u>829,462</u>
Total Operating Revenues	\$ <u>9,876,677</u>	<u>2,795,974</u>	<u>12,672,651</u>	<u>939,812</u>	<u>13,612,463</u> (Exhibit 2)	<u>10,572,871</u> (Exhibit 2)

* In accordance with Education Code 56.033, \$391,225 and \$358,082 for years ending August 31, 2012 and 2011, 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, 2012
With Memorandum Totals for the Year Ended August 31, 2011**

	Salaries & Wages	Staff Benefits		Other Expenses	2012 Total	2011 Total
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 9,766,688	-	1,812,995	1,843,289	13,422,972	12,154,026
Public service	587,339	-	76,252	169,887	833,478	695,710
Academic support	2,033,820	-	474,466	553,522	3,061,808	2,807,479
Student services	1,835,361	-	441,185	358,639	2,635,185	2,336,155
Institutional support	2,582,803	-	872,108	2,011,121	5,466,032	6,156,889
Operation and maintenance of plant	808,680	-	208,754	2,333,122	3,350,556	3,727,674
Scholarship and fellowships	-	-	-	655,677	655,677	647,755
Total Unrestricted Educational Activities	<u>17,614,691</u>	<u>-</u>	<u>3,885,760</u>	<u>7,925,257</u>	<u>29,425,708</u>	<u>28,525,688</u>
Restricted - Educational Activities						
Instruction	581,812	862,892	43,317	361,019	1,849,040	3,111,523
Public service	156,842	21,382	48,158	150,280	376,662	636,763
Academic support	328,145	169,609	49,484	528,701	1,075,939	997,193
Student services	54,923	166,276	-	57,599	278,798	500,472
Institutional support	15,841	313,130	-	1,532	330,503	155,886
Operation and maintenance of plant	-	-	-	-	-	(22,300)
Scholarship and fellowships	-	-	-	5,806,797	5,806,797	5,488,212
Total Restricted Educational Activities	<u>1,137,563</u>	<u>1,533,289</u>	<u>140,959</u>	<u>6,905,928</u>	<u>9,717,739</u>	<u>10,867,749</u>
Total Educational Activities	18,752,254	1,533,289	4,026,719	14,831,185	39,143,447	39,393,437
Auxiliary Enterprises	474,485	-	96,371	1,103,705	1,674,561	1,668,334
Depreciation Expense – Buildings and other real estate improvements	-	-	-	690,416	690,416	669,927
Depreciation Expense – Equipment and furniture	-	-	-	758,110	758,110	704,860
Total Operating Expenses	<u>\$ 19,226,739</u>	<u>1,533,289</u>	<u>4,123,090</u>	<u>17,383,416</u>	<u>42,266,534</u> (Exhibit 2)	<u>42,436,558</u> (Exhibit 2)

Odessa Junior College District

Schedule C

SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES

**Year Ended August 31, 2012
With Memorandum Totals for the Year Ended August 31, 2011**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2012 Total</u>	<u>2011 Total</u>
NON-OPERATING REVENUES:					
State appropriations:					
Education and general support	\$ 6,826,221	-	-	6,826,221	7,843,768
State group insurance	-	1,123,717	-	1,123,717	1,934,280
State retirement matching	-	409,574	-	409,574	983,622
Nursing shortage reduction grant	-	67,257	-	67,257	40,939
Total state appropriations	<u>6,826,221</u>	<u>1,600,548</u>	<u>-</u>	<u>8,426,769</u>	<u>10,802,609</u>
Property taxes for maintenance and operations	17,040,582	-	-	17,040,582	16,026,859
Property taxes for debt service	-	3,935,050	-	3,935,050	-
Federal revenue, non-operating	-	6,153,200	-	6,153,200	7,570,334
Gifts – noncapital	98,450	261,810	15,370	375,630	438,574
Investment income – not restricted to programs	419,571	-	-	419,571	296,180
Other non-operating revenues	<u>1,029</u>	<u>-</u>	<u>-</u>	<u>1,029</u>	<u>1,262</u>
Total Non-Operating Revenues	<u>24,385,853</u>	<u>11,950,608</u>	<u>15,370</u>	<u>36,351,831</u>	<u>35,135,818</u>
NON-OPERATING EXPENSES:					
Interest on capital-related debt	5,205,791	-	-	5,205,791	569,729
Loss on disposal of capital assets	84,828	-	-	84,828	118,622
Other non-operating expenses	<u>125,776</u>	<u>-</u>	<u>-</u>	<u>125,776</u>	<u>101,372</u>
Total Non-Operating Expenses	<u>5,416,395</u>	<u>-</u>	<u>-</u>	<u>5,416,395</u>	<u>789,723</u>
Net Non-Operating Revenues	<u>\$ 18,969,458</u>	<u>11,950,608</u>	<u>15,370</u>	<u>30,935,436</u> (Exhibit 2)	<u>34,346,095</u> (Exhibit 2)

Odessa Junior College District

Schedule D

SCHEDULE OF NET ASSETS BY SOURCE AND AVAILABILITY

**Year Ended August 31, 2012
With Memorandum Totals for the Year Ended August 31, 2011**

	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	\$ 17,341,567	-	-	-	17,341,567	17,341,567	-	
Unrestricted, board designated	118,485	-	-	-	118,485	-	118,485	
Restricted	-	668,916	-	-	668,916	-	668,916	
Auxiliary enterprises	-	-	-	-	-	-	-	
Loans	252,417	9,451	-	-	261,868	-	261,868	
Endowment	-	-	829,114	-	829,114	-	829,114	
Plant:								
Capital projects	211,230	3,507,425	-	-	3,718,655	-	3,718,655	
Debt service	-	3,419,631	-	-	3,419,631	-	3,419,631	
Investment in plant	-	-	-	12,021,942	12,021,942	-	12,021,942	
Total Net Assets, August 31, 2012	17,923,699	7,605,423	829,114	12,021,942	38,380,178 (Exhibit 1)	17,341,567	21,038,611	
Total Net Assets, August 31, 2011	17,680,665	4,820,291	807,426	9,767,028	33,075,410 (Exhibit 1)	16,983,100	16,092,310	
Net Increase (Decrease) in Net Assets	\$ 243,034	2,785,132	21,688	2,254,914	5,304,768 (Exhibit 2)	358,467	4,946,301	

Odessa Junior College District

Schedule E

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended August 31, 2012

<u>Federal Grantor/Pass Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Document/ Pass Through Grantor's Number</u>	<u>Pass Through Disbursement and Expenditures</u>
<u>U.S. Department of Education</u>			
Direct Programs:			
Student Financial Aid Cluster			
Federal Supplemental Educational Opportunity Grant (11-12)	84.007A	P007A114089	\$ 52,801
Federal Supplemental Educational Opportunity Grant (12-13)	84.007A	P007A124089	<u>30,913</u>
Subtotal			83,714
Federal College Work Study (11-12)	84.033A	P033A114089	114,027
Federal College Work Study (12-13)	84.033A	P033A124089	<u>2,969</u>
Subtotal			116,996
Federal Pell Grant (11-12)	84.063P	P063P112294	3,724,155
Federal Pell Grant (12-13)	84.063P	P063P122294	<u>2,345,334</u>
Subtotal			6,069,489
CCRA HIS Pre-Engineering	84.031C	P031C080147	76,868
Title V Expanding and Improving Distance Learning in Rural Areas	84.031S	P031S100097	862,519
TRIO Cluster			
Trio Upward Bound	84.047A	P047A070034	294,133
Direct Student Loans	84.268	P268K122294	21,977
Pass-through from:			
Texas Education Agency			
Adult Basic Education (11-12)	84.002A	1241001201	485,998
Pass-through from:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education - Basic	84.048	94235	<u>163,314</u>
Total U.S. Department of Education			<u>8,175,008</u>
<u>U.S. Department of Agriculture</u>			
Pass-through from:			
Sul Ross University	10.223	2008-38422-19544	150
Pass-through from:			
Texas Department of Human Services			
Child and Adult Care Food Program	10.558	165-0013	<u>51,217</u>
Total U.S. Department of Agriculture			<u>51,367</u>

Notes to Schedule on following page.

Odessa Junior College District

Schedule E

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended August 31, 2012

<u>Federal Grantor/Pass Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Document/ Pass Through Grantor's Number</u>	<u>Pass Through Disbursement and Expenditures</u>
<u>U.S. Department of Labor</u>			
Pass-through from:			
U.S. Department of Labor			
ARRA – National Association of Regional Councils and Permian Basin Planning Commission – Pathways out of Poverty	17.275	GJ-19940-10-60-A-11	\$ <u>83,530</u>
Total U.S. Department of Labor			<u>83,530</u>
<u>National Science Foundation</u>			
Pass-through from:			
University of Texas at El Paso			
LSAMP	47.076	HRD-0703584	<u>8,880</u>
<u>U.S. Department of Health and Human Services</u>			
Pass-through from:			
Texas Education Agency			
Temporary Assistance for Needy Families (11-12)	93.558	36251201	1,052
Pass-through from:			
West Texas Opportunities			
Designated Vendor Program	93.596		<u>91,942</u>
Total U.S. Department of Health and Human Services			<u>92,994</u>
Total Federal Financial Assistance			\$ <u><u>8,411,779</u></u>

Note 1: FEDERAL ASSISTANCE RECONCILIATION

Federal revenues per Schedule A & C:			
Federal grants and contracts revenue, Operating Sch A			\$ 2,236,602
Federal grants and contracts revenue, Non-Operating Sch C			6,153,200
Federal Direct Student Loans			<u>21,977</u>
Total Federal Revenues Per Schedule of Expenditures of Federal Awards			\$ <u><u>8,411,779</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.

Odessa Junior College District

Schedule E

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year Ended August 31, 2012

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

Federal Grantor <u>CFDA Number/Program Name</u>	<u>New Loans Processed</u>	<u>Administrative Costs Recovered</u>	<u>Total Loans Processed & Admin. Costs Recovered</u>
<u>Department of Education</u>			
84.032 Federal Family Education Loan Program	\$ <u>1,679,774</u>	<u>-</u>	<u>1,679,774</u>
Total U.S. Department of Education	\$ <u>1,679,774</u>	<u>-</u>	<u>1,679,774</u>

Odessa Junior College District

Schedule F

SCHEDULE OF EXPENDITURES OF STATE AWARDS

Year Ended August 31, 2012

Grantor Agency / Program Title	Grant Contract Number	Disbursements and Expenditures
Texas Education Agency		
State Adult Education (10-11) One Time Extension	01001101	\$ 25,203
State Adult Education (11-12)	01001201	116,929
Texas Higher Education Coordinating Board		
Texas College Work Study (10-11)	-	12,949
Texas Grant I	-	149,044
TEOG	-	24,098
State Top Ten % Schools	-	16,000
Statewide Longitudinal Data System	04755	1,110
Nursing Shortage Reduction Grant	-	67,257
AVID Professional Training	05834	56,996
AVID Mentorship Tutor Program	-	39,649
College Students Taking STRR Study	06401	200
Texas Law Enforcement Officer Standards in Education Agency		
LEOSE Training Grant	-	1,531
Texas Workforce commission		
Skills Development Grant – Miether	1111SDF000	<u>49,327</u>
Total Expenditures of State Awards		\$ <u>560,293</u>

NOTE 1: STATE ASSISTANCE RECONCILIATION

State revenues per Exhibit 2:

Operating Revenues:

State grants and contracts \$ 493,036

State revenues per Schedule C:

Non-Operating Revenues:

Nursing shortage reduction grant 67,257

Total State Revenues Per Schedule of Expenditures of State Awards \$ 560,293

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

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

SINGLE AUDIT REPORTS



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

The Board of Trustees
Odessa Junior College District
Odessa, Texas

We have audited the financial statements of Odessa Junior College District (the "District") as of and for the year ended August 31, 2012, and have issued our report thereon dated December 6, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A *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 misstatements on a timely basis. A *material weakness* is a deficiency or combination of control deficiencies in internal control such that there is more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of 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, 2012, no instances of noncompliance were found.

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

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

Odessa, Texas
December 6, 2012



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

The Board of Trustees
Odessa Junior College District
Odessa, Texas

Compliance

We have audited the compliance of Odessa Junior College District (the "District") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the Provisions of the State of Texas Single Audit Circular that could have a direct and material effect on each of the District's major federal and state programs for the year ended August 31, 2012. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2012.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state programs to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report an internal control over compliance in accordance with OMB Circular A-133 and the provisions of the State of Texas Single Audit Circular, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency* in internal control over compliance exists when the design or operation of a control 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 and 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 that will not be prevented or detected on a timely basis.

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

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

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

Odessa, Texas
December 6, 2012

Odessa Junior College District

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

August 31, 2012

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

Odessa Junior College District

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

August 31, 2012

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.007A	Student Financial Aid Cluster: Federal Supplemental Education Opportunity Grant
84.033A	Federal College Work Study Program
84.063P	Federal Pell Grant
84.002A	Adult Basic Education
84.047A	Trio Upward Board
84.048	Carl Perkins Vocational Education - Basic
	<u>Name of State Program or Cluster</u>
N/A	Texas Education Agency State Adult Education
N/A	Texas Grant I
Dollar threshold used to distinguish between type A and type B programs:	Federal programs threshold \$300,000; State programs threshold \$300,000
Auditee qualified as low-risk auditee?	Yes
Section II – FINANCIAL STATEMENT FINDINGS	No matters were reported.
Section III – FEDERAL or STATE AWARD FINDINGS AND QUESTIONED COSTS	
August 31, 2012	No matters were reported.
August 31, 2011	No matters were reported.

STATISTICAL SUPPLEMENT

Odessa Junior College District
Statistical Supplement 1
Net Assets by Component
Fiscal Years 2003 to 2012
(unaudited)
(amounts expressed in thousands)

For the Fiscal Year Ended August 31.

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Invested in capital assets, net of related debt	12,022	9,767	8,169	4,955	(976)	(3,148)	(5,114)	(7,115)	(8,978)	(8,501)
Restricted - expendable	7,605	4,820	4,633	4,953	5,496	6,498	6,599	6,662	8,743	8,912
Restricted - nonexpendable	829	807	813	774	813	838	707	672	670	657
Unrestricted	17,924	17,681	16,775	18,511	21,196	19,612	18,851	18,325	17,338	17,993
Total primary government net assets	\$ 38,380	\$ 33,075	\$ 30,390	\$ 29,193	\$ 26,529	\$ 23,800	\$ 21,043	\$ 18,544	\$ 17,773	\$ 19,061

Odessa Junior College District
Statistical Supplement 2
Revenues by Source
Fiscal Years 2003 to 2012
(unaudited)

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Tuition and Fees (Net of Discounts)	\$8,689	\$5,492	\$4,662	\$3,788	\$3,595	\$3,910	\$3,734	\$2,978	\$2,644	\$2,468
Governmental Grants and Contracts										
Federal Grants and Contracts	2,237	2,535	3,627	3,706	3,533	3,022	4,225	4,073	3,452	3,942
State Grants and Contracts	493	486	418	490	421	375	332	562	1,200	849
Non-Governmental Grants and Contracts	62	79	32	64	73	25	120	29	111	88
Sales and services of educational activities	495	417	288	252	287	275	262	262	273	288
Investment Income	15	13	15	16	38	45	37	20	14	48
Auxiliary enterprises	847	829	816	775	725	562	502	516	466	540
Other Operating Revenues	775	722	601	533	479	433	479	429	463	504
Total Operating Revenues	13,613	10,573	10,459	9,624	9,151	8,647	9,691	8,869	8,623	8,727
State Appropriations	8,896	10,803	10,873	11,388	11,302	11,265	11,003	10,564	10,486	11,134
Ad Valorem Taxes	17,040	16,027	15,153	15,399	14,058	12,796	11,656	10,346	9,407	9,055
Debt Service Taxes	3,935	-	-	-	-	-	-	-	-	-
Federal Grants, non-operating	6,153	7,570	6,441	4,631	3,313	3,453	4,287	4,897	4,167	3,806
Gifts	376	439	311	185	460	323	221	199	261	310
Investment income	420	296	442	578	1,075	1,387	1,033	496	495	419
Other non-operating revenues	1	1	195	667	900	1	25	14	13	27
Total Non-Operating Revenues	36,821	35,136	33,415	32,848	31,108	29,225	28,225	26,516	24,829	24,751
Total Revenue	\$ 50,434	\$ 45,709	\$ 43,874	\$ 42,472	\$ 40,259	\$ 37,872	\$ 37,916	\$ 35,385	\$ 33,452	\$ 33,478

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Tuition and fees (net of discounts)	17.23%	12.02%	10.63%	8.92%	8.93%	10.32%	9.85%	8.42%	7.90%	7.37%
Governmental grants and contracts										
Federal grants and contracts	4.44%	5.55%	8.27%	8.73%	8.78%	7.98%	11.14%	11.51%	10.32%	11.77%
State grants and contracts	0.98%	1.06%	0.95%	1.15%	1.05%	0.99%	0.88%	1.59%	3.59%	2.54%
Non-governmental grants and contracts	0.12%	0.17%	0.07%	0.15%	0.18%	0.07%	0.32%	0.08%	0.33%	0.26%
Sales and services of educational activities	0.98%	0.91%	0.66%	0.59%	0.71%	0.73%	0.69%	0.74%	0.82%	0.86%
Investment Income	0.03%	0.03%	0.03%	0.04%	0.09%	0.12%	0.10%	0.06%	0.04%	0.14%
Auxiliary enterprises	1.68%	1.81%	1.86%	1.82%	1.80%	1.48%	1.32%	1.46%	1.39%	1.61%
Other operating revenues	1.54%	1.58%	1.37%	1.25%	1.19%	1.14%	1.26%	1.21%	1.38%	1.51%
Total Operating Revenues	26.99%	23.13%	23.84%	22.66%	22.73%	22.83%	25.56%	25.06%	25.78%	26.07%
State appropriations	17.64%	23.63%	24.78%	26.81%	28.07%	29.74%	29.02%	29.85%	31.35%	33.26%
Ad valorem taxes	33.79%	35.06%	34.54%	36.26%	34.92%	33.79%	30.74%	29.24%	28.12%	27.05%
Debt service taxes	7.80%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Federal Grants, non-operating	12.20%	16.56%	14.68%	10.90%	8.23%	9.12%	11.31%	13.84%	12.46%	11.37%
Gifts	0.75%	0.96%	0.71%	0.44%	1.14%	0.85%	0.58%	0.56%	0.78%	0.93%
Investment income	0.83%	0.65%	1.01%	1.36%	2.67%	3.66%	2.72%	1.40%	1.48%	1.25%
Other non-operating revenues	0.00%	0.00%	0.44%	1.57%	2.24%	0.00%	0.07%	0.04%	0.04%	0.08%
Total Non-Operating Revenues	73.01%	76.87%	76.16%	77.34%	77.27%	77.17%	74.44%	74.94%	74.22%	73.93%
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 2003 to 2012
(unaudited)

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction	\$15,272	\$15,266	\$14,382	\$13,461	\$12,698	\$11,937	\$11,520	\$11,769	\$11,895	\$11,938
Research	-	-	-	-	-	-	-	-	-	-
Public service	1,210	1,332	1,332	1,350	1,532	1,439	1,519	1,297	1,806	2,146
Academic support	4,138	3,805	4,006	4,219	3,732	3,592	4,329	3,598	2,837	2,943
Student services	2,914	2,837	3,332	3,109	3,175	3,084	2,894	3,246	2,829	2,613
Institutional support	5,796	6,313	6,089	5,211	4,606	4,048	3,742	3,984	3,697	3,308
Operation and maintenance of plant	3,351	3,705	5,036	5,015	5,021	4,301	3,862	3,521	3,614	3,404
Scholarships and fellowships	6,463	6,136	4,703	3,622	2,926	3,050	3,971	3,503	2,956	2,618
Auxiliary enterprises	1,675	1,668	1,685	1,707	1,597	1,309	1,178	1,223	1,241	1,394
Depreciation	1,448	1,375	1,315	1,084	990	952	844	750	780	829
Total Operating Expenses	42,267	42,437	41,880	38,778	36,277	33,712	33,859	32,891	31,655	31,193
Interest on capital related debt	5,206	570	650	1,461	1,257	1,347	1,424	1,501	1,573	1,639
Loss on disposal of fixed assets	85	119	90	95	126	101	112	147	135	182
Other non-operating	125	101	71	80	79	80	79	79	79	53
Total Non-Operating Expenses	5,416	790	811	1,636	1,462	1,528	1,615	1,727	1,787	1,874
Total Expenses	\$ 47,683	\$ 43,227	\$ 42,691	\$ 40,414	\$ 37,739	\$ 35,240	\$ 35,474	\$ 34,618	\$ 33,442	\$ 33,067

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction	32.03%	35.32%	33.69%	33.31%	33.65%	33.87%	32.47%	34.00%	35.57%	36.10%
Research	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Public service	2.54%	3.08%	3.12%	3.34%	4.06%	4.08%	4.28%	3.75%	5.40%	6.49%
Academic support	8.68%	8.80%	9.38%	10.44%	9.89%	10.19%	12.20%	10.39%	8.48%	8.90%
Student services	6.11%	6.56%	7.80%	7.69%	8.41%	8.75%	8.16%	9.38%	8.46%	7.90%
Institutional support	12.16%	14.60%	14.26%	12.89%	12.20%	11.49%	10.55%	11.51%	11.05%	10.00%
Operation and maintenance of plant	7.03%	8.57%	11.80%	12.41%	13.30%	12.20%	10.89%	10.17%	10.81%	10.29%
Scholarships and fellowships	13.55%	14.19%	11.02%	8.96%	7.75%	8.65%	11.19%	10.12%	8.84%	7.92%
Auxiliary enterprises	3.51%	3.86%	3.95%	4.22%	4.23%	3.71%	3.32%	3.53%	3.71%	4.22%
Depreciation	3.04%	3.18%	3.08%	2.68%	2.62%	2.70%	2.38%	2.17%	2.33%	2.51%
Total Operating Expenses	88.64%	98.17%	98.10%	95.95%	96.13%	95.66%	95.45%	95.01%	94.66%	94.33%
Interest on capital related debt	10.92%	1.32%	1.52%	3.62%	3.33%	3.82%	4.01%	4.34%	4.70%	4.96%
Loss on disposal of fixed assets	0.18%	0.28%	0.21%	0.24%	0.33%	0.29%	0.32%	0.42%	0.40%	0.55%
Other non-operating	0.26%	0.23%	0.17%	0.20%	0.21%	0.23%	0.22%	0.23%	0.24%	0.16%
Total Non-Operating Expenses	11.36%	1.83%	1.90%	4.05%	3.87%	4.34%	4.55%	4.99%	5.34%	5.67%
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	Building Use Fee	General Services Fee	Student Activity Fee	Out of District Fee	ID Card Fee	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
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%
2002	20	22	22	10	-	16	10	2	422	542	0.00%	8.40%

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

Academic Year (Fall)	Registration Fee (per student)	Non-Res Out of State Tuition	Non-Resident Tuition Internat'l	Building Use Fee	General Services Fee	Student Activity Fees	Out of District Fee	ID Card Fee	Cost for 12 SCH Out of State	Cost for 12 SCH Internat'l	Increase from Prior Yr Out of State	Increase from Prior Year Internat'l
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%
2002	20	46	46	10	-	16	-	2	708	708	8.92%	8.92%

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 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
CE Students	1,888	26.97%	1,828	25.97%	1,650	24.33%	1,934	29.21%	1,461	24.18%
0-30 hours	4,270	61.00%	4,362	61.97%	4,536	66.88%	4,035	60.94%	3,869	64.05%
31-60 hours	609	8.70%	773	10.98%	527	7.77%	601	9.08%	671	11.11%
> 60 hours	233	3.33%	76	1.08%	69	1.02%	51	0.77%	40	0.66%
Total	7,000	100.00%	7,039	100.00%	6,782	100.00%	6,621	100.00%	6,041	100.00%

Tuition Status	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
CE Students	1,888	26.97%	1,828	25.97%	1,650	24.33%	1,934	29.21%	1,461	24.18%
Texas Resident (in-District)	3,531	50.44%	3,595	51.07%	3,471	51.18%	3,071	46.38%	2,973	49.21%
Texas Resident (out-of-District)	1,383	19.76%	1,411	20.05%	1,481	21.84%	1,441	21.76%	1,416	23.44%
Non-Resident Tuition	166	2.37%	151	2.15%	138	2.03%	139	2.10%	150	2.48%
Tuition Exempt	32	0.46%	54	0.77%	42	0.62%	36	0.54%	41	0.68%
Total	7,000	100.00%	7,039	100.00%	6,782	100.00%	6,621	100.00%	6,041	100.00%

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

Annual Headcount Enrollment by Type

	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
<u>Credit Students:</u>					
General Academic	10,338	10,309	10,292	9,184	7,007
Technical for Credit	<u>4,246</u>	<u>3,681</u>	<u>3,798</u>	<u>3,381</u>	<u>5,263</u>
Total for Credit	14,584	13,990	14,090	12,565	12,270
<u>Non-Credit Students:</u>					
Technical (State funded)	<u>6,677</u>	<u>7,223</u>	<u>5,620</u>	<u>6,024</u>	<u>6,266</u>
TOTAL	<u>21,261</u>	<u>21,213</u>	<u>19,710</u>	<u>18,589</u>	<u>18,536</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>	
2002-03	7,761	8,081	3,014	3,574	22,430
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

*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>	
2002-03	43,809	45,113	6,612	4,537	100,071
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

Annual Contact Hours Generated*

	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
<u>Credit Students:</u>					
General Academic	1,354,704	1,414,944	1,415,536	1,228,233	1,188,208
Technical for Credit	<u>709,312</u>	<u>728,048</u>	<u>711,840</u>	<u>650,384</u>	<u>628,640</u>
Total for Credit	2,064,016	2,142,992	2,127,376	1,878,617	1,816,848
<u>Non-Credit Students:</u>					
Technical (State funded)	<u>320,602</u>	<u>318,279</u>	<u>285,982</u>	<u>257,325</u>	<u>293,719</u>
TOTAL	<u>2,384,618</u>	<u>2,461,271</u>	<u>2,413,358</u>	<u>2,135,942</u>	<u>2,110,567</u>

*Includes non-credit equivalent hours.

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

	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Gender										
Female	3,822	54.60%	3,966	56.34%	3,831	56.49%	3,711	56.05%	3,379	55.93%
Male	3,178	45.40%	3,073	43.66%	2,951	43.51%	2,910	43.95%	2,662	44.07%
Total	7,000	100.00%	7,039	100.00%	6,782	100.00%	6,621	100.00%	6,041	100.00%

	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Ethnic Origin										
White	1,963	28.04%	2,749	39.05%	2,878	42.44%	2,915	44.03%	2,748	45.49%
Hispanic	3,687	52.67%	3,826	54.35%	3,522	51.93%	3,311	50.01%	2,965	49.08%
African American	183	2.61%	308	4.38%	274	4.04%	289	4.36%	211	3.49%
Asian	53	0.76%	61	0.87%	56	0.83%	51	0.77%	57	0.94%
Native American	54	0.77%	40	0.57%	30	0.44%	39	0.59%	40	0.66%
International	15	0.21%	13	0.18%	21	0.31%	14	0.21%	20	0.33%
Unknown	1,045	14.93%	42	0.60%	1	0.01%	2	0.03%	-	0.00%
Total	7,000	100.00%	7,039	100.00%	6,782	100.00%	6,621	100.00%	6,041	100.00%

	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Age										
Under 18	1,007	14.39%	950	13.50%	1,004	14.80%	962	14.53%	810	13.41%
18 - 21	2,196	31.37%	2,243	31.87%	2,100	30.96%	1,925	29.07%	1,897	31.40%
22 - 24	779	11.13%	753	10.70%	729	10.75%	749	11.31%	689	11.41%
25 - 35	1,643	23.47%	1,654	23.50%	1,563	23.05%	1,501	22.67%	1,393	23.06%
36 - 50	1,046	14.94%	1,060	15.06%	1,025	15.11%	1,106	16.70%	926	15.33%
51 & over	329	4.70%	379	5.38%	361	5.32%	378	5.71%	326	5.40%
Total	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	24.0	23.6	24.0	23.8
Average Age (CE)	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	
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	
2002-03	8,113	3,777	2,148	1,319	853	397	2,569	3.16	

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
2010 Fall Students as of Fall 2011
(Includes only public senior colleges in Texas)
(unaudited)**

	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of All Odessa Transfer Students	% of All Odessa Transfer Students
	Academic	Technical	Tech-Prep		
1 The University of Texas of the Permian Basin	357	13	9	379	50.13%
2 Texas Tech University	82	2	1	85	11.24%
3 Angelo State University	49	1		50	6.61%
4 Texas A & M University	36			36	4.76%
5 The University of Texas at Austin	34			34	4.50%
6 Texas State University	28			28	3.70%
7 Sul Ross State University	24		1	25	3.31%
8 Texas Tech University Health Science Center	20			20	2.65%
9 West Texas A & M University	20			20	2.65%
10 University of North Texas	17	1		18	2.38%
11 The University of Texas at San Antonio	13		1	14	1.85%
12 The University of Texas at Arlington	9			9	1.19%
13 Tarleton State University	6			6	0.79%
14 The University of Texas at El Paso	6			6	0.79%
15 Texas A & M University at Commerce	2	3		5	0.66%
16 Texas A & M University at Corpus Christi	5			5	0.66%
17 Texas Southern University	3		1	4	0.53%
18 Texas Woman's University	3			3	0.40%
19 Sam Houston State University	2			2	0.26%
20 Midwestern State University	1			1	0.13%
21 Stephen F. Austin State University	1			1	0.13%
22 The University of Texas Medical Branch Galveston	1			1	0.13%
23 Texas A & M University at Galveston	1			1	0.13%
24 University of Texas Health Science-San Antonio	1			1	0.13%
25 University of Houston at Victoria	1			1	0.13%
26 The University of Brownsville		1		1	0.13%
Totals	722	21	13	756	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)
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
2002-03	5,747,875	1,257,014	4,490,861	78.13%	0.200000	-	0.200000

<u>Property Use Category</u>	Detailed Tax Roll For Fiscal Years				
	<u>2011/12</u>	<u>2010/11</u>	<u>2009/10</u>	<u>2008/09</u>	<u>2007/08</u>
Real Property					
Single-Family Residential	\$ 3,604,499	\$ 3,578,944	\$ 3,601,843	\$ 3,320,398	\$ 2,675,943
Multi-Family Residential	199,739	185,067	195,706	184,478	157,146
Vacant Lots/Tracts	96,732	101,441	106,371	105,603	92,827
Acreage (Land Only)	124,026	122,227	128,470	125,168	99,622
Farm and Ranch Improvements	14,220	13,438	19,338	19,488	15,524
Commercial and Industrial	1,602,608	1,525,132	1,610,747	1,612,968	1,423,622
Oil, Gas & Minerals	4,105,181	3,854,425	3,193,131	3,829,259	2,843,338
Inventory	45,363	38,237	55,944	57,393	51,082
Tangible Personal Property					
Business	1,759,954	1,570,466	1,834,895	1,611,526	1,387,174
Other	132,191	121,928	116,186	105,943	80,964
Real & Tangible Personal Property					
Utilities	259,137	216,347	105,011	231,130	226,977
Total Market Assessed Valuations	11,943,650	11,327,652	10,967,642	11,203,354	9,054,219
Constitutionally Exempt Values	765,449	755,318	758,166	742,035	639,866
Total Assessed Valuations	12,709,099	12,082,970	11,725,808	11,945,389	9,694,085
Less Exemptions:					
Constitutionally Exempt	765,449	755,318	758,166	742,035	639,866
Residential Homestead	570,765	558,211	518,120	460,927	410,557
Loss to 10% Cap	81,076	186,100	410,766	488,952	255,387
Over 65	172,815	170,760	164,600	158,765	157,861
Disabled/Others	1,189	848	940	747	0
Productivity Loss	86,410	90,453	93,670	88,617	69,801
Freeport Exemption	73,336	46,692	65,787	77,167	84,639
Pollution Control	151,315	135,845	171,327	28,926	30,714
Abatements	182,419	163,854	233,977	498,572	414,693
Total Exemptions	2,084,774	2,108,081	2,417,353	2,544,708	2,063,518
Taxable Assessed Valuation	\$ 10,624,325	\$ 9,974,889	\$ 9,308,455	\$ 9,400,681	\$ 7,630,567

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)									
		2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Occidental Permian LTD	Oil & Gas	\$ 677,300	\$ 671,537	\$ 722,406	\$ 665,706	\$ 845,024	\$ 610,832	\$ 514,882	\$ 449,259	\$ 342,424	\$ 324,562
Conoco Phillips	Oil & Gas	382,053	401,298	457,937	350,225	372,529	231,750	212,867	172,712	127,058	80,308
Odessa-Ector Power Partners	Utility	316,562	226,811	191,925	191,713	-	-	-	-	-	-
Apache Corporation	Oil & Gas	264,552	236,650	236,130	160,352	286,547	-	-	-	-	-
Devon Energy Production	Oil & Gas	256,806	203,373	126,613	-	-	-	-	-	-	-
Sandridge Exploration & Prod	Oil & Gas	244,663	211,724	179,281	-	-	-	-	-	-	-
Oxy USA WTP LP	Oil & Gas	244,011	223,194	225,445	232,478	296,757	212,925	188,176	119,146	89,841	62,490
XTO Energy	Oil & Gas	243,275	308,732	296,139	278,509	313,628	223,288	147,857	82,277	-	-
COG Operating	Oil & Gas	235,003	190,344	94,093	-	-	-	-	-	-	-
Halliburton Energy Services	Oil & Gas	132,610	-	-	-	-	-	-	-	-	-
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	73,009
Four Star Oil and Gas	Oil & Gas	-	-	-	78,154	116,096	132,860	167,372	123,514	109,559	62,758
Flint Hills/Huntsman Polmers	Chemicals	-	-	-	-	180,234	184,317	282,588	229,892	242,777	353,970
Anadarko Petroleum Corp.	Oil & Gas	-	-	-	-	-	248,127	229,934	193,987	113,847	78,661
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	34,498
Southwestern Bell	Utility	-	-	-	-	-	-	-	-	36,475	-
Encore Operating LP	Oil & Gas	-	-	-	-	-	-	59,604	60,009	-	-
Chevron USA Inc.	Oil & Gas	-	-	-	-	-	-	-	-	72,084	73,065
Duke Energy Field Sevices	Oil & Gas	-	-	-	-	-	-	-	-	-	37,303
Totals		\$ 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	\$ 1,180,624
Total Taxable Assessed Value		\$ 9,400,680	\$ 9,400,680	\$ 9,400,680	\$ 9,400,680	\$ 7,630,567	\$ 6,742,227	\$ 5,819,986	\$ 5,045,468	\$ 4,630,647	\$ 4,490,861

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year									
		2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Occidental Permian LTD	Oil & Gas	7.20%	7.14%	7.68%	7.08%	11.07%	9.06%	8.85%	8.90%	7.39%	7.23%
Conoco Phillips	Oil & Gas	4.06%	4.27%	4.87%	3.73%	4.88%	3.44%	3.66%	3.42%	2.74%	1.79%
Odessa-Ector Power Partners	Utility	3.37%	2.41%	2.04%	2.04%	-	-	-	-	-	-
Apache Corporation	Oil & Gas	2.81%	2.52%	2.51%	1.71%	3.76%	-	-	-	-	-
Devon Energy Production	Oil & Gas	2.73%	2.16%	1.35%	-	-	-	-	-	-	-
Sandridge Exploration & Prod	Oil & Gas	2.60%	2.25%	1.91%	-	-	-	-	-	-	-
Oxy USA WTP LP	Oil & Gas	2.60%	2.37%	2.40%	2.47%	3.89%	3.16%	3.23%	2.36%	1.94%	1.39%
XTO Energy	Oil & Gas	2.59%	3.28%	3.15%	2.96%	4.11%	3.31%	2.54%	1.63%	-	-
COG Operating	Oil & Gas	2.50%	2.02%	1.00%	-	-	-	-	-	-	-
Halliburton Energy Services	Oil & Gas	1.41%	-	-	-	-	-	-	-	-	-
Oxy USA Inc.	Oil & Gas	-	0.88%	-	1.03%	1.70%	-	-	-	-	-
Energen Resources	Oil & Gas	-	-	1.02%	0.83%	1.32%	0.98%	-	-	-	-
Oncore Electric Delivery	Utility	-	-	-	0.85%	1.10%	-	-	-	1.56%	1.63%
Four Star Oil and Gas	Oil & Gas	-	-	-	0.83%	1.52%	1.97%	2.88%	2.45%	2.37%	1.40%
Flint Hills/Huntsman Polmers	Chemicals	-	-	-	-	2.36%	2.73%	4.86%	4.56%	5.24%	7.88%
Anadarko Petroleum Corp.	Oil & Gas	-	-	-	-	-	3.68%	3.95%	3.84%	2.46%	1.75%
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%	0.77%
Southwestern Bell	Utility	-	-	-	-	-	-	-	-	0.79%	-
Encore Operating LP	Oil & Gas	-	-	-	-	-	-	1.02%	1.19%	-	-
Chevron USA Inc.	Oil & Gas	-	-	-	-	-	-	-	-	1.56%	1.63%
Duke Energy Field Sevices	Oil & Gas	-	-	-	-	-	-	-	-	-	0.83%
Totals		31.88%	29.32%	27.93%	23.53%	35.71%	30.33%	33.27%	30.76%	26.85%	26.29%

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
2011	140,111	(a)	(a)	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%
2002	121,768	2,722,427	22,357	5.0%

Sources:

Population from U.S. Census Bureau

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

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

Notes:

a. Information not yet available

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