



**Financial Statements and  
Independent Auditors' Report**

**DELIVERING more**  
**TO OUR COMMUNITY**

**Odessa Junior College District  
August 31, 2015 and 2014**



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**ODESSA JUNIOR COLLEGE DISTRICT**

**ORGANIZATIONAL DATA**

**For the Year Ended August 31, 2015**

**BOARD OF TRUSTEES**



**OFFICERS**

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

**MEMBERS**

**TERM EXPIRES MAY,**

Mr. Richard C. Abalos	Odessa, Texas	2017
Mr. Royce Bodiford	Odessa, Texas	2019
Mr. Tommy Clark	Odessa, Texas	2019
Dr. Tara Deaver	Odessa, Texas	2017
Mr. Neil Grape	Odessa, Texas	2019
Mr. Gary S. Johnson	Odessa, Texas	2021
Mr. JE "Coach" Pressly	Odessa, Texas	2021
Mr. Bruce Shearer	Odessa, Texas	2017
Ms. Ray Ann Zant	Odessa, Texas	2021



**PRINCIPAL ADMINISTRATIVE & FINANCIAL OFFICERS**

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



## **Independent Auditors' Report**

The Board of Trustees  
Odessa Junior College District  
Odessa, Texas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Odessa Junior College District (the "District") as of and for the years ended August 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of August 31, 2015 and 2014, and the respective changes in financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of a Matter***

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

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Other Information***

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The organizational data and statistical supplement on page 1 and pages 62 through 73 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the *Provisions of the State of Texas Single Audit Circular*, and is not a required part of the basic purpose financial statements. In addition, the supplementary data presented in schedules A, B, C and D is presented for additional purposes and is not a required part of the basic financial statements.

***Other Matters (Continued)***

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report December 3, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Odessa, Texas  
December 3, 2015

**Management's Discussion and Analysis  
For the Period Ending August 31, 2015 (Unaudited)**

**Management's Discussion and Analysis**

**INTRODUCTION**

The Management's Discussion and Analysis provides an overview of the Odessa Junior College District's ("the District") financial activities for the years ended August 31, 2015 (Fiscal Year 2015), 2014 (Fiscal Year 2014), and 2013 (Fiscal Year 2014). In conformity with Government Accounting Standards Board (GASB) Statement No. 34, the discussion focuses on currently known facts, decisions, and conditions and is intended to assist the reader in the interpretation of the financial statements and notes that follow this analysis.

**FINANCIAL AND ENROLLMENT HIGHLIGHTS**

- Pursuant to a new accounting standard (GASB Statement No. 68), the District recorded its proportionate share of Texas Retirement System's net pension liability as an adjustment to beginning net position in fiscal year 2015. As a result, the net position of \$46.6 million as of August 31, 2014 was restated to \$39.6 million as of September 1, 2014. GASB Statement No. 68 requires two new supplementary schedules, Schedule G and Schedule H, which can be found on pages 60 and 61. These schedules show the District's share of the TRS net pension liability and the District's contributions to the plan.
- The District's net financial position as a whole was strengthened as total revenues exceeded total expenses by \$4.3 million in fiscal year 2015. Revenues exceeded expenses by \$5.1 million and \$4.6 million in fiscal years 2014 and 2013.
- The District's assets and deferred outflows exceeded its liabilities and deferred inflows by \$43.9 million at the end of fiscal year 2015, compared to \$46.6 million and \$41.6 million at the end of fiscal years 2014 and 2013, respectively.
- Capital assets (net of depreciation) increased by approximately \$8.2 million in 2015, by \$25.4 million in 2014, and by \$26.7 million in 2013.
- The District's total debt decreased during fiscal year 2015 by \$3.5 million to \$84.1 million. Debt decreased by \$2.3 million in each of fiscal years 2014 and 2013. The decreases during all three fiscal years were due to scheduled debt service payments on revenue and general obligation bonds.
- The net taxable property values in the District increased by approximately \$0.9 billion, or 6.6%, from 2014 to 2015 and by \$1.8 billion, of 15%, from 2013 to 2014.
- Total tax revenues increased by \$2.0 million (8.3%) to \$26.2 million in 2015, compared to tax revenues of \$24.2 million and \$22.7 million in 2014 and 2013.
- Total contact hours from both credit and noncredit instruction increased by 1.2% to 2,331,822 in 2015 from 2,303,999 in 2014 and 2,267,590 in 2013.
- Standard & Poor's Ratings Services raised its ratings of the District's revenue bonds from 'A' to 'A+'.

## **Management's Discussion and Analysis For the Period Ending August 31, 2015 (Unaudited)**

### **BASIC FINANCIAL STATEMENTS**

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

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

#### **• The Statement of Net Position**

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

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

- Current assets are those assets that are available to satisfy current liabilities, or liabilities that are due within one year.
- Non-current assets include capital assets, restricted cash, long-term investments, and other assets not classified as current.
- Non-current liabilities include bonds payable and other long-term commitments.
- Deferred inflows of resources represents an acquisition of net position that applies to a future period therefore not being recognized as an inflow of resources until such time.
- Deferred outflows of resources represents a consumption of net position that applies to a future period therefore not being recognized as an inflow of resources until such time.

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

Net assets are divided into three major categories.

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



## **Management's Discussion and Analysis For the Period Ending August 31, 2015 (Unaudited)**

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

The Statement of Revenues, Expenses, and Changes in Net Position (Exhibit 2) explains “why” the net position has increased or decreased during the year. It focuses on the “bottom line results” of the District’s operations. The statement is divided into (a) Operating Revenues and Expenses, (b) Non-Operating Revenues and Expenses, and (c) Other Revenue.

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

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

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

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

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

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

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

- **The Statement of Cash Flows**

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

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

**Management's Discussion and Analysis  
For the Period Ending August 31, 2015 (Unaudited)**

**CONDENSED COMPARATIVE FINANCIAL INFORMATION**

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

	<b>Year Ended August 31,</b>			<b><u>2014 to</u></b>	<b><u>2013 to</u></b>
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Current assets	\$ 26,191	\$29,019	\$38,058	\$ (2,828)	\$ (9,039)
Capital assets, net	100,106	91,865	66,498	8,241	25,367
Other non-current assets	21,050	25,006	37,857	(3,956)	(12,851)
Deferred outflows of resources	1,070	0	0	1,070	0
<b>Total assets and deferred outflows</b>	<b>148,417</b>	<b>145,890</b>	<b>142,413</b>	<b>2,527</b>	<b>3,477</b>
Current liabilities	14,317	13,371	11,420	946	1,952
Non-current debt	82,101	85,877	89,418	(3,776)	(3,541)
Net Pension Liability	6,204	0	0	6,204	0
Deferred inflows of resources	1,898	0	0	1,898	0
<b>Total liabilities and deferred inflows</b>	<b>104,520</b>	<b>99,248</b>	<b>100,838</b>	<b>5,272</b>	<b>(1,590)</b>
Net Position:					
Invested in capital assets, net of related debt	17,619	15,208	13,987	2,411	1,221
Restricted: nonexpendable	844	845	838	(1)	7
Restricted: expendable	11,624	11,042	7,683	582	3,359
Unrestricted	13,810	19,547	19,067	(5,737)	480
<b>Total net position</b>	<b>\$ 43,897</b>	<b>\$ 46,642</b>	<b>\$ 41,575</b>	<b>(2,745)</b>	<b>\$ 5,067</b>

**Figure 1** Note: FY2015 has been restated to account for cumulative effect of GASB Statement No. 68 implementation.

## **Management's Discussion and Analysis For the Period Ending August 31, 2015 (Unaudited)**

The District implemented GASB Statement No. 68 this year. With this new reporting change, the District now reports its proportionate share of the Texas Retirement System's net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The implementation of this new accounting principle required a restatement of beginning net position for the 2015 fiscal year from \$46.6 million to \$39.6 million, a decrease of \$7.0 million. As a result, certain components of the Statement of Net Assets cannot be compared to prior years.

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

During fiscal year 2015:

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

During fiscal year 2014:

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

During fiscal year 2013:

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

Capital assets, net of depreciation, increased by 9%, or \$8.2 million, during 2015 while increasing \$25.4 million during 2014. 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 2015:

- Construction in Progress increased by approximately \$4.8 million. Fiscal year 2015 construction costs amounted to \$9.3 million on projects not yet completed, including the Williams Continuing Education Center, Spur Building - Phase 2, and the Commons Landscape improvements. There was an offsetting decrease of \$4.5 million to Construction in Progress with the completion of Wilkerson Hall which was reclassified into the Buildings category of capital assets.
- Major equipment purchases included \$55,400 for two new vehicles, \$147,000 for Steinway pianos, and \$84,000 for Graham Center ranch equipment.

## **Management's Discussion and Analysis For the Period Ending August 31, 2015 (Unaudited)**

- Grant-funded instructional equipment purchases included \$395,000 from Chevron Energy Center, \$14,000 from Carl Perkins Grant, \$245,000 from the Early College High School OC Tech Grant, \$115,000 from the Odessa Development Corp Grant and \$23,000 from the Texas Workforce Skills Development Chevron Grant.

### **During fiscal 2014:**

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

### **During fiscal 2013:**

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

## **Management's Discussion and Analysis For the Period Ending August 31, 2015 (Unaudited)**

Total liabilities (excluding the restatement of Net Pension Liability) decreased by \$2.8 million in fiscal year 2015 and \$1.6 million in fiscal 2014. The major contributing factors are explained below.

During fiscal 2015:

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

During fiscal 2014:

- Accounts payable related to construction and vendor purchases increased by \$475,000, reflective of higher construction activity at year-end.
- The current portion of bonds payable increased by \$1,120,000 due to scheduled increases in principle payments due within the next 12 months related to outstanding bonds.
- Non-current liabilities decreased by \$3.5 million due to scheduled payments on capital lease and bond obligations.

During fiscal 2013:

- Accounts payable related to construction and vendor purchases declined by \$441,000.
- The current portion of bonds payable increased by \$125,000 due to scheduled increases in principle payments due within the next 12 months related to outstanding bonds.
- Non-current liabilities decreased by \$2.4 million due to principle payments on lease and bond obligations.

Overall, the District's net position decreased by \$2.7 million during fiscal 2015, increased by \$5.1 million during 2014, and increased by \$4.6 million during 2013. The 2015 decrease in net income for 2014 was due to a restatement resulting from the implementation of GASB Statement No. 68. Aside from the effects of the GASB Statement No. 68 implementation, the District's financial operations during the year resulted in an increase of \$4.3 million as shown on page 27 in Exhibit 2 of the Financial Statements.

During fiscal 2015:

- The Net Investment in Capital Assets, representing the net value of the District's capital assets (land, buildings, and equipment) less the related debt, increased by almost \$2.4 million.
- The Restricted Net Position increased approximately \$580 thousand.
- The Unrestricted Net Position cannot be compared to the previous two years due to the restatement required by GASB Statement No. 68. Nevertheless, there was an excess of unrestricted revenues over unrestricted expenses of \$1.3 million during fiscal 2015.

**Management's Discussion and Analysis  
For the Period Ending August 31, 2015 (Unaudited)**

During fiscal 2014:

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

During fiscal 2013:

- The Net Investment in Capital Assets increased by almost \$2 million due to Vision 2015 construction projects.
- The Restricted Net Position increased approximately \$87,000. The major increases were related to \$1.2 million in donations and investment income related to the Vision 2015 construction projects. The increase was offset by a restatement of net position related to the implementation of GASB Statement No. 65, requiring debt issuance costs to be expensed in the year they are incurred. The cumulative effect was a \$1.3 million negative restatement to Net Position at the beginning of 2013.
- The Unrestricted Net Position increased by approximately \$1.1 million due to an excess of unrestricted revenues over unrestricted expenses.

**Management's Discussion and Analysis  
For the Period Ending August 31, 2015 (Unaudited)**

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

	Year Ended August 31,			Increase (Decrease)	
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2014 to 2015</u>	<u>2013 to 2014</u>
<b>Operating revenues</b>					
Tuition and fees (net of discounts)	\$ 8,327	\$ 6,947	\$ 7,579	\$ 1,380	\$ (632)
Grants and contracts	2,692	2,550	1,787	142	763
Other	3,391	3,026	2,710	365	316
Total operating revenue	14,410	12,523	12,076	1,887	447
<b>Operating expenses</b>					
Instruction	18,651	17,536	14,747	1,115	2,789
Public Service	1,141	1,179	908	(38)	271
Academic Support	4,537	4,208	4,049	329	159
Student Services	3,968	3,677	2,813	291	864
Institutional Support	5,476	6,400	6,464	(924)	(64)
Operations & Maintenance of Plant	4,281	3,679	3,388	602	291
Scholarship & Fellowships	4,237	4,547	4,713	(310)	(166)
Auxiliary enterprises	2,412	2,164	1,872	248	292
Depreciation	2,552	1,836	1,575	716	261
Total operating expenses	47,255	45,226	40,529	2,029	4,697
Operating loss	(32,845)	(32,703)	(28,453)	(142)	(4250)
<b>Non-operating revenue/(expense)</b>					
State appropriation	9,538	9,721	8,597	(183)	1,124
Ad valorem taxes	26,159	24,150	22,695	2,009	1,455
Federal Revenue, non operating	4,903	5,102	5,093	(199)	9
Interest on debt	(3,963)	(4,909)	(4,884)	946	(25)
Other	339	358	507	(19)	(149)
Total non-operating income	36,976	34,422	32,008	2,554	2,414
<b>Other revenue</b>					
Capital grants and gifts	153	3,348	1,089	(3,195)	2,259
Total other revenue	153	3,348	1,089	(3,195)	2,259
<b>Increase in net position</b>	4,284	5,067	4,644	(783)	423
Net assets, beginning of year	46,642	41,575	36,931	5,067	4,644
Prior period adjustment GASB Statement No. 68 Implementation	(7,029)	N/A	N/A	(7,029)	0
Net assets beginning of year as restated	39,613	41,575	36,931	(1,962)	4,644
Net assets, end of year	\$ 43,897	\$ 46,642	41,575	\$(2,745)	\$ 5,067

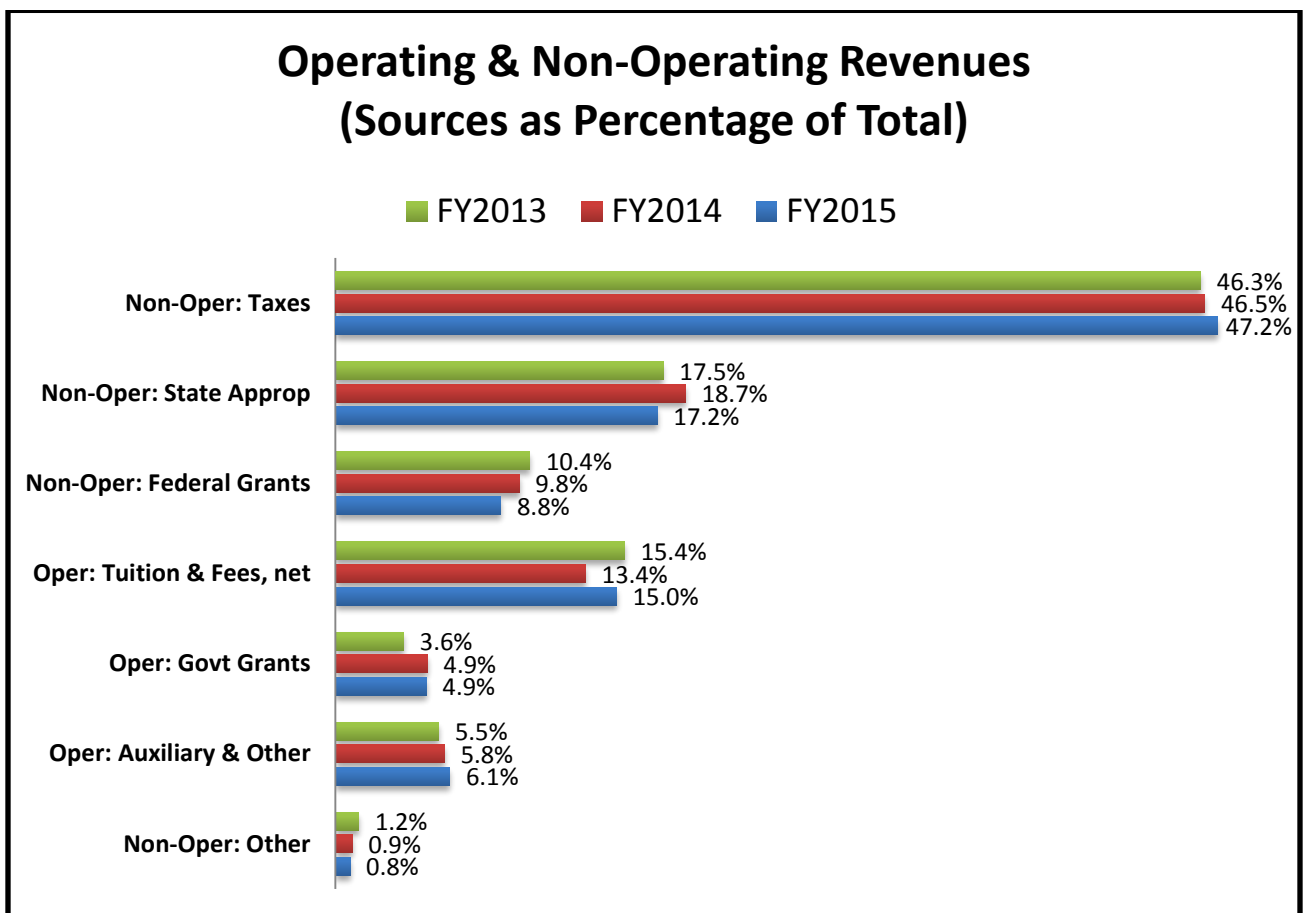
**Figure 2** Note: FY2015 has been restated to account for GASB Statement No. 68 changes and a prior period adjustment.

**Management's Discussion and Analysis  
For the Period Ending August 31, 2015 (Unaudited)**

**Revenues**

Graph 1 below illustrates the sources of operating and non-operating revenues for fiscal years 2015, 2014, and 2013. As evidenced by the graph, the majority of revenue is derived from non-operating sources.

The current trend of the Non-Operating Revenues is an increasing percentage of revenue being provided by ad valorem taxes and state appropriations and a decreasing percentage by federal grants. The percent of total revenue provided by taxes has increased for each of fiscal years 2015, 2014, and 2013, while the percentage from federal grants has decreased over the same time period. The recent trend of Operating Revenues shows an increasing percentage from tuition and fees, governmental grants and auxiliary and other revenues.



Graph 1



## **Management's Discussion and Analysis For the Period Ending August 31, 2015 (Unaudited)**

### **Operating Revenues:**

Key factors impacting Operating Revenues are explained below:

During fiscal 2015:

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

During fiscal 2014:

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

During fiscal 2013:

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

**Management's Discussion and Analysis  
For the Period Ending August 31, 2015 (Unaudited)**

**Non-Operating Revenues:**

Non-Operating Revenues increased by \$2.6 million in 2015 after increasing by \$2.4 million in 2014 and increasing \$1.1 million during 2013. Key factors impacting Non-Operating Revenues are discussed below:

During fiscal 2015:

- Total State Appropriations decreased slightly by \$183,000, due to a reallocation of state funding based on prior year enrollments as well as a slight increase in state funding of group health insurance premiums.
- Property Tax revenue increased by \$2,009,000, or 8.3%, due to higher property values. Total assessed valuations increased by 5.8% while the tax rate increased by 1.4%.

During fiscal 2014:

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

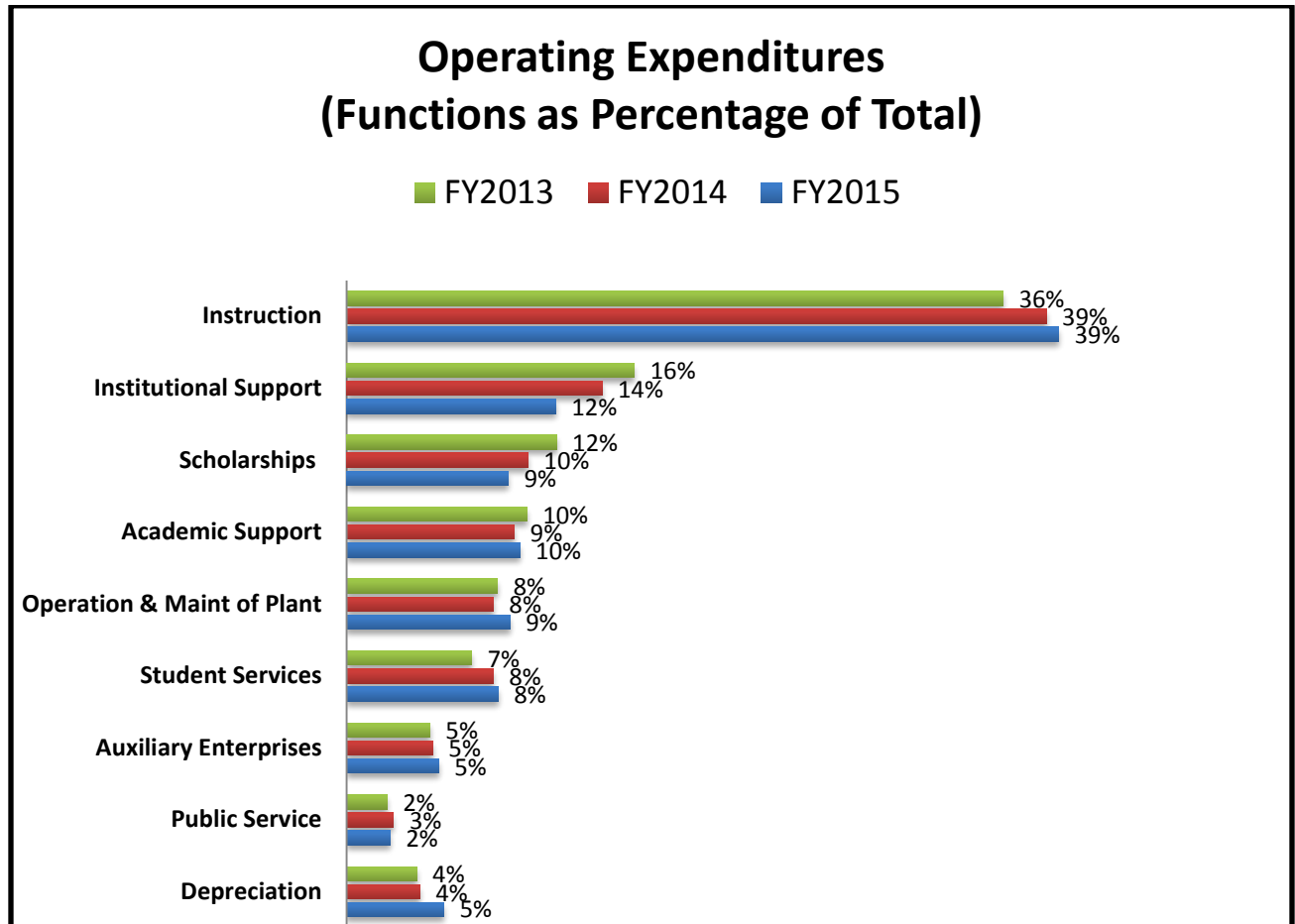
During fiscal 2013:

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

**Management's Discussion and Analysis  
For the Period Ending August 31, 2015 (Unaudited)**

Operating Expenses by Functional Classification

Functional classifications are the traditional categories that have been used to show expenses. They represent the type of programs and services provided. Graph 2 below compares operating expenses classified by functional category for fiscal years 2015, 2014 and 2013.



Graph 2

## **Management's Discussion and Analysis For the Period Ending August 31, 2015 (Unaudited)**

As shown in Figure 2, total Operating Expenses increased by \$2.0 million or 4.3% in 2015, after a large increase of \$4,697,000 or 10.4%, during 2014, and a slight decrease of \$514,000, or 1.2% during 2013. Key factors impacting operating expenses by functional expense categories are described below:

During fiscal 2015:

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

During fiscal 2014:

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

## **Management's Discussion and Analysis For the Period Ending August 31, 2015 (Unaudited)**

During fiscal 2013:

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

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 2015 were \$153,000, 2014 were \$3.3 million and \$1.1 million in 2013. A \$3 million gift was received from the Saulsbury Family Foundation to aid in the construction of the new campus center during 2014. A \$1 million anonymous gift was received in honor of Dr. Greg Williams to aid in the construction of the new continuing education building during 2013.

**Management's Discussion and Analysis  
For the Period Ending August 31, 2015 (Unaudited)**

**Capital Assets and Debt Administration**

**Capital Assets**

The District's investment in capital assets, net of depreciation, was \$100.1 million at the end of fiscal 2015, compared to \$91.9 million in 2014, and \$66.5 million in 2013. A summary of capitalized assets for fiscal years 2015, 2014, and 2013 is shown below in Figure 3. This information is also presented in Note 5 of the Financial Statements. Details of capital asset activity can be found on pages 5-6 of this Management's Discussion and Analysis report.

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

	<b>Year Ended August 31,</b>			<b>Increase (Decrease)</b>	
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2013 to</u></b>	<b><u>2012 to</u></b>
				<b><u>2014</u></b>	<b><u>2013</u></b>
Land	\$ 4,196	\$ 4,196	\$ 4,196	\$ 0	\$ 0
Buildings and improvements	87,033	82,485	42,349	4,548	40,136
Other land improvements	7,701	7,665	6,810	36	855
Construction in progress	16,335	11,555	26,310	4,780	(14,755)
Furniture and equipment	12,332	10,872	10,032	1,460	840
Library materials	2,346	2,377	2,392	(31)	(15)
Subtotal	129,943	119,150	92,089	10,793	27,061
Less: Accumulated depreciation	(29,837)	(27,285)	(25,591)	(2,552)	(1,694)
Net Capital Assets	\$ 100,106	\$ 91,865	\$ 66,498	\$ 8,241	\$ 25,367

Figure 3

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

**Management's Discussion and Analysis  
For the Period Ending August 31, 2015 (Unaudited)**

**Debt Administration**

The District had outstanding debt of \$84.1 million as of August 31, 2015, and \$87.6 million and \$89.9 million as of August 31, 2014 and 2013, respectively. No new debt was issued during 2015. Principal payments on long-term debt totaled \$3,445,000 in 2015, \$2,325,000 in 2014, and \$2,275,000 in 2013. Details of the outstanding long-term liabilities by type as of August 31, 2014, 2013, and 2012 can be seen below in Figure 4.

**Outstanding Debt  
(thousands of dollars)**

	<b>Year Ended August 31,</b>		
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
General Obligation Bonds	\$ 67,155	\$ 68,340	\$ 68,470
Revenue Bonds	16,965	19,185	21,340
Capital Lease Notes	0	40	80
Total Outstanding Debt	\$ 84,120	\$ 87,565	\$ 89,890

Figure 4

On March 18, 2015, Fitch affirmed the "AA-" rating on the District's series 2011 general obligation tax bonds with a stable outlook. The rationale for the affirmation included the following statements of strengths:

*"The college maintains positive financial margins and stout reserves, bolstered by recent enrollment growth. A diverse revenue base provides adequate pricing and tax rate flexibility. The college's financial flexibility has historically provided a buffer against tax base concentration."*

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

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

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

## **Management's Discussion and Analysis For the Period Ending August 31, 2015 (Unaudited)**

### **Economic Factors That Will Affect the Future**

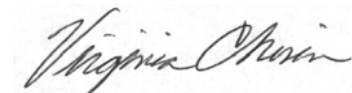
The economic position of the District is influenced in part by the economic position of the nation, the state of Texas, and of Ector County. Recent declines in oil prices have stymied the energy exploration sector of the area economy. However, the production side of the oil and gas industry remains robust with a tremendous volume of work due to the tremendous amount of exploration that took place during the recent boom. Ector County continues to enjoy a low unemployment rate, and commercial real estate development continues to add property to the tax base. The administration expects a decline in the tax base next year, but feels confident that revenue shortfalls can be managed through budgetary tightening that will not reduce instructional programs.

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

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

### **Requests for Information**

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



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



## **FINANCIAL STATEMENTS**

**Odessa Junior College District**  
**STATEMENTS OF NET POSITION**

**Exhibit 1**

**August 31,**

	2015	2014
<b>ASSETS:</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Notes 2 and 4)	\$ 18,692,189	22,520,254
Short-term investments (Notes 2 and 4)	-	-
Accounts receivable, net (Note 14)	3,449,064	2,949,892
Inventories (Note 2)	2,016	2,298
Notes receivable – current, net	1,896,956	1,544,794
Prepaid items	1,640,555	1,482,586
Escrow deposits	509,869	519,291
<b>Total Current Assets</b>	<b>26,190,649</b>	<b>29,019,115</b>
<b>Noncurrent Assets:</b>		
Restricted cash and cash equivalents (Notes 2 and 4)	1,167,405	1,048,362
Endowment investments (Notes 2, 3 and 4)	844,464	844,523
Other long-term investments (Notes 2, 3 and 4)	15,913,420	19,492,777
Notes receivable – noncurrent, net	2,998,553	3,472,429
Unamortized bond insurance costs	126,389	148,184
Capital assets, net of accumulated depreciation (Notes 2 and 5)	100,106,173	91,864,945
<b>Total Noncurrent Assets</b>	<b>121,156,404</b>	<b>116,871,220</b>
<b>Deferred Outflows of Resources:</b>		
Deferred outflows related to pensions	\$ 1,069,913	-
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 148,416,966</b>	<b>145,890,335</b>
<b>LIABILITIES:</b>		
<b>Current Liabilities:</b>		
Accounts payable (Note 14)	\$ 3,913,199	3,214,741
Accrued liabilities	334,413	364,001
Accrued compensable absences (Notes 6 and 12)	502,921	479,981
Funds held for others	562,968	576,263
Deferred revenue – tuition and fees (Note 2)	4,590,637	4,663,145
Deferred revenue – other (Note 2)	732,719	628,072
Capital lease payable – current portion (Notes 6 and 7)	-	40,231
Bonds payable – current portion (Notes 6, 7 and 8)	3,680,000	3,405,000
<b>Total Current Liabilities</b>	<b>14,316,857</b>	<b>13,371,434</b>
<b>Noncurrent Liabilities:</b>		
Capital lease payable – noncurrent (Notes 6 and 7)	-	-
Bonds payable – noncurrent (Notes 6, 7 and 8)	80,440,000	84,120,000
Unamortized bond premium	1,660,753	1,756,516
Other noncurrent liabilities (Note 6)	6,203,932	-
<b>Total Noncurrent Liabilities</b>	<b>88,304,685</b>	<b>85,876,516</b>
<b>Total Liabilities</b>	<b>102,621,542</b>	<b>99,247,950</b>
<b>Deferred Inflows of Resources:</b>		
Deferred inflows related to pensions	\$ 1,897,801	-

**Odessa Junior College District**  
**STATEMENTS OF NET POSITION (CONTINUED)**

**Exhibit 1**

**August 31,**

	<u>2015</u>	<u>2014</u>
NET POSITION:		
Invested in capital assets, net of related debt	\$ 17,618,848	15,207,709
Restricted for:		
Nonexpendable:		
Student aid	844,464	844,523
Expendable:		
Student aid	547,278	427,967
Instructional programs	341,218	625,749
Loans	9,451	9,451
Unexpended capital projects	8,242,314	7,696,403
Debt service	2,483,649	2,283,743
Unrestricted	<u>13,810,401</u>	<u>19,546,840</u>
Total Net Position (Schedule D)	<u>43,897,623</u>	<u>46,642,385</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ <u><u>148,416,966</u></u>	<u><u>145,890,335</u></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>2014</u>	<u>2013</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,242,236	681,042
Pledges receivable	55,460	53,277
Due from Odessa College	-	87,909
	<u>1,297,696</u>	<u>822,228</u>
Total current assets	1,297,696	822,228
Marketable Securities At Fair Value	7,659,553	6,826,958
Pledges Receivable - Noncurrent	110,000	130,000
	<u>7,769,553</u>	<u>6,956,958</u>
Total Assets	\$ <u>9,067,249</u>	<u>7,779,186</u>

### LIABILITIES AND NET ASSETS

	<u>2014</u>	<u>2013</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 2,401	20,214
Deferred revenue	2,758	2,758
	<u>5,159</u>	<u>22,972</u>
Total current liabilities	5,159	22,972
<b>NET ASSETS</b>		
Unrestricted		
Undesignated	935,274	971,651
Designated for Half-Century scholarships	205,155	205,155
Designated for Health Science scholarships	156,040	156,040
Temporarily restricted	2,997,266	2,537,251
Permanently restricted	4,768,355	3,886,117
	<u>9,062,090</u>	<u>7,756,214</u>
Total net assets	9,062,090	7,756,214
Total current liabilities and net assets	\$ <u>9,067,249</u>	<u>7,779,186</u>

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

**Odessa Junior College District**

**Exhibit 2**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

**Years ended August 31,**

	<u>2015</u>	<u>2014</u>
<b>OPERATING REVENUES:</b>		
Tuition and fees (net of discounts of \$4,101,432 and \$3,984,390, respectively)	\$ 8,327,145	6,947,080
Federal grants and contracts	1,933,998	1,265,632
State grants and contracts	758,164	1,284,172
Non-governmental grants and contracts	655,030	309,161
Sales and services of educational activities	523,970	537,902
Investment income (program restricted)	12,530	13,208
Auxiliary enterprises	1,597,414	1,530,071
Other operating revenue	<u>601,302</u>	<u>635,428</u>
 Total operating revenues (Schedule A)	 <u>14,409,553</u>	 <u>12,522,654</u>
<b>OPERATING EXPENSES:</b>		
Instruction	18,650,663	17,536,176
Public service	1,140,676	1,178,876
Academic support	4,537,050	4,207,880
Student services	3,967,823	3,676,706
Institutional support	5,475,582	6,400,309
Operation and maintenance of plant	4,280,781	3,678,615
Scholarships and fellowships	4,237,128	4,546,878
Auxiliary enterprises	2,412,032	2,164,270
Depreciation	<u>2,552,361</u>	<u>1,836,022</u>
 Total operating expenses (Schedule B)	 <u>47,254,096</u>	 <u>45,225,732</u>
 <b>OPERATING LOSS</b>	 <u>(32,844,543)</u>	 <u>(32,703,078)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
State appropriations	9,537,537	9,720,591
Property taxes for maintenance and operations	21,496,969	19,826,605
Property tax for debt service	4,662,220	4,323,795
Federal grants, non-operating	4,902,974	5,101,798
Gifts – noncapital	194,689	193,305
Investment income – not restricted to programs	181,053	261,738
Interest on capital – related debt	(3,962,743)	(4,908,793)
Loss on disposal of capital assets	(69,743)	(83,570)
Other non-operating revenues	54,851	8,014
Other non-operating expenses	<u>(21,795)</u>	<u>(21,795)</u>
 Net non-operating revenues (Schedule C)	 <u>36,976,012</u>	 <u>34,421,688</u>
 Income before other revenues	 <u>4,131,469</u>	 <u>1,718,610</u>

**Odessa Junior College District**

**Exhibit 2**

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

**Years ended August 31,**

	2015	2014
<b>OPERATING REVENUES:</b>		
State capital grants	\$ -	240,427
Private capital gifts and grants	152,199	3,094,648
Additions to permanent endowment	650	13,432
Total other revenues	152,849	3,348,507
Increase in Net Position	4,284,318	5,067,117
NET POSITION – BEGINNING OF YEAR	46,642,385	41,575,268
Prior period adjustment – net pension liability *	(7,029,080)	N/A
Net position – Beginning of year – as restated	39,613,305	N/A
NET POSITION – END OF YEAR	\$ 43,897,623	46,642,385

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

## Odessa College Foundation, Incorporated

### STATEMENTS OF ACTIVITIES

Years ended December 31, 2014 and 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2014	Total 2013
Revenues, gains and other support:					
Contributions (including pledges)	\$ -	665,670	784,875	1,450,545	548,623
Transfer of contributions	-	2,940	(2,940)	-	-
Earnings (loss) on investments	(28,471)	117,295	38,411	127,235	198,198
Net realized gains on marketable securities	(26,606)	188,216	61,892	223,502	(54)
Net unrealized gains (losses) on marketable securities	34,166	-	-	34,166	760,872
Net assets released from restrictions through satisfaction of program restrictions	514,106	(514,106)	-	-	-
	493,195	460,015	882,238	1,835,448	1,507,639
Total revenues, gains and other support					
Expenses:					
Scholarships	396,713	-	-	396,713	334,485
Program and college support	117,392	-	-	117,392	61,206
General and administrative	15,467	-	-	15,467	20,686
	529,572	-	-	529,572	416,377
Total expenses					
CHANGES IN NET ASSETS	(36,377)	460,015	882,238	1,305,876	1,091,262
Net assets at beginning of year	1,332,846	2,537,251	3,886,117	7,756,214	6,664,952
Net assets at end of year	\$ 1,296,469	2,997,266	4,768,355	9,062,090	7,756,214

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,**

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from students and other customers	\$ 10,594,667	9,697,255
Receipts from grants and contracts	2,763,886	2,671,657
Receipts from loan collections from students and employees	5,225,491	5,606,368
Other receipts	613,832	648,636
Payments to or on behalf of employees	(25,182,203)	(24,070,071)
Payments to suppliers for goods or services	(13,082,378)	(12,685,509)
Payments of scholarships	(4,837,507)	(4,504,023)
Loans issued to student and employees	(5,127,854)	(5,663,769)
Other cash payments	(157,969)	(59,166)
	<u>(29,190,035)</u>	<u>(28,358,622)</u>
<b>CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Receipts from state allocations	7,394,339	7,602,658
Receipts from ad valorem taxes	25,970,235	24,113,339
Receipts from non-operating federal revenue	4,902,974	5,101,798
Receipts from gifts and grants other than for capital purposes	195,339	206,737
Receipts from student organizations and other agencies	40,545	144,786
Payments to student organizations and other agencies	(53,840)	(162,827)
Deposit with escrow agents	9,422	(39,628)
	<u>38,459,014</u>	<u>36,966,863</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from issuance of capital financing	(95,763)	(95,763)
Proceeds from capital grants and gifts	297,305	489,552
Proceeds from sale of capital assets	1	6,517
Proceeds from insurance recoveries	54,851	8,014
Purchases of capital assets	(9,600,873)	(26,682,197)
Payments on capital debt and leases	(7,407,974)	(7,234,025)
	<u>(16,752,453)</u>	<u>(33,507,902)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Receipts from sale and maturity of investments	13,139,068	32,042,416
Receipts from investment earnings	399,918	490,387
Purchases of investments	(9,764,534)	(7,192,302)
	<u>3,774,452</u>	<u>25,340,501</u>
Increase in cash and cash equivalents	(3,709,022)	440,840
Cash and cash equivalents – September 1	<u>23,568,616</u>	<u>23,127,776</u>
Cash and cash equivalents – August 31	<u>\$ 19,859,594</u>	<u>23,568,616</u>



**Odessa Junior College District**

**Exhibit 3**

**STATEMENTS OF CASH FLOWS (CONTINUED)**

**Years ended August 31,**

	2015	2014
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:</b>		
Operating loss	\$ (32,844,543)	(32,703,078)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	2,552,361	1,836,022
Payments made directly to ERS by state for benefits	2,143,198	2,117,933
Changes in assets and liabilities:		
Receivable, net:		
Tuition and fees receivable, net	66,164	54,577
State and federal operating grants receivable	(29,231)	142,757
Private grants receivable	(633,209)	(47,642)
Employee receivable	-	5,202
Sales and services receivable, net	75,932	85,296
Auxiliary receivable, net	51,037	9,001
Inventories	282	6,229
Other assets	(157,969)	(59,166)
Accounts payable	(564,002)	(137,538)
Accrued payroll liabilities	(29,588)	99,750
Deferred inflows	1,897,801	-
Deferred outflows	(481,074)	-
Accrued liabilities	(1,413,987)	-
Deferred revenue:		
Deferred tuition and fees revenue	(72,508)	508,605
Other deferred revenue	104,647	(257,700)
Compensated absences	22,940	25,011
Loans to students and employees	121,714	(43,881)
Total adjustments	3,654,508	4,344,456
Net cash used by operating activities	\$ (29,190,035)	(28,358,622)

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

## Odessa Junior College District

### NOTES TO FINANCIAL STATEMENTS

August 31, 2015 and 2014

#### NOTE 1 – REPORTING ENTITY

Odessa Junior College District (the “District”) was established in 1946, in accordance with the laws of the State of Texas, to serve the educational needs of Ector County and the surrounding communities. The District is considered to be a special purpose, primary government according to the definition in Governmental Accounting Standards Board (“GASB”) Statement No. 14, *The Financial Reporting Entity*. While the District receives funding from local, state, and federal sources, and must comply with the spending, reporting, and recordkeeping requirements of these entities, it is not a component unit of any other governmental entity.

#### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### 1. *Reporting Guidelines*

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

##### 2. *Tuition Discounting*

###### Texas Public Education Grants

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

###### Title IV, 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, 2015 and 2014

#### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. *Budgetary Data*

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

5. *Cash and Cash Equivalents*

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

6. *Deferred Inflows*

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

7. *Deferred Outflows*

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

8. *Investments*

In accordance with Governmental Accounting Standards Board Statement ("GASBS") No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market 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.

9. *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.

## Odessa Junior College District

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2015 and 2014

#### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. *Capital Assets*

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

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

11. *Deferred Revenue*

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

12. *Estimates*

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

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

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

14. *Pensions*

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

## Odessa Junior College District

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2015 and 2014

#### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

15. *New Accounting Pronouncements*

*GASB Statement No. 69*

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, was issued in January 2013. This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfer of operations. The provisions of Statement No. 69 are effective for financial statements for reporting beginning after December 15, 2013, and should be applied on a prospective basis. Early application is encouraged.

*GASB Statement No. 70*

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, was issued April 2013. Some governments extend financial guarantees for the obligations of another government, a not-for-profit entity, or a private entity without directly receiving equal or approximately equal value in exchange (a nonexchange transaction). As a part of this nonexchange financial guarantee, a government commits to indemnify the holder of the obligation if the entity that issued the obligation does not fulfill its payment requirements. Also, some governments issue obligations that are guaranteed by other entities in a nonexchange transaction. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. The provisions of Statement 70 are effective for financial statements for reporting beginning after June 15, 2013. Earlier application is encouraged.

16. *Prior Year Restatement*

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

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

#### 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.

**Odessa Junior College District**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**August 31, 2015 and 2014**

**NOTE 3 – AUTHORIZED INVESTMENTS (CONTINUED)**

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

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

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

**NOTE 4 – DEPOSITS AND INVESTMENTS**

**Deposits:** At August 31, 2015 and 2014, the carrying amount of the College's deposits was \$7,913,411 and \$12,147,000, respectively; and bank balances equaled \$8,740,490 and \$13,085,138. Bank balances of \$539,559 and \$512,119 were covered by federal depository insurance, and \$8,200,931 and \$12,573,018 were covered by collateral pledged in the College's name. The collateral was held by the College or by its Agent (Category 1). There were no uncollateralized bank balances (Category 3) at either year end. (This would have included any bank balance that was collateralized with securities held by the pledging financial institution's department or agent but not in the College's name). The College held \$11,932,347 and \$11,407,280 in state approved public funds investment pools at August 31, 2015 and 2014, respectively.

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

	<b>Cash and Deposits</b>	
	2015	2014
Bank Deposits		
Demand Deposits	\$ 6,409,420	10,759,749
Transit Items	(827,079)	(938,138)
Time Deposits	2,331,070	2,325,389
	7,913,411	12,147,000
Cash and Cash Equivalents		
Public Funds Investment Pools	11,932,347	11,407,280
Petty Cash on Hand	13,836	14,336
Total cash and Deposits	\$ 19,859,594	23,568,616

## Odessa Junior College District

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2015 and 2014

#### NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)

##### Reconciliation of Deposits and Investments to Exhibit 1

Type of Security	Market Value August 31, 2015	Market Value August 31, 2014
Total Cash and Deposits	\$ 19,859,594	23,568,616
Total Investments	16,757,884	20,337,300
<b>Total Deposits and Investments</b>	<b>\$ 36,617,478</b>	<b>43,905,916</b>
Current Cash and Temporary Investments (Exh. 1)	\$ 18,692,189	22,520,254
Restricted Cash and Temporary Investments (Exh. 1)	1,167,405	1,048,362
Short-Term Investment (Exh. 1)	-	-
Endowment Investments (Exh. 1)	844,464	844,523
Other Long-Term Investments (Exh. 1)	15,913,420	19,492,777
<b>Total Deposits and Investments (Exh. 1)</b>	<b>\$ 36,617,478</b>	<b>43,905,916</b>

As of August 31, 2015, the District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities in Years		
		Less than 1	1 to 2	2 to 5
U.S. Government Securities	\$ 1,999,737	-	-	1,999,737
Certificates of Deposit	4,223,602	754,602	254,000	3,215,000
Municipal Bonds	9,532,622	938,537	1,907,542	6,686,543
Corporate Bonds	1,001,923	1,001,923	-	-
<b>Total Fair Value</b>	<b>\$ 16,757,884</b>	<b>2,695,062</b>	<b>2,161,542</b>	<b>11,901,280</b>

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

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

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

**Odessa Junior College District**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**August 31, 2015 and 2014**

**NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**Credit Risk:** In accordance with state law and the District's investment policy, investments in mutual funds and investment pools must be rated at least AAA, commercial paper must be rated at least A-1 or P-1, and investments in obligations of states, agencies, counties, cities, and other political subdivisions must be rated at least A. Applicable credit ratings of investments at August 31, 2015 and 2014 are reported below:

<u>Investment Type</u>	<u>Credit Rating</u>
U.S. Government Agencies – FHLB	S&P: AAA; Moody's:Aaa
U.S. Government Agencies – FFCEB	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. The District does not have any investments from single issues that are more than 5% of the total investments.

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

**NOTE 5 – CAPITAL ASSETS**

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

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



## Odessa Junior College District

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2015 and 2014

#### NOTE 5 – CAPITAL ASSETS

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

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

#### NOTE 6 – LONG-TERM LIABILITIES

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

	Balance September 1, 2014	Increases	Decreases	Balance August 31, 2015	Due Within One Year
<b>Bonds</b>					
General obligation bonds, Series 2011	\$ 68,340,000	-	1,185,000	67,155,000	1,395,000
Revenue bonds, Series 2009	13,285,000	-	2,025,000	11,260,000	2,085,000
Revenue bonds, Series 2012	5,900,000	-	195,000	5,705,000	200,000
<b>Total Bonds</b>	<b>87,525,000</b>	<b>-</b>	<b>3,405,000</b>	<b>84,120,000</b>	<b>3,680,000</b>
<b>Leases</b>					
Capital Leases	40,231	-	40,231	-	-
<b>Total Capital Leases</b>	<b>40,231</b>	<b>-</b>	<b>40,231</b>	<b>-</b>	<b>-</b>
<b>Other Liabilities</b>					
Accrued compensation absences	479,981	22,940	-	502,921	502,921
Net pension liability	-	9,164,890	2,960,958	6,203,932	-
<b>Total Other Liabilities</b>	<b>479,981</b>	<b>9,187,830</b>	<b>2,960,958</b>	<b>6,706,853</b>	<b>502,921</b>
<b>Total Long-Term Liabilities</b>	<b>88,045,212</b>	<b>9,187,830</b>	<b>6,406,189</b>	<b>83,208,934</b>	<b>4,182,921</b>

**Odessa Junior College District**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**August 31, 2015 and 2014**

**NOTE 6 – LONG-TERM LIABILITIES**

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

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

**NOTE 7 – DEBT AND LEASE OBLIGATIONS**

Debt service obligations at August 31, 2015, 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
2016	\$ 1,395	3,357	4,752	2,285	609	2,894	3,680	3,966	7,646
2017	1,440	3,315	4,755	2,355	531	2,886	3,795	3,846	7,641
2018	1,495	3,258	4,753	2,460	437	2,897	3,955	3,695	7,650
2019	1,550	3,205	4,755	2,560	339	2,899	4,110	3,544	7,654
2020	1,610	3,143	4,753	2,655	237	2,892	4,265	3,380	7,645
2021-2025	9,210	14,558	23,768	1,220	828	2,048	10,430	15,387	25,817
2026-2030	11,750	12,011	23,761	1,485	571	2,056	13,235	12,581	25,816
2031-2035	15,010	8,753	23,763	1,945	230	2,175	16,955	8,983	25,938
2036-2040	19,230	4,386	23,616	-	-	-	19,230	4,386	23,616
2041-2045	4,465	240	4,705	-	-	-	4,465	240	4,705
<b>Total</b>	<b>\$ 67,155</b>	<b>56,226</b>	<b>123,381</b>	<b>16,965</b>	<b>3,782</b>	<b>20,747</b>	<b>84,120</b>	<b>60,008</b>	<b>144,128</b>

## **Odessa Junior College District**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**August 31, 2015 and 2014**

#### **NOTE 8 – BONDS PAYABLE**

General information related to bonds payable is summarized below:

##### **2009 Revenue Bonds**

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

##### **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.

##### **2012 Revenue Bonds**

- Consolidated Fund Revenue Bonds, Series 2012
- The bonds were issued to purchase existing student housing facilities on the Odessa College campus, to pay for related bond issuance costs, and to deposit \$438,055 in a debt service reserve fund.
- Issued on August 1, 2012
- \$6,315,000 original amount of issue; all authorized bonds have been issued.
- Source of payment – pledged revenues, including: the general use fee, the college bookstore revenues, the tuition pledge, the college cafeteria revenues, the dormitory system revenues, the operating fees, gifts, grants, or donations from any public or private source that are not restricted or dedicated with respect to their use or purpose, and the earnings on all investments of the District lawfully available for such purpose.
- 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, 2015 and 2014**

**NOTE 8 – BONDS PAYABLE (CONTINUED)**

**2012 Revenue Bonds**

A Summary of bond principal is as follows:

	Balance Sept. 1, 2014	Issued	Retired	Balance Aug. 31, 2015
Series 2009 Bonds	\$ 13,285,000	-	2,025,000	11,260,000
Series 2011 Bonds	68,340,000	-	1,185,000	67,155,000
Series 2012 Bonds	5,900,000	-	195,000	5,705,000
Total Bonds	<u>\$ 87,525,000</u>	<u>-</u>	<u>3,405,000</u>	<u>84,120,000</u>

At August 31, 2015, there were no defeased bonds outstanding.

**NOTE 9 – OPERATING LEASE COMMITMENTS**

The College leases various equipment and facilities by means of operating lease agreements. These agreements have clauses which allow the College to terminate the agreement if funding becomes unavailable or the Board of Trustees does not approve funding. Operating lease payments during the fiscal years ended August 31, 2015 and 2014 were \$215,709 and \$164,970, respectively.

Future minimum rental payments are as follows:

For the Year Ended August 31,	Operating Leases
2016	\$ 168,286
2017	152,939
2018	99,349
2019	64,421
2020	1,851
Total	<u>\$ 486,846</u>

**NOTE 10 – DEFINED BENEFIT PENSION PLANS**

**Optional Retirement Plan**

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

*Funding Policy.* Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. State law provides for a member contribution rate of 6.65% and a state contribution rate of 6.60% for fiscal year 2015 and 2014. The College contributes 0.71% for employees who are participating in the optional retirement program. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program. Senate Bill 1812, effective September 1, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district.

## **Odessa Junior College District**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**August 31, 2015 and 2014**

#### **NOTE 10 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

##### **Optional Retirement Plan (Continued)**

The retirement expense to the State for the District was \$551,049 and \$425,754 for the fiscal years ended August 31, 2015 and 2014, respectively. This amount represents the portion of expended appropriations made by the State Legislature on behalf of the College.

The total payroll for all District employees was \$20,748,346 and \$19,929,715 for fiscal years 2015 and 2014, respectively. The total payroll of employees covered by the Teacher Retirement System was \$14,844,367 and \$13,779,990 and the total payroll of employees covered by the Optional Retirement Program was \$3,644,745 and \$3,837,014 for fiscal years 2015 and 2014, 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, 2015 and 2014, 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, 2015 and 2014 in the amounts of \$502,921 and \$479,981 respectively.

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

#### **NOTE 13 – PENDING LAWSUITS AND CLAIMS**

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

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

**Odessa Junior College District**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**August 31, 2015 and 2014**

**NOTE 14 – DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES**

Receivables at August 31, 2015 and 2014 were as follows:

	2015	2014
Tuition and fees receivable	\$ 462,385	423,620
Taxes receivable	1,836,401	1,598,313
Federal receivable	638,696	336,705
State receivable	14,288	346,755
Interest receivable	128,445	142,428
Other receivables	2,436,858	2,012,363
Subtotal	5,517,073	4,860,184
Allowance for doubtful accounts	(2,068,009)	(1,910,292)
Total	\$ 3,449,064	2,949,892

Payables at August 31, 2015 and 2014 were as follows:

	2015	2014
Vendors payable – operations	\$ 908,805	872,428
Vendors payable – capital	2,264,489	1,002,029
Students payable	739,905	1,340,284
Total	\$ 3,913,199	3,214,741

**NOTE 15 – CONTRACT AND GRANT AWARDS**

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, Audits of Colleges and Universities. Revenues are recognized on Exhibit 2, Schedule A and Schedule C. For federal contract and grant awards, funds expended, but not collected, are reported as Federal Receivables on Exhibit 1. Non-federal contract and grant awards for which funds are expended, but not collected, are reported as Accounts Receivable on Exhibit 1. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. Contract and grant awards funds already committed, e.g., multi-year awards, or funds awarded during fiscal years 2015 and 2014 for which monies have not been received nor funds expended totaled \$2,160,965 and \$4,378,920, respectively. Of these amounts, \$1,844,048 and \$3,060,579 were from federal contract and grant awards; \$311,239 and \$1,312,662 were from state contract and grant awards; and \$5,678 and \$5,678 were from private contract and grant awards for the fiscal years ended August 31, 2015 and 2014, respectively.

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

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

Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. Certain categories of employees, such as physical plant and auxiliary staff, are not eligible for state funding of health care benefits. The College uses local funds to pay the premiums for those employees. The state's contribution was \$1,799,779 and \$1,676,865 for the years ended August 31, 2015 and 2014, respectively, for retired and active employees.

**Odessa Junior College District**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**August 31, 2015 and 2014**

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

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

	<u>2015</u>	<u>2014</u>
Number of retirees receiving benefits	\$ 184	178
Cost of state's contribution	611,824	1,107,096
Cost of local contribution	706,923	89,996
 Total cost of benefits for retirees	 <u>1,318,747</u>	 <u>1,197,092</u>
 Number of active employees receiving benefits	 336	 336
Cost of state's contribution	1,187,955	569,769
Cost of federal grant contribution	21,892	11,642
Cost of local contribution	1,351,816	1,731,687
 Total cost of benefits for active employees	 \$ <u>2,561,663</u>	 <u>2,313,098</u>

**NOTE 17 – AD VALOREM TAX**

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

At August 31:

	<u>2015</u>	<u>2014</u>
Assessed valuation of the District (at January 1, 2015 and 2014)	\$ 17,171,161,362	16,176,603,052
Less: exemptions	(2,309,493,465)	(2,195,608,120)
Less: abatements	<u>(168,852,028)</u>	<u>(192,699,830)</u>
 Net assessed valuation of the District	 \$ <u>14,692,815,869</u>	 <u>13,788,295,102</u>

At August 31:

	<u>2015</u>			<u>2014</u>		
	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Authorized tax rate per \$100 valuation (Maximum per Enabling legislation)	\$ 0.20	0.50	0.70	0.20	0.50	0.70
Assessed tax rate per \$100 valuation	\$ 0.14500	0.03160	0.17660	0.14347	0.03065	0.17412

**Odessa Junior College District**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**August 31, 2015 and 2014**

**NOTE 17 – AD VALOREM TAX (Continued)**

Taxes levied (including adjustments to the certified levies) for the years ended August 31, 2015 and 2014 were \$25,819,195 and \$23,829,910, 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:	2015			2014		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current taxes collected	\$ 20,664,996	4,503,423	25,168,419	19,179,690	4,185,971	23,365,661
Delinquent taxes collected	343,364	59,362	402,726	292,963	42,122	335,085
Penalties and interest collected	\$ 269,027	44,717	313,744	259,283	39,141	298,424
Total collections	<u>21,277,387</u>	<u>4,607,502</u>	<u>25,884,889</u>	<u>19,731,936</u>	<u>4,267,234</u>	<u>23,999,170</u>

Tax collections for the years ended August 31, 2015 and 2014 were 99.04% and 99.46%, 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, 2015 and 2014.

**NOTE 19 – COMPONENT UNITS**

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

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

**NOTE 20 – POST EMPLOYMENT BENEFITS OTHER THAN PENSION (In accordance with GASB Statement No. 45)**

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



## Odessa Junior College District

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2015 and 2014

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

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

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

The employer's share of the cost of retiree healthcare coverage to the current year is known as the implicit rate subsidy. It is the difference between the claims costs for the retirees and the amounts contributed by the retiree. The ERS board of trustees sets the employer contribution rate based on the implicit rate subsidy which is actuarially determined in accordance with the parameters of GASB Statement No. 45.

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

State contributions to SRHP made on behalf of the District for the years ended August 31, 2015, 2014, and 2013 were \$611,824, \$1,107,096, and \$989,545, respectively, and are reported as revenues and expenses in the accompanying financial statements. The District's contribution on behalf of retirees to SRHP for the years ended August 31, 2015, 2014, and 2013 were \$706,923, \$88,917, and \$85,745, respectively, which equaled the required contributions each year.

#### **Note 21 - DEFINED BENEFIT PENSION PLANS**

##### **Plan Description**

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

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

##### **Pension Plan Fiduciary Net Position**

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

**Odessa Junior College District**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**August 31, 2015 and 2014**

**Note 21 - DEFINED BENEFIT PENSION PLANS (Continued)**

**Benefits Provided**

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

**Contributions**

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas Legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

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

	<u>2014</u>	<u>2015</u>
Member	6.4%	6.7%
Non-Employer Contributing entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
FY2014 District Contributions	\$ 588,839	
FY2014 State of Texas On-behalf Contributions	\$ 351,827	

## Odessa Junior College District

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2015 and 2014

#### Note 21 - DEFINED BENEFIT PENSION PLANS (Continued)

##### Contributions (Continued)

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

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

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

##### Actuarial Assumptions

The total pension liability in the August 31, 2014, actuarial valuation was determined using the following actuarial assumptions:

• Valuation Date	August 31, 2014
• Actuarial Cost Method	Individual Entry Age Normal
• Amortization Method	Level Percentage of Payroll, Open
• Remaining Amortization Period	30 years
• Asset Valuation Method	5 year Market Value
• Discount Rate	8.00%
• Long-term expected Investment Rate of Return*	8.00%
• Salary Increases*	4.25% to 7.25%
• Weighted-Average at Valuation Date	5.55%
• Payroll Growth Rate	3.50%

\* Includes Inflation of 3%

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2010, and adopted on April 8, 2011. With the exception of the post-retirement mortality rates for healthy lives and a minor change to the expected retirement age for inactive vested members stemming from the actuarial audit performed in the Summer of 2014, the assumptions and methods are the same as used in the prior valuation. When the mortality assumptions were adopted in 2011 they contained a significant margin for possible future mortality improvement. As of the date of the valuation there has been a significant erosion of this margin to the point that the margin has been eliminated. Therefore, the post-retirement mortality rates for current and future retirees were decreased to add additional margin for future improvement in mortality in accordance with the Actuarial Standards of Practice No. 35.

**Odessa Junior College District**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**August 31, 2015 and 2014**

**Note 21 - DEFINED BENEFIT PENSION PLANS (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 8.0 percent. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2014, are summarized below:

Asset Class	Target Allocation (%)	Long-Term Expected Geometric Real Rate of Return (%)	Expected Contribution to Long- Term Portfolio Returns* (%)
Global Equity:			
U.S.	18.0	4.6	1.0
Non-U.S. Developed	13.0	5.1	0.8
Emerging Markets	9.0	5.9	0.7
Directional Hedge Funds	4.0	3.2	0.1
Private Equity	13.0	7.0	1.1
Stable Value:			
U.S. Treasuries	11.0	0.7	0.1
Absolute Return	0.0	1.8	0.0
Stable Value Hedge funds	4.0	3.0	0.1
Cash	1.0	-0.2	0.0
Real Return:			
Global Inflation Linked Bonds	3.0	0.9	0.0
Real Assets	16.0	5.1	1.1
Energy and Natural Resources	3.0	6.6	0.2
Commodities	0.0	1.2	0.0
Risk Parity:			
Risk Parity	5.0	6.7	0.3
Inflation Expectation			2.2
Alpha			1.0
<b>Total</b>	<b>100.0</b>		<b>8.7</b>

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

Source: Teacher Retirement System of Texas 2014 Comprehensive Annual Financial Report

**Odessa Junior College District**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**August 31, 2015 and 2014**

**Note 21 - DEFINED BENEFIT PENSION PLANS (Continued)**

**Discount Rate Sensitivity Analysis**

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (8%) in measuring the 2014 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
Odessa College District's proportionate share of the net pension liability:	\$11,086,051	\$6,203,932	\$2,553,017

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

At August 31, 2015, the District reported a liability of \$6,203,932 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 6,203,932
State's proportionate share that is associated with the District	3,714,719
Total	\$ 9,918,651

The net pension liability was measured as of August 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2013, thru August 31, 2014.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the employer's reporting date. A 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees went into law effective 09/01/2014. The amount of the expected resultant change in the employer's proportion cannot be determined at this time. The District does fully contribute OASDI on its employees.

For the year ended August 31, 2015, the District recognized pension expense of \$343,419 and revenue of \$343,419 for support provided by the State.

**Odessa Junior College District**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**August 31, 2015 and 2014**

**Note 21 - DEFINED BENEFIT PENSION PLANS (Continued)**

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

At August 31, 2015, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 95,946	-
Changes in actuarial assumptions	403,263	-
Difference between projected and actual investment earnings	-	1,896,175
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	1,626
Contributions paid to TRS subsequent to the measurement date	<u>570,704</u>	<u>-</u>
Total	<u>\$ 1,069,913</u>	<u>1,897,801</u>

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions were provided by TRS as of measurement date of August 31, 2014. These will be recognized in pension expense as follows:

Year ended August 31:	
2016	\$ 390,102
2017	390,102
2018	390,102
2019	390,102
2020	-
Thereafter	-

**NOTE 22 – SUBSEQUENT EVENTS**

Management of the District has performed an evaluation of the District's activity through December 3, 2015, 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, 2015  
With Memorandum Totals for the Year Ended August 31, 2014**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2015 Total</u>	<u>2014 Total</u>
<b>Tuition:</b>						
State-funded credit courses						
In-district resident tuition	\$ 3,802,472	-	3,802,472	-	3,802,472	3,559,286
Out-of-district tuition	2,594,328	-	2,594,328	-	2,594,328	2,369,328
Non-resident tuition	1,016,650	-	1,016,650	-	1,016,650	837,400
TPEG credit set aside*	322,009	-	322,009	-	322,009	300,705
State-funded continuing education	1,130,617	-	1,130,617	-	1,130,617	753,806
TPEG non-credit set aside*	72,167	-	72,167	-	72,167	47,422
Non-state funded educational programs	288,143	-	288,143	-	288,143	286,151
Total tuition	<u>9,226,386</u>	<u>-</u>	<u>9,226,386</u>	<u>-</u>	<u>9,226,386</u>	<u>8,154,098</u>
<b>Fees:</b>						
Student use fees	1,780,577	-	1,780,577	-	1,780,577	1,730,335
Institutional/course fees	935,506	-	935,506	-	935,506	686,352
Student/services fees	-	-	-	178,053	178,053	87,293
Laboratory fees	235,427	-	235,427	-	235,427	202,163
Other fees	71,594	1,034	72,628	-	72,628	70,833
Total fees	<u>3,023,104</u>	<u>1,034</u>	<u>3,024,138</u>	<u>178,053</u>	<u>3,202,191</u>	<u>2,776,976</u>
<b>Scholarship allowances and discounts:</b>						
Tuition bad debt allowance	(104,696)	-	(104,696)	-	(104,696)	(77,816)
Local remissions and exemptions	(1,045,744)	-	(1,045,744)	-	(1,045,744)	(842,128)
State remissions and exemptions	(345,773)	-	(345,773)	-	(345,773)	(328,320)
TPEG allowances	(145,168)	-	(145,168)	-	(145,168)	(142,034)
Federal grants to students	(1,559,830)	-	(1,559,830)	-	(1,559,830)	(1,602,492)
State grants to students	(86,102)	-	(86,102)	-	(86,102)	(165,022)
Local grants to students	(814,119)	-	(814,119)	-	(814,119)	(826,182)
Total scholarship allowances	<u>(4,101,432)</u>	<u>-</u>	<u>(4,101,432)</u>	<u>-</u>	<u>(4,101,432)</u>	<u>(3,983,994)</u>
<b>Total net tuition and fees</b>	<u>8,148,058</u>	<u>1,034</u>	<u>8,149,092</u>	<u>178,053</u>	<u>8,327,145</u>	<u>6,947,080</u>
<b>Other operating revenues:</b>						
Federal grants and contracts	8,050	1,925,948	1,933,998	-	1,933,998	1,265,632
State grants and contracts	-	758,164	758,164	-	758,164	1,284,172
Nongovernmental grants and contracts	34,000	621,030	655,030	-	655,030	309,161
Sales and services of educational activities	523,970	-	523,970	-	523,970	537,902
Investment income (program restricted)	-	11,674	11,674	856	12,530	13,208
General operating revenues	561,164	40,138	601,302	-	601,302	635,428
Total other operating revenues	<u>1,127,184</u>	<u>3,356,954</u>	<u>4,484,138</u>	<u>856</u>	<u>4,484,994</u>	<u>4,045,503</u>



**Odessa Junior College District**

**Schedule A**

**SCHEDULE OF OPERATING REVENUES (CONTINUED)**

**Year Ended August 31, 2015  
With Memorandum Totals for the Year Ended August 31, 2014**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2015 Total</u>	<u>2014 Total</u>
Auxiliary enterprises:						
Bookstore	-	-	-	167,589	167,589	159,653
Food service	-	-	-	570,346	570,346	519,783
Student housing	-	-	-	748,303	748,303	707,314
Other auxiliaries	-	-	-	111,176	111,176	143,321
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,597,414</u>	<u>1,597,414</u>	<u>1,530,071</u>
Total Operating Revenues	\$ <u>9,275,242</u>	<u>3,357,988</u>	<u>12,633,230</u>	<u>1,776,323</u>	<u>14,409,553</u> (Exhibit 2)	<u>12,522,654</u> (Exhibit 2)

\* In accordance with Education Code 56.033, \$394,176 and \$348,127 for years ending August 31, 2015 and 2014, 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, 2015  
With Memorandum Totals for the Year Ended August 31, 2014**

	Salary & Wages	Staff Benefits		Other Expenses	2015 Total	2014 Total
		State	Local			
<b>Unrestricted - Educational Activities</b>						
Instruction	\$ 10,271,496	-	2,009,718	3,336,686	15,617,900	14,683,942
Public service	693,080	-	117,844	291,406	1,102,330	1,129,965
Academic support	2,330,951	-	535,356	806,120	3,672,427	3,405,706
Student services	2,249,233	-	573,787	811,815	3,634,835	3,393,023
Institutional support	2,837,786	-	755,449	1,375,617	4,968,852	5,879,912
Operation and maintenance of plant	898,831	-	264,183	3,105,955	4,268,969	3,678,615
Scholarship and fellowships	-	-	-	581,862	581,862	560,649
<b>Total Unrestricted Educational Activities</b>	<u>19,281,377</u>	<u>-</u>	<u>4,256,337</u>	<u>10,309,461</u>	<u>33,847,175</u>	<u>32,731,812</u>
<b>Restricted - Educational Activities</b>						
Instruction	635,113	1,178,008	25,230	1,194,412	3,032,763	2,852,234
Public service	-	27,440	-	10,906	38,346	48,911
Academic support	185,152	224,080	29,828	425,563	864,623	802,174
Student services	45,473	247,183	-	40,332	332,988	283,683
Institutional support	18,507	466,487	-	21,736	506,730	520,397
Operation and maintenance of plant	-	-	-	11,812	11,812	-
Scholarship and fellowships	-	-	-	3,655,266	3,655,266	3,986,229
<b>Total Unrestricted Educational Activities</b>	<u>884,245</u>	<u>2,143,198</u>	<u>55,058</u>	<u>5,360,027</u>	<u>8,442,528</u>	<u>8,493,628</u>
<b>Total Educational Activities</b>	20,165,622	2,143,198	4,311,395	15,669,488	42,289,703	41,225,440
Auxiliary Enterprises	582,725	-	118,553	1,710,754	2,412,032	2,164,270
Depreciation Expense – Buildings and other real estate improvements	-	-	-	1,648,203	1,648,203	1,048,178
Depreciation Expense – Equipment and furniture	-	-	-	904,158	904,158	787,844
<b>Total Operating Expenses</b>	<u>\$ 20,748,347</u>	<u>2,143,198</u>	<u>4,429,948</u>	<u>19,932,603</u>	<u>47,254,096</u> (Exhibit 2)	<u>45,225,732</u> (Exhibit 2)

**Odessa Junior College District**

**Schedule C**

**SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES**

**Year Ended August 31, 2015  
With Memorandum Totals for the Year Ended August 31, 2014**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2015 Total</u>	<u>2014 Total</u>
<b>NON-OPERATING REVENUES:</b>					
State appropriations:					
Education and general support	\$ 7,351,136	-	-	7,351,136	7,351,137
State group insurance	-	1,799,779	-	1,799,779	1,676,865
State retirement matching	-	343,419	-	343,419	441,068
Nursing shortage reduction grant	-	43,203	-	43,203	251,521
	<u>7,351,136</u>	<u>2,186,401</u>	<u>-</u>	<u>9,537,537</u>	<u>9,720,591</u>
Total state appropriations					
Property taxes for maintenance and operations	21,496,969	-	-	21,496,969	19,826,605
Property taxes for debt service	-	4,662,220	-	4,662,220	4,323,795
Federal revenue, non-operating	-	4,902,974	-	4,902,974	5,101,798
Gifts – noncapital	8,633	184,539	1,517	194,689	193,305
Investment income – not restricted to programs	181,053	-	-	181,053	261,738
Other non-operating revenues	4,731	50,120	-	54,851	8,014
	<u>29,042,522</u>	<u>11,986,254</u>	<u>1,517</u>	<u>41,030,293</u>	<u>39,435,846</u>
<b>Total Non-Operating Revenues</b>					
<b>NON-OPERATING EXPENSES:</b>					
Interest on capital-related debt	3,962,743	-	-	3,962,743	4,908,793
Loss on disposal of capital assets	69,743	-	-	69,743	83,570
Other non-operating expenses	21,795	-	-	21,795	21,795
	<u>4,054,281</u>	<u>-</u>	<u>-</u>	<u>4,054,281</u>	<u>5,014,158</u>
<b>Total Non-Operating Expenses</b>					
<b>Net Non-Operating Revenues</b>	\$ <u>24,988,241</u>	<u>11,986,254</u>	<u>1,517</u>	<u>36,976,012</u> (Exhibit 2)	<u>34,421,688</u> (Exhibit 2)

**Odessa Junior College District**

**Schedule D**

**SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY**

**Year Ended August 31, 2015  
With Memorandum Totals for the Year Ended August 31, 2014**

	Details by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation And Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted, undesignated	\$ 13,740,689	-	-	-	13,740,689	13,740,689	-
Unrestricted, board designated	-	-	-	-	-	-	-
Restricted	-	888,496	-	-	888,496	-	888,496
Auxiliary enterprises	11,586	-	-	-	11,586	11,586	-
Loans	269,301	9,451	-	-	278,752	-	278,752
Endowment	-	-	844,464	-	844,464	-	844,464
Plant:							
Capital projects	(211,175)	8,242,314	-	-	8,031,139	-	8,031,139
Debt service	-	2,483,649	-	-	2,483,649	-	2,483,649
Investment in plant	-	-	-	17,618,848	17,618,848	-	17,618,848
Total Net Position, August 31, 2015	13,810,401	11,623,910	844,464	17,618,848	43,897,623 (Exhibit 1)	13,752,275	30,145,348
Total Net Position, August 31, 2014	19,546,840	11,043,313	844,523	15,207,709	46,642,385 (Exhibit 1)	19,305,315	27,337,070
Cumulative Effect of Change in Accounting principle (Note2)	(7,029,080)	-	-	-	(7,029,080) (Exhibit 2)	(7,029,080)	-
Change in Net Position from Current Operations	\$ 1,292,641	580,597	(59)	2,411,139	4,284,318 (Exhibit 2)	1,476,040	2,808,278

**Odessa Junior College District**

**Schedule E**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year Ended August 31, 2015**

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Document/ Pass Through Grantor's Number	Pass Through Disbursement and Expenditures
<u>U.S. Department of Education</u>			
Direct Programs:			
Student Financial Aid Cluster			
Federal Supplemental Educational Opportunity Grant (14-15)	84.007A	P007A144089	\$ 81,632
Federal Supplemental Educational Opportunity Grant (15-16)	84.007A	P007A154089	32,000
Subtotal			<u>113,632</u>
Federal College Work Study (14-15)	84.033A	P033A144089	88,084
Federal College Work Study (15-16)	84.033A	P033A154089	9,220
Subtotal			<u>97,304</u>
Federal Pell Grant (14-15)	84.063P	P063P142294	2,887,772
Federal Pell Grant (15-16)	84.063P	P063P152294	1,812,316
Subtotal			<u>4,700,088</u>
Direct Student Loans	84.268	P268K152294	17,429
Title V Expanding and Improving Distance Learning in Rural Areas	84.031S	P031S100097	433,173
Pass-through from:			
Texas Workforce Commission			
Adult Basic Education (14-15)	84.002A	1114AELA02	772,095
El Civics (14-15)	84.002A	1114AELA02	69,848
Pass-through from:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education - Basic	84.048	154252	152,748
Carl Perkins CTE Early College High School	84.048	R14105	372,854
Total U.S. Department of Education			<u>6,729,171</u>
<u>U.S. Department of Agriculture</u>			
Pass-through from:			
Texas Department of Human Services			
Child and Adult Care Food Program	10.558	03004	31,842
Total U.S. Department of Agriculture			<u>31,842</u>
<u>National Foundation of the Arts and the Humanities</u>			
Civil War 150 – Liberty of America	45.164	-	200
Total National Foundation on the Arts and the Humanities			<u>200</u>
<u>National Science Foundation</u>			
Pass-through from:			
University at El Paso			
LSAMP	47.076	HRD-1202008	3,466
Total National Science Foundation			<u>3,466</u>

Notes to Schedule on following page.

**Odessa Junior College District**

**Schedule E**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year Ended August 31, 2014**

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Document/ Pass Through Grantor's Number	Pass Through Disbursement and Expenditures
<u>U.S. Department of Health and Human Services</u>			
Pass-through from:			
Texas Workforce Commission			
Temporary Assistance for Needy Families (13-14)	93.558	1114AELA02	46,166
Pass-through from:			
West Texas Opportunities			
Designated Vendor Program	93.596	-	43,556
Total U.S. Department of Health and Human Services			<u>89,722</u>
Total Federal Financial Assistance			\$ <u>6,854,401</u>

**Note 1: FEDERAL ASSISTANCE RECONCILIATION**

Federal revenues per Schedule A & C:		
Federal grants and contracts revenue, Operating Sch A	\$	1,933,998
Federal grants and contracts revenue, Non-Operating Sch C		4,902,974
Federal Direct Student Loans		<u>17,429</u>

Total Federal Revenues Per Schedule of Expenditures of Federal Awards   \$ 6,854,401

**Note 2: SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE**

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

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

Federal Grantor CFDA Number/Program Name	Total Loans		Processed & Administrative Costs Recovered
	New Loans Processed	Administrative Costs Recovered	
<u>Department of Education</u>			
84.032 Federal Family Education Loan Program	\$ <u>1,482,861</u>	-	<u>1,482,861</u>
Total U.S. Department of Education	\$ <u>1,482,861</u>	-	<u>1,482,861</u>

**Odessa Junior College District**

**Schedule F**

**SCHEDULE OF EXPENDITURES OF STATE AWARDS**

**Year Ended August 31, 2015**

Grantor Agency/Program Title	Grant contract Number	Disbursement and Expenditures
Texas Workforce Commission		
State Adult Education (14-15)	1114AELA02	\$ 143,404
Odessa College in Partnership with Chevron USA Inc.	1113SDF003	230,915
Pass-through from:		
Alamo Community College		
Partnership with Weatherford U.S., L.P.	1113SDF004	165,808
Texas Higher Education Coordinating Board		
Texas College Work Study (14-15)	-	18,421
Texas Grant I (14-15)	-	13,800
TEOG (14-15)	-	99,338
TEOG (15-16)	-	9,234
TEOG Renewal (15-16)	-	1,368
State Top Ten % Schools	-	3,000
Nursing Shortage Reduction Program Over 70%	-	43,203
AVID Mentorship Tutor Program	-	22,876
Transition Texas	-	50,000
<b>Total Expenditures of State Awards</b>		<b>\$ 801,367</b>

**NOTE 1: STATE ASSISTANCE RECONCILIATION**

State revenues per Exhibit 2:		
Operating Revenues:		
State grants and contracts		\$ 758,164
Other Revenues:		
State capital grants		-
State revenues per Schedule C:		
Non-Operating Revenues:		
Nursing shortage reduction grant		43,203
<b>Total State Revenues per Schedule of Expenditures of State Awards</b>		<b>\$ 801,367</b>

**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 G**

**SCHEDULE OF DISTRICT'S SHARE OF NET PENSION LIABILITY**

**Year Ended August 31, 2015**

Fiscal year ending August 31st, *	2015 **
Total TRS' pension liability	\$ 159,496,075,886
TRS' net position	132,779,243,085
TRS' net pension liability	\$ 26,716,832,801
TRS net position as percentage of total pension liability	83.25%
District proportionate share of collective net pensions liability (%)	0.0232258%
District proportionate share of collectible net pension liability	\$ 6,203,932
Portion of NECE's total proportionate share of NPL associated with District	3,714,719
Total	\$ 9,918,651
District covered payroll amount	\$ 14,844,367
Ratio of: District's proportionate share of collectible NPL / District's covered payroll amount	41.79%

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

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

**NOTE 1: CHANGES OF BENEFIT TERMS INCLUDE:**

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

**NOTE 2: CHANGES OF ASSUMPTIONS:**

There were no changes as assumptions for the year ended August, 31, 2015.



**Odessa Junior College District**

**Schedule H**

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS**

**Year Ended August 31, 2015**

<u>Fiscal year ending August 31st, *</u>	<u>2015**</u>
Legally required contributions	\$ 570,704
Actual contributions	570,704
Contributions deficiency (excess)	\$ <u><u>-</u></u>
District covered employee payroll amount	\$ 14,844,367
Ration of : Actual contributions / District's covered payroll amount	3.84%

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

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

**NOTE 1: CHANGES OF BENEFIT TERMS INCLUDE:**

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

**NOTE 2: CHANGES OF ASSUMPTIONS:**

There were no changes as assumptions for the year ended August, 31, 2015.

## **SINGLE AUDIT REPORTS**



JOHNSON, MILLER & CO., CPA's PC

Certified Public Accountants

A Professional Corporation

An Independent Member of BDO Alliance USA

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

The Board of Trustees  
Odessa Junior College District  
Odessa, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Odessa Junior College District (the "District"), as of and for the year ended August 31, 2015, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon December 3, 2015.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

We have performed tests designed to verify the District's compliance with the requirements of the Public Funds Investment Act. During the year ended August 31, 2015, no instances of noncompliance were found.

## **Purpose of this Report**

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

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

Odessa, Texas  
December 3, 2015



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

The Board of Trustees  
Odessa Junior College District  
Odessa, Texas

**Report on Compliance for Each Major Federal or State Program**

We have audited Odessa Junior College District's (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement and the provisions of the State of Texas Single Audit Circular* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

## ***Opinion on Each Major Federal or State Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal or state programs for the year ended August 31, 2015.

## **Report on Internal Control Over Compliance**

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

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

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

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



Odessa, Texas  
December 3, 2015

**Odessa Junior College District**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**August 31, 2015**

The Board of Trustees  
Odessa Junior College District  
Odessa, Texas

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

Type of auditor's report issued **Unmodified**

Internal control over financial reporting:

Material weaknesses identified? **No**

Significant deficiencies identified that are not considered to be material weaknesses? **None Reported**

Noncompliance material to financial statements noted? **No**

**Federal and State Awards**

Internal control over major programs:

Material weaknesses identified? **No**

Significant deficiencies identified that are not considered to be material weaknesses? **None Reported**

Type of auditor's report issued on compliance for major programs **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 and State of Texas Single Audit Circular **No**

Any Questioned costs? **No**

**Odessa Junior College District**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**August 31, 2015**

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.007A	Student Financial Aid Cluster: Federal Supplemental Education Opportunity Grant
84.033A	Federal College Work Study Program
84.063P	Federal Pell Grant
84.268	Federal Direct Student Loans
84.002	Adult Basic Education – Federal
84.002	Adult Basic Education – El Civic
84.002	Adult Basic Education – Federal/TANF
84.048	Perkins Cluster: Carl Perkins Vocational Education – Basic Carl Perkins CTE Early College High School
	<u>Name of State Program or Cluster</u>
N/A	Partnership with Weatherford U.S., L.P.
84.002	State Adult Education
Dollar threshold used to distinguish between type A and type B programs:	Federal Program Threshold \$500,000 State Program Threshold \$500,000
Auditee qualified as low-risk auditee?	Yes
Section II – FINANCIAL STATEMENT FINDINGS	No matters were reported.
Section III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS	
August 31, 2015	No matters were reported.
August 31, 2014	No matters were reported.



## **STATISTICAL SUPPLEMENT**

**Odessa Junior College District**  
**Statistical Supplement 1**  
**Net Position by Component**  
**Fiscal Years 2006 to 2015**  
**(unaudited)**  
(amounts expressed in thousands)

For the Fiscal Year Ended August 31,

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Invested in capital assets, net of related debt	17,619	15,208	13,987	12,022	9,767	8,169	4,955	(976)	(3,148)	(5,114)
Restricted - expendable	11,624	11,043	7,683	7,605	4,820	4,633	4,953	5,496	6,498	6,599
Restricted - nonexpendable	844	844	838	829	807	813	774	813	838	707
Unrestricted	13,811	19,547	19,067	17,924	17,681	16,775	18,511	21,196	19,612	18,851
<b>Total net position</b>	<b>\$ 43,898</b>	<b>\$ 46,642</b>	<b>\$ 41,575</b>	<b>\$ 38,380</b>	<b>\$ 33,075</b>	<b>\$ 30,390</b>	<b>\$ 29,193</b>	<b>\$ 26,529</b>	<b>\$ 23,800</b>	<b>\$ 21,043</b>

**Odessa Junior College District**  
**Statistical Supplement 2**  
**Revenues by Source**  
**Fiscal Years 2006 to 2015**  
(unaudited)

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Tuition and Fees (Net of Discounts)	\$8,327	\$6,947	\$7,579	\$8,689	\$5,492	\$4,662	\$3,788	\$3,595	\$3,910	\$3,734
Governmental Grants and Contracts										
Federal Grants and Contracts	1,934	1,266	1,402	2,237	2,535	3,627	3,706	3,533	3,022	4,225
State Grants and Contracts	758	1,284	385	493	486	418	490	421	375	332
Non-Governmental Grants and Contracts	655	309	55	62	79	32	64	73	25	120
Sales and services of educational activities	524	538	504	495	417	288	252	287	275	262
Investment Income	13	13	15	15	13	15	16	38	45	37
Auxiliary enterprises	1,598	1,530	1,492	847	829	816	775	725	562	502
Other Operating Revenues	601	636	644	775	722	601	533	479	433	479
<b>Total Operating Revenues</b>	<b>14,410</b>	<b>12,523</b>	<b>12,076</b>	<b>13,613</b>	<b>10,573</b>	<b>10,459</b>	<b>9,624</b>	<b>9,151</b>	<b>8,647</b>	<b>9,691</b>
State Appropriations	9,538	9,720	8,597	8,427	10,803	10,873	11,388	11,302	11,265	11,003
Ad Valorem Taxes	21,497	19,827	18,354	17,040	16,027	15,153	15,399	14,058	12,796	11,656
Debt Service Taxes	4,662	4,324	4,341	3,935	-	-	-	-	-	-
Federal Grants, non-operating	4,903	5,102	5,093	6,153	7,570	6,441	4,631	3,313	3,453	4,287
Gifts	194	193	236	376	439	311	185	460	323	221
Investment income	181	262	325	420	296	442	578	1,075	1,387	1,033
Other non-operating revenues	55	8	48	1	1	195	667	900	1	25
<b>Total Non-Operating Revenues</b>	<b>41,030</b>	<b>39,436</b>	<b>36,994</b>	<b>36,352</b>	<b>35,136</b>	<b>33,415</b>	<b>32,848</b>	<b>31,108</b>	<b>29,225</b>	<b>28,225</b>
<b>Total Revenue</b>	<b>\$ 55,440</b>	<b>\$ 51,959</b>	<b>\$ 49,070</b>	<b>\$ 49,965</b>	<b>\$ 45,709</b>	<b>\$ 43,874</b>	<b>\$ 42,472</b>	<b>\$ 40,259</b>	<b>\$ 37,872</b>	<b>\$ 37,916</b>

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Tuition and fees (net of discounts)	15.02%	13.37%	15.45%	17.39%	12.02%	10.63%	8.92%	8.93%	10.32%	9.85%
Governmental grants and contracts										
Federal grants and contracts	3.49%	2.44%	2.86%	4.48%	5.55%	8.27%	8.73%	8.78%	7.98%	11.14%
State grants and contracts	1.37%	2.47%	0.78%	0.99%	1.06%	0.95%	1.15%	1.05%	0.99%	0.88%
Non-governmental grants and contracts	1.18%	0.59%	0.11%	0.12%	0.17%	0.07%	0.15%	0.18%	0.07%	0.32%
Sales and services of educational activities	0.95%	1.04%	1.03%	0.99%	0.91%	0.66%	0.59%	0.71%	0.73%	0.69%
Investment Income	0.02%	0.03%	0.03%	0.03%	0.03%	0.03%	0.04%	0.09%	0.12%	0.10%
Auxiliary enterprises	2.88%	2.94%	3.04%	1.70%	1.81%	1.86%	1.82%	1.80%	1.48%	1.32%
Other operating revenues	1.08%	1.22%	1.31%	1.55%	1.58%	1.37%	1.25%	1.19%	1.14%	1.26%
<b>Total Operating Revenues</b>	<b>25.99%</b>	<b>24.10%</b>	<b>24.61%</b>	<b>27.25%</b>	<b>23.13%</b>	<b>23.84%</b>	<b>22.66%</b>	<b>22.73%</b>	<b>22.83%</b>	<b>25.56%</b>
State appropriations	17.20%	18.71%	17.52%	16.87%	23.63%	24.78%	26.81%	28.07%	29.74%	29.02%
Ad valorem taxes	38.78%	38.16%	37.40%	34.10%	35.06%	34.54%	36.26%	34.92%	33.79%	30.74%
Debt service taxes	8.41%	8.32%	8.85%	7.88%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Federal Grants, non-operating	8.84%	9.82%	10.38%	12.31%	16.56%	14.68%	10.90%	8.23%	9.12%	11.31%
Gifts	0.35%	0.37%	0.48%	0.75%	0.96%	0.71%	0.44%	1.14%	0.85%	0.58%
Investment income	0.33%	0.50%	0.66%	0.84%	0.65%	1.01%	1.36%	2.67%	3.66%	2.72%
Other non-operating revenues	0.10%	0.02%	0.10%	0.00%	0.00%	0.44%	1.57%	2.24%	0.00%	0.07%
<b>Total Non-Operating Revenues</b>	<b>74.01%</b>	<b>75.90%</b>	<b>75.39%</b>	<b>72.75%</b>	<b>76.87%</b>	<b>76.16%</b>	<b>77.34%</b>	<b>77.27%</b>	<b>77.17%</b>	<b>74.44%</b>
<b>Total Revenue</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**Odessa Junior College District**  
**Statistical Supplement 3**  
**Program Expenses by Function**  
**Fiscal Years 2006 to 2015**  
(unaudited)

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction	\$18,651	\$17,536	\$14,747	\$15,272	\$15,266	\$14,382	\$13,461	\$12,698	\$11,937	\$11,520
Research	-	-	-	-	-	-	-	-	-	-
Public service	1,141	1,179	909	1,210	1,332	1,332	1,350	1,532	1,439	1,519
Academic support	4,537	4,208	4,049	4,138	3,805	4,006	4,219	3,732	3,592	4,329
Student services	3,968	3,677	2,813	2,914	2,837	3,332	3,109	3,175	3,084	2,894
Institutional support	5,475	6,400	6,464	5,796	6,313	6,089	5,211	4,606	4,048	3,742
Operation and maintenance of plant	4,281	3,679	3,388	3,351	3,705	5,036	5,015	5,021	4,301	3,862
Scholarships and fellowships	4,237	4,547	4,713	6,463	6,136	4,703	3,622	2,926	3,050	3,971
Auxiliary enterprises	2,412	2,164	1,872	1,675	1,668	1,685	1,707	1,597	1,309	1,178
Depreciation	2,552	1,836	1,575	1,448	1,375	1,315	1,084	990	952	844
<b>Total Operating Expenses</b>	<b>47,254</b>	<b>45,226</b>	<b>40,530</b>	<b>42,267</b>	<b>42,437</b>	<b>41,880</b>	<b>38,778</b>	<b>36,277</b>	<b>33,712</b>	<b>33,859</b>
Interest on capital related debt	3,963	4,909	4,883	5,206	570	650	1,461	1,257	1,347	1,424
Loss on disposal of fixed assets	69	83	80	85	119	90	95	126	101	112
Other non-operating	22	35	21	125	101	71	80	79	80	79
<b>Total Non-Operating Expenses</b>	<b>4,054</b>	<b>5,027</b>	<b>4,984</b>	<b>5,416</b>	<b>790</b>	<b>811</b>	<b>1,636</b>	<b>1,462</b>	<b>1,528</b>	<b>1,615</b>
<b>Total Expenses</b>	<b>\$ 51,308</b>	<b>\$ 50,253</b>	<b>\$ 45,514</b>	<b>\$ 47,683</b>	<b>\$ 43,227</b>	<b>\$ 42,691</b>	<b>\$ 40,414</b>	<b>\$ 37,739</b>	<b>\$ 35,240</b>	<b>\$ 35,474</b>

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction	36.35%	34.90%	32.40%	32.03%	35.32%	33.69%	33.31%	33.65%	33.87%	32.47%
Research	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Public service	2.22%	2.35%	2.00%	2.54%	3.08%	3.12%	3.34%	4.06%	4.08%	4.28%
Academic support	8.84%	8.37%	8.90%	8.68%	8.80%	9.38%	10.44%	9.89%	10.19%	12.20%
Student services	7.73%	7.32%	6.18%	6.11%	6.56%	7.80%	7.69%	8.41%	8.75%	8.16%
Institutional support	10.67%	12.74%	14.20%	12.16%	14.60%	14.26%	12.89%	12.20%	11.49%	10.55%
Operation and maintenance of plant	8.34%	7.32%	7.44%	7.03%	8.57%	11.80%	12.41%	13.30%	12.20%	10.89%
Scholarships and fellowships	8.26%	9.05%	10.36%	13.55%	14.19%	11.02%	8.96%	7.75%	8.65%	11.19%
Auxiliary enterprises	4.70%	4.31%	4.11%	3.51%	3.86%	3.95%	4.22%	4.23%	3.71%	3.32%
Depreciation	4.97%	3.65%	3.46%	3.04%	3.18%	3.08%	2.68%	2.62%	2.70%	2.38%
<b>Total Operating Expenses</b>	<b>92.10%</b>	<b>90.00%</b>	<b>89.05%</b>	<b>88.64%</b>	<b>98.17%</b>	<b>98.10%</b>	<b>95.95%</b>	<b>96.13%</b>	<b>95.66%</b>	<b>95.45%</b>
Interest on capital related debt	7.72%	9.77%	10.73%	10.92%	1.32%	1.52%	3.62%	3.33%	3.82%	4.01%
Loss on disposal of fixed assets	0.13%	0.17%	0.18%	0.18%	0.28%	0.21%	0.24%	0.33%	0.29%	0.32%
Other non-operating	0.04%	0.07%	0.05%	0.26%	0.23%	0.17%	0.20%	0.21%	0.23%	0.22%
<b>Total Non-Operating Expenses</b>	<b>7.90%</b>	<b>10.00%</b>	<b>10.95%</b>	<b>11.36%</b>	<b>1.83%</b>	<b>1.90%</b>	<b>4.05%</b>	<b>3.87%</b>	<b>4.34%</b>	<b>4.55%</b>
<b>Total Expenses</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**Odessa Junior College District  
Statistical Supplement 4  
Tuition and Fees  
Last Ten Academic Years  
(unaudited)**

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

Academic Year (Fall)	Registration Fee (per student)	In-District Tuition	Out-of-District Tuition	General Services Fee	Student Activity Fee	Out of District Fee	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
2014	\$ -	\$ 64	\$ 108	\$ 20	\$ 2	\$ -	\$ 1,032	\$ 1,560	4.88%	4.84%
2013	-	61	103	20	1	-	984	1,488	2.50%	4.20%
2012	-	59	98	20	1	-	960	1,428	5.26%	7.21%
2011	-	55	90	20	1	-	912	1,332	20.63%	42.31%
2010	-	52	77	10	1	-	756	936	8.62%	0.00%
2009	-	47	67	10	1	-	696	936	9.43%	14.71%
2008	-	42	57	10	1	-	636	816	0.00%	0.00%
2007	-	42	57	10	1	-	636	816	0.00%	0.00%
2006	-	42	57	10	1	-	636	816	10.42%	17.24%
2005	-	37	47	10	1	-	576	696	0.00%	0.00%

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

Academic Year (Fall)	Registration Fee (per student)	Non-Res Tuition Out of State	Non-Resident Tuition Internat'l	General Services Fee	Student Activity Fees	Out of District Fee	Cost for 12 SCH Out of State	Cost for 12 SCH Internat'l	Increase from Prior Yr Out of State	Increase from Prior Year Internat'l
2014	\$ 150	\$ 140	\$ 140	\$ 20	\$ 2	\$ -	\$ 2,094	\$ 2,094	4.80%	4.80%
2013	150	133	133	20	1	-	1,998	1,998	6.39%	6.39%
2012	150	123	123	20	1	-	1,878	1,878	5.39%	5.39%
2011	150	115	115	20	1	-	1,782	1,782	18.33%	18.33%
2010	150	102	102	10	1	-	1,506	1,506	31.41%	31.41%
2009	150	87	87	10	1	-	1,326	1,326	15.71%	15.71%
2008	150	72	72	10	1	-	1,146	1,146	0.00%	0.00%
2007	150	72	72	10	1	-	1,146	1,146	0.00%	0.00%
2006	150	72	72	10	1	-	1,146	1,146	26.49%	26.49%
2005	150	52	52	10	1	-	906	906	0.00%	0.00%

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 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
CE Students	1,826	23.49%	1,422	22.04%	1,392	21.72%	1,888	26.97%	1,828	25.97%
0-30 hours	4,620	59.44%	3,868	59.94%	3,904	60.90%	4,270	61.00%	4,362	61.97%
31-60 hours	1,013	13.03%	906	14.04%	884	13.79%	609	8.70%	773	10.98%
> 60 hours	314	4.04%	257	3.98%	230	3.59%	233	3.33%	76	1.08%
<b>Total</b>	<b>7,773</b>	<b>100.00%</b>	<b>6,453</b>	<b>100.00%</b>	<b>6,410</b>	<b>100.00%</b>	<b>7,000</b>	<b>100.00%</b>	<b>7,039</b>	<b>100.00%</b>

Tuition Status	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
CE Students	1,826	23.49%	1,422	22.04%	1,392	21.72%	1,888	26.97%	1,828	25.97%
Texas Resident (in-District)	4,102	52.77%	3,513	54.44%	3,473	54.18%	3,531	50.44%	3,595	51.07%
Texas Resident (out-of-District)	1,550	19.94%	1,293	20.04%	1,342	20.94%	1,383	19.76%	1,411	20.05%
Non-Resident Tuition	277	3.56%	213	3.30%	171	2.67%	166	2.37%	151	2.15%
Tuition Exempt	18	0.23%	12	0.19%	32	0.50%	32	0.46%	54	0.77%
<b>Total</b>	<b>7,773</b>	<b>100.00%</b>	<b>6,453</b>	<b>100.00%</b>	<b>6,410</b>	<b>100.00%</b>	<b>7,000</b>	<b>100.00%</b>	<b>7,039</b>	<b>100.00%</b>

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

	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
<b>Credit Students:</b>					
General Academic	9,037	9,275	10,018	10,338	10,309
Technical for Credit	<u>4,621</u>	<u>4,863</u>	<u>3,871</u>	<u>4,246</u>	<u>3,681</u>
Total for Credit	13,658	14,138	13,889	14,584	13,990
<b>Non-Credit Students:</b>					
Technical (State funded)	<u>5,857</u>	<u>5,972</u>	<u>5,196</u>	<u>6,677</u>	<u>7,223</u>
<b>TOTAL</b>	<u>19,515</u>	<u>20,110</u>	<u>19,085</u>	<u>21,261</u>	<u>21,213</u>

\*Includes non-credit equivalent hours.

**Annual Headcount Enrollment by Term\***

<u>Academic Year</u>	<u>Fall</u>	<u>Spring</u>	<u>Summer Session</u>		<u>Annual Total</u>
			<u>First</u>	<u>Second</u>	
2014-15	7,773	6,968	2,681	2,093	19,515
2013-14	6,453	6,969	3,808	2,880	20,110
2012-13	6,410	6,764	3,384	2,527	19,085
2011-12	7,000	7,857	3,528	2,876	21,261
2010-11	7,039	6,879	4,306	2,989	21,213
2009-10	6,782	6,931	3,122	2,869	19,704
2008-09	6,623	6,455	3,148	2,363	18,589
2007-08	6,051	6,194	3,361	2,930	18,536
2006-07	6,249	6,182	2,518	2,161	17,110
2005-06	6,855	6,365	2,979	2,617	18,816
2004-05	6,976	7,419	3,851	3,215	21,461
2003-04	7,664	6,795	3,978	3,054	21,491
2002-03	7,761	8,081	3,014	3,574	22,430
2001-02	6,285	6,554	3,385	3,394	19,618
2000-01	6,415	6,715	2,797	3,145	19,072
1999-00	5,938	5,910	2,261	3,171	17,280
1998-99	6,244	5,898	3,122	1,807	17,071
1997-98	6,202	6,019	2,798	2,588	17,607
1996-97	5,473	6,097	2,082	1,860	15,512
1995-96	6,350	6,353	2,887	2,400	17,990
1994-95	5,987	6,157	2,357	1,699	16,200

\*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>	
2014-15	45,755	41,434	6,069	3,754	97,012
2013-14	45,978	40,557	8,379	4,947	99,861
2012-13	44,222	40,375	7,276	5,731	97,604
2011-12	44,115	41,361	7,626	5,431	98,533
2010-11	45,640	44,788	7,631	5,145	103,204
2009-10	44,718	44,360	7,235	5,727	102,040
2008-09	39,526	38,427	6,184	5,073	89,210
2007-08	38,169	36,714	6,643	4,858	86,384
2006-07	39,851	37,513	5,679	3,587	86,630
2005-06	43,261	42,384	6,344	3,274	95,263
2004-05	42,083	43,515	6,383	3,858	95,839
2003-04	42,735	41,350	7,280	3,956	95,321
2002-03	43,809	45,113	6,612	4,537	100,071
2001-02	39,700	40,838	6,308	4,500	91,346
2000-01	39,474	39,489	5,834	3,579	88,376
1999-00	41,204	39,665	5,898	4,093	90,860
1998-99	41,075	39,716	7,683	3,169	91,643
1997-98	42,852	39,014	7,084	2,856	91,806
1996-97	42,070	42,084	6,374	3,279	93,807
1995-96	39,882	36,431	8,036	2,935	87,284
1994-95	38,905	37,440	6,792	3,593	86,730

**Annual Contact Hours Generated\***

	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
<b>Credit Students:</b>					
General Academic	1,293,627	1,273,303	1,295,248	1,354,704	1,414,944
Technical for Credit	<u>717,363</u>	<u>723,664</u>	<u>714,336</u>	<u>709,312</u>	<u>728,048</u>
Total for Credit	2,010,990	1,996,967	2,009,584	2,064,016	2,142,992
<b>Non-Credit Students:</b>					
Vocational (State funded)	<u>320,832</u>	<u>307,032</u>	<u>258,006</u>	<u>320,602</u>	<u>318,279</u>
<b>TOTAL</b>	<u>2,331,822</u>	<u>2,303,999</u>	<u>2,267,590</u>	<u>2,384,618</u>	<u>2,461,271</u>

\*Includes non-credit equivalent hours.

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

	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Gender										
Female	3,665	53.54%	3,575	55.45%	3,666	57.19%	3,822	54.60%	3,966	56.34%
Male	3,180	46.46%	2,872	44.55%	2,744	42.81%	3,178	45.40%	3,073	43.66%
Total	6,845	100.00%	6,447	100.00%	6,410	100.00%	7,000	100.00%	7,039	100.00%

	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Ethnic Origin										
White	2,629	38.41%	2,156	33.44%	2,235	34.87%	1,963	28.04%	2,749	39.05%
Hispanic	3,299	48.20%	3,300	51.19%	3,137	48.94%	3,687	52.67%	3,826	54.35%
African American	274	4.00%	251	3.89%	183	2.85%	183	2.61%	308	4.38%
Asian	83	1.21%	56	0.87%	54	0.84%	53	0.76%	61	0.87%
Native American	78	1.14%	55	0.85%	41	0.64%	54	0.77%	40	0.57%
International	7	0.10%	10	0.16%	14	0.22%	15	0.21%	13	0.18%
Unknown	475	6.94%	619	9.60%	746	11.64%	1,045	14.93%	42	0.60%
Total	6,845	100.00%	6,447	100.00%	6,410	100.00%	7,000	100.00%	7,039	100.00%

	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Age										
Under 18	1,301	19.01%	1,170	18.15%	1,052	16.41%	1,007	14.39%	950	13.50%
18 -21	2,026	29.60%	2,083	32.31%	2,073	32.34%	2,196	31.37%	2,243	31.87%
22 - 24	821	11.99%	720	11.17%	713	11.12%	779	11.13%	753	10.70%
25 - 35	1,549	22.63%	1,420	22.03%	1,432	22.34%	1,643	23.47%	1,654	23.50%
36 - 50	850	12.42%	783	12.15%	806	12.57%	1,046	14.94%	1,060	15.06%
51 & over	298	4.35%	271	4.20%	334	5.21%	329	4.70%	379	5.38%
Total	6,845	100.00%	6,447	100.00%	6,410	100.00%	7,000	100.00%	7,039	100.00%

Average Age (Credit)	23.0	22.9	23.0	23.0	24.0
Average Age (CE)	35.0	36.0	37.6	36.0	37.0



**Odessa Junior College District  
Statistical Supplement 8  
State Appropriation per FTSE and Contact Hour  
Last Ten Fiscal Years  
(unaudited)**

(amounts expressed in thousands)

Fiscal Year	Appropriation per FTSE			Appropriation per Contact Hour					
	State Appropriation (a)	FTSE (b)	State Appropriation per FTSE	Academic Contact Hours (c)	Technical Contact Hours (c)	Non-Credit Technical Contact Hours (d)	Total Contact Hours	State Appropriation per Contact Hour	
2014-15	\$ 7,351	3,453	\$ 2,129	1,227	715	321	2,263	\$ 3.25	
2013-14	7,351	3,670	2,003	1,273	724	307	2,304	3.19	
2012-13	6,925	3,540	1,956	1,295	714	259	2,268	3.05	
2011-12	6,826	3,641	1,875	1,355	709	320	2,384	2.86	
2010-11	7,844	3,792	2,069	1,415	728	318	2,461	3.19	
2009-10	7,945	3,719	2,136	1,416	712	286	2,414	3.29	
2008-09	8,474	3,260	2,599	1,228	650	257	2,135	3.97	
2007-08	8,474	3,206	2,643	1,188	628	294	2,110	4.02	
2006-07	8,474	3,391	2,499	1,185	676	256	2,117	4.00	
2005-06	8,474	3,452	2,455	1,286	713	383	2,382	3.56	

**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**  
**2013 Fall Students as of Fall 2014**  
**(Includes only public senior colleges in Texas)**  
**(unaudited)**

	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of All Odessa College Transfer Students	% of Odessa College Transfer Students	
1	The University of Texas of the Permian Basin	351	22	24	397	51.49%
2	Texas Tech University	106	1	5	112	14.53%
3	Angelo State University	36	2	3	41	5.32%
4	Texas A & M University	30		1	31	4.02%
5	The University of Texas at Austin	31			31	4.02%
6	Texas State University at San Marcus	28	1		29	3.76%
7	West Texas A & M University	23	1		24	3.11%
8	The University of Texas at Arlington	19	1		20	2.59%
9	The University of Texas at San Antonio	19	1		20	2.59%
10	Sul Ross State University	12			12	1.56%
11	Texas Tech University Health Science Center	6		4	10	1.30%
12	University of North Texas	10			10	1.30%
13	Tarleton State University	6			6	0.78%
14	The University of Texas at El Paso	4		2	6	0.78%
15	The University of Texas at Dallas	4			4	0.52%
16	Texas Woman's University	3			3	0.39%
17	Sam Houston State University	2		1	3	0.39%
18	The University of Texas at Tyler	1			1	0.13%
19	Texas A & M University at Commerce		1		1	0.13%
20	University of Houston	1			1	0.13%
21	University of Houston at Clear Lake	1			1	0.13%
22	University of Houston Downtown	1			1	0.13%
23	University of Houston Victoria	1			1	0.13%
24	Texas A & M University at Corpus Christi	1			1	0.13%
25	Prairie View A & M University	1			1	0.13%
26	Texas A & M University at San Antonio	1			1	0.13%
27	Texas A & M University at Galveston	1			1	0.13%
28	Texas A & M International University		1		1	0.13%
29	University of North Texas Health Science Center	1			1	0.13%
<b>Totals</b>	<b>700</b>	<b>31</b>	<b>40</b>	<b>771</b>	<b>100.00%</b>	

**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)
2014-15	17,171,163	2,478,347	14,692,816	85.57%	0.145000	0.031600	0.176600
2013-14	16,176,607	2,388,308	13,788,299	85.24%	0.143474	0.030651	0.174125
2012-13	14,112,228	2,123,917	11,988,311	84.95%	0.151200	0.035970	0.187170
2011-12	12,709,099	2,084,774	10,624,325	83.60%	0.158400	0.038680	0.197080
2010-11	12,082,970	2,108,081	9,974,889	82.55%	0.158400	-	0.158400
2009-10	11,725,808	2,417,353	9,308,455	79.38%	0.162400	-	0.162400
2008-09	11,945,389	2,544,708	9,400,681	78.70%	0.162400	-	0.162400
2007-08	9,694,085	2,063,518	7,630,567	78.71%	0.181700	-	0.181700
2006-07	8,367,049	1,624,822	6,742,227	80.58%	0.190000	-	0.190000
2005-06	7,174,228	1,354,242	5,819,986	81.12%	0.200000	-	0.200000

Property Use Category	Detailed Tax Roll For Fiscal Years				
	2014/15	2013/14	2012/13	2011/12	2010/11
Real Property					
Single-Family Residential	\$ 4,644,189	\$ 4,193,880	\$ 3,768,789	\$ 3,604,499	\$ 3,578,944
Multi-Family Residential	379,537	335,603	269,959	199,739	185,068
Vacant Lots/Tracts	158,282	129,191	103,505	96,732	101,441
Acreage (Land Only)	171,236	177,141	134,490	124,026	122,227
Farm and Ranch Improvements	91,540	78,267	15,278	14,220	13,438
Commercial and Industrial	2,318,066	2,146,725	1,723,487	1,602,608	1,525,133
Oil, Gas & Minerals	4,719,074	4,664,878	4,558,628	4,105,181	3,854,425
Inventory	89,188	84,786	62,316	45,363	38,237
Tangible Personal Property					
Business	3,144,712	2,953,609	2,220,925	1,759,954	1,570,466
Other	207,031	175,686	146,024	132,191	121,928
Real & Tangible Personal Property					
Utilities	333,248	351,922	322,520	259,137	216,347
<b>Total Market Assessed Valuations</b>	<b>16,256,103</b>	<b>15,291,688</b>	<b>13,325,921</b>	<b>11,943,650</b>	<b>11,327,654</b>
Constitutionally Exempt Values	915,060	884,919	786,307	765,449	755,318
<b>Total Assessed Valuations</b>	<b>17,171,163</b>	<b>16,176,607</b>	<b>14,112,228</b>	<b>12,709,099</b>	<b>12,082,972</b>
Less Exemptions:					
Constitutionally Exempt	914,984	883,327	786,301	765,428	754,560
Residential Homestead	681,566	629,588	591,446	570,765	558,211
Loss to 10% Cap	73,017	74,549	57,929	81,076	186,100
Over 65	147,933	146,591	145,758	147,059	146,598
Disabled/Others	34,385	30,507	29,562	26,967	25,768
Productivity Loss	167,951	173,491	94,864	86,410	90,453
Freeport Exemption	138,487	106,666	83,547	73,336	46,692
Pollution Control	151,171	150,888	149,147	151,315	135,845
Abatements	168,853	192,701	185,364	182,419	163,855
<b>Total Exemptions</b>	<b>2,478,347</b>	<b>2,388,308</b>	<b>2,123,918</b>	<b>2,084,775</b>	<b>2,108,082</b>
<b>Taxable Assessed Valuation</b>	<b>\$ 14,692,816</b>	<b>\$ 13,788,299</b>	<b>\$ 11,988,310</b>	<b>\$ 10,624,324</b>	<b>\$ 9,974,890</b>

**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)									
		2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Occidental Permian LTD	Oil & Gas	\$ 465,399	\$ 773,121	\$ 810,640	\$ 677,300	\$ 671,537	\$ 722,406	\$ 665,706	\$ 845,024	\$ 610,832	\$ 514,882
Halliburton Energy Services	Oil & Gas	298,503	265,719	238,475	132,610						
Fasken Oil & Ranch LTD	Oil & Gas	281,811	177,672	-	-	-	-	-	-	-	-
Odessa-Ector Power Partners	Utility	235,002	247,462	251,858	316,562	226,811	191,925	191,713	-	-	-
Conocophoillips	Oil & Gas	182,564	331,184	375,281	382,053	401,298	457,937	350,225	372,529	231,750	212,867
Devon Energy Production	Oil & Gas	178,711	302,219	222,788	256,806	203,373	126,613				
XTO Energy	Oil & Gas	177,394	285,375	197,932	243,275	308,732	296,139	278,509	313,628	223,288	147,857
Reliance Energy Inc	Oil & Gas	166,223	182,825	-	-	-	-	-	-	-	-
Oncore Electric Delivery	Utility	136,615	-	-	-	-	-	80,011	84,067	-	-
Apache Corporation	Oil & Gas	115,668	274,700	265,774	264,552	236,650	236,130	160,352	286,547	-	-
Oxy USA WTP LP	Oil & Gas		164,270	206,678	244,011	223,194	225,445	232,478	296,757	212,925	188,176
Sheridan Production Co	Oil & Gas	-	-	194,557							
Chevron USA Inc.	Oil & Gas	-	-	175,878	-	-	-	-	-	-	-
Oxy USA Inc.	Oil & Gas	-	-	-	-	82,994	-	97,017	129,370	-	-
Four Star Oil and Gas	Oil & Gas	-	-	-	-	-	-	78,154	116,096	132,860	167,372
Flint Hills/Huntsman Polmers	Chemicals	-	-	-	-	-	-	-	180,234	184,317	282,588
Anadarko Petroleum Corp.	Oil & Gas	-	-	-	-	-	-	-	-	248,127	229,934
TXU Electric Delivery Co.	Utility	-	-	-	-	-	-	-	-	82,686	81,073
BP American Production Co.	Oil & Gas	-	-	-	-	-	-	-	-	51,858	52,168
Encore Operating LP	Oil & Gas	-	-	-	-	-	-	-	-	-	59,604
Sandridge Exploration & Prod	Oil & Gas				244,663	211,724	179,281				
COG Operating	Oil & Gas				235,003	190,344	94,093				
Energen Resources	Oil & Gas						95,603	77,649	100,632	66,137	-
<b>Totals</b>		<b>\$ 2,237,890</b>	<b>\$ 3,004,547</b>	<b>\$ 2,939,861</b>	<b>\$ 2,996,835</b>	<b>\$ 2,756,657</b>	<b>\$ 2,625,572</b>	<b>\$ 2,211,814</b>	<b>\$ 2,724,884</b>	<b>\$ 2,044,780</b>	<b>\$ 1,936,521</b>
<b>Total Taxable Assessed Value</b>		<b>\$ 14,692,816</b>	<b>\$ 13,788,295</b>	<b>\$ 11,988,311</b>	<b>\$ 10,624,325</b>	<b>\$ 9,974,889</b>	<b>\$ 9,308,455</b>	<b>\$ 9,400,680</b>	<b>\$ 7,630,567</b>	<b>\$ 6,742,227</b>	<b>\$ 5,819,986</b>

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year									
		2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Occidental Permian LTD	Oil & Gas	3.17%	5.61%	6.76%	6.37%	6.73%	7.76%	7.08%	11.07%	9.06%	8.85%
Halliburton Energy Services	Oil & Gas	2.03%	1.93%	1.99%	1.25%	-	-	-	-	-	-
Fasken Oil & Ranch LTD	Oil & Gas	1.92%	1.29%	-	-	-	-	-	-	-	-
Odessa-Ector Power Partners	Utility	1.60%	1.79%	2.10%	2.98%	2.27%	2.06%	2.04%	-	-	-
Conocophoillips	Oil & Gas	1.24%	2.40%	3.13%	3.60%	4.02%	4.92%	3.73%	4.88%	3.44%	3.66%
Devon Energy Production	Oil & Gas	1.22%	2.19%	1.86%	2.42%	2.04%	1.36%	-	-	-	-
XTO Energy	Oil & Gas	1.21%	2.07%	1.65%	2.29%	3.10%	3.18%	2.96%	4.11%	3.31%	2.54%
Reliance Energy Inc	Oil & Gas	1.13%	1.33%	-	-	-	-	-	-	-	-
Oncore Electric Delivery	Utility	0.93%	-	-	-	-	-	0.85%	1.10%	-	-
Apache Corporation	Oil & Gas	0.79%	1.99%	2.22%	2.49%	2.37%	2.54%	1.71%	3.76%	-	-
Sheridan Production Co	Oil & Gas	-	-	1.62%	-	-	-	-	-	-	-
Chevron USA Inc.	Oil & Gas	-	-	1.47%	-	-	-	-	-	-	-
Oxy USA Inc.	Oil & Gas	-	-	-	-	0.83%	-	1.03%	1.70%	-	-
Four Star Oil and Gas	Oil & Gas	-	-	-	-	-	-	0.83%	1.52%	1.97%	2.88%
Flint Hills/Huntsman Polmers	Chemicals	-	-	-	-	-	-	-	2.36%	2.73%	4.86%
Anadarko Petroleum Corp.	Oil & Gas	-	-	-	-	-	-	-	-	3.68%	3.95%
TXU Electric Delivery Co.	Utility	-	-	-	-	-	-	-	-	1.23%	1.39%
BP American Production Co.	Oil & Gas	-	-	-	-	-	-	-	-	0.77%	0.90%
Encore Operating LP	Oil & Gas	-	-	-	-	-	-	-	-	-	1.02%
Oxy USA WTP LP	Oil & Gas	-	1.19%	1.72%	2.30%	2.24%	2.42%	2.47%	3.89%	3.16%	3.23%
Sandridge Exploration & Prod	Oil & Gas	-	-	-	2.30%	2.12%	1.93%	-	-	-	-
COG Operating	Oil & Gas	-	-	-	2.21%	1.91%	1.01%	-	-	-	-
Energen Resources	Oil & Gas	-	-	-	-	-	1.03%	0.83%	1.32%	0.98%	-
<b>Totals</b>		<b>15.23%</b>	<b>21.79%</b>	<b>24.52%</b>	<b>28.21%</b>	<b>27.64%</b>	<b>28.21%</b>	<b>23.53%</b>	<b>35.71%</b>	<b>30.33%</b>	<b>33.27%</b>

**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
2014	153,904	(a)	(a)	3.4%
2013	149,378	\$ 6,597,699	\$ 44,168	4.3%
2012	144,325	6,162,376	42,698	4.6%
2011	140,111	5,378,120	38,385	6.1%
2010	137,130	4,752,997	34,653	8.3%
2009	134,625	4,515,835	33,544	6.2%
2008	131,180	4,731,242	36,067	3.4%
2007	128,874	4,197,617	32,571	4.2%
2006	126,076	3,739,763	29,663	5.0%
2005	124,187	3,286,755	26,466	6.0%

**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