



Financial Statements and Independent Auditors' Report



Odessa Junior College District August 31, 2017 and 2016

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ODESSA JUNIOR COLLEGE DISTRICT

ORGANIZATIONAL DATA

For the Year Ended August 31, 2017

BOARD OF TRUSTEES



OFFICERS

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

MEMBERS

TERM EXPIRES MAY,

Mr. Richard C. Abalos	Odessa, Texas	2023
Mr. Royce Bodiford	Odessa, Texas	2019
Mr. Tommy Clark	Odessa, Texas	2019
Dr. Tara Deaver	Odessa, Texas	2023
Mr. Neil Grape	Odessa, Texas	2019
Mr. Gary S. Johnson	Odessa, Texas	2021
Mr. Larry Johnson	Odessa, Texas	2021
Mr. JE "Coach" Pressly	Odessa, Texas	2021
Mr. Bruce Shearer	Odessa, Texas	2023



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, 2017 and 2016, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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, 2017 and 2016, and the respective changes in financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 – 21, the Schedule of District's Proportionate Share of Net Pension Liability on page 56 and the Schedule of District's Contributions on page 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The organizational data and statistical supplement on pages 72 through 83 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirement of Federal Awards, and is also not a required part of the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the *Provisions of the State of Texas Single Audit Circular*, and is not a required part of the basic purpose financial statements. In addition, the supplementary data presented in schedules A, B, C and D is presented for additional purposes and is not a required part of the basic financial statements.

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

Other Matters (Continued)

The Organizational Data and Statistical Supplement have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report December 4, 2017, 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.

Johnson, Miller & Co., CPA's PC

Odessa, Texas
December 4, 2017

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, 2017 (Fiscal Year 2017), 2016 (Fiscal Year 2016), and 2015 (Fiscal Year 2015). In conformity with Government Accounting Standards Board (GASB) Statement No. 34, the discussion focuses on currently known facts, decisions, and conditions and is intended to assist the reader in the interpretation of the financial statements and notes that follow this analysis.

FINANCIAL AND ENROLLMENT HIGHLIGHTS

- The District's net financial position as a whole was strengthened as total revenues exceeded total expenses by \$5.3 million in fiscal year 2017. Revenues exceeded expenses by \$6.5 million and \$4.3 million in fiscal years 2016 and 2015.
- The District's assets and deferred outflows exceeded its liabilities and deferred inflows by \$55.7 million at the end of fiscal year 2017, compared to \$50.4 million and \$43.9 million at the end of fiscal years 2016 and 2015, respectively.
- Capital assets (net of depreciation) increased by approximately \$695 thousand in 2017, by \$10.4 million in 2016, and by \$8.2 million in 2015. The increases resulted primarily from construction and equipment purchases related to the Vision 2015 campus improvement program funded largely by the 2011 Tax Bond.
- The District's total debt decreased during fiscal year 2017 by \$3.8 million, or 4.7%, to \$76.6 million. Debt decreased by \$3.7 million and \$3.5 million at the end of fiscal years 2016 and 2015. The decreases during all three fiscal years were due to scheduled debt service payments on revenue and general obligation bonds.
- The net taxable property values in the District decreased by approximately \$1.4 billion, or 10.2%, from 2016 to 2017 after decreasing by \$0.7 billion, or 4.8%, from 2015 to 2016. In both years, the decline was the result of lower mineral values.
- Total tax revenues decreased by \$1 million, or 3.6%, to \$26.0 million in 2017, compared to tax revenues of \$27.0 million and \$26.2 million in 2016 and 2015.
- Total contact hours from both credit and noncredit instruction increased by 11.4% to 2,700,273 in 2017, compared to 2,424,704 in 2016 and 2,331,822 in 2015.
- Total semester hours for credit classes increased by 14.2% to 118,211 in 2017, compared to 103,475 in 2016 and 97,012 in 2015.

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 2016 and 2015 are presented as discrete reports on pages 24 and 27 of the District's basic financial statements. Complete financial statements for the Foundation can be obtained from the Foundation at 201 West University Blvd, Odessa, TX 79764.

• The Statement of Net Position

The Statement of Net Position (Exhibit 1) reports the assets, liabilities, deferred outflows and inflows 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.

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

- **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.

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

- **The Statement of Cash Flows**

The final statement presented is the Statement of Cash Flows (Exhibit 3) 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, 2017 (Unaudited)

CONDENSED COMPARATIVE FINANCIAL INFORMATION

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

	Year Ended August 31,			<u>2016 to</u>	<u>2015 to</u>
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2017</u>	<u>2016</u>
Current assets	\$ 22,338	\$21,058	\$26,191	\$ 1,280	\$ (5,133)
Capital assets, net of depreciation	111,229	110,534	100,106	695	10,428
Other non-current assets	17,919	18,005	21,050	(86)	(3,045)
Deferred outflows of resources	2,306	2,681	1,070	(375)	1,611
Total assets and deferred outflows	153,792	152,278	148,417	1,514	3,861
Current liabilities	14,668	14,035	14,317	633	(282)
Non-current debt	74,159	78,210	82,101	(4,051)	(3,891)
Net Pension Liability	6,992	6,813	6,204	179	609
Deferred inflows of resources	2,272	2,832	1,898	(560)	934
Total liabilities and deferred inflows	98,091	101,890	104,520	(3,799)	(2,630)
Net Position:					
Net invested in capital assets	35,669	31,177	17,619	4,492	13,558
Restricted: nonexpendable	772	844	844	(72)	0
Restricted: expendable	5,092	4,493	11,624	599	(7,131)
Unrestricted	14,168	13,874	13,810	294	64
Total net position	\$ 55,701	\$ 50,388	\$43,897	5,313	\$ 6,491

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

The District implemented GASB Statement 68 during 2015. With this new reporting change, the District now reports its proportionate share of the Texas Retirement System's net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. Schedule of District's Proportionate Share of Net Pension Liability and the Schedule of District's Contributions, which can be found on pages 56 and 57, show the District's share of the TRS net pension liability and the District's contributions to the plan. The implementation of this new accounting principle required a restatement of beginning net position for the 2015 fiscal year from \$46.6 million to \$39.6 million, a decrease of \$7.0 million. As a result, certain components of the Statement of Net 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.

Management's Discussion and Analysis
For the Period Ending August 31, 2017 (Unaudited)

During fiscal year 2017:

- There was an increase of \$1,280,000 in current assets due to an increase in cash and cash equivalents offset by a decrease in accounts receivable. Cash and cash equivalents increased by \$5,119,000 due primarily to the timing of the Federal Pell Grant draw down at year end. Accounts receivable decreased by \$3,877,000 due to the timing of the Federal Pell Grant draw down at year end as well.

During fiscal year 2016:

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

During fiscal year 2015:

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

Capital assets, net of depreciation, increased by 0.6%, or \$695 thousand, during 2017 while increasing \$10.4 million during 2016. 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 2017:

- Construction in Progress decreased by approximately \$15.9 million. Fiscal year 2017 construction costs amounted to \$2.8 million on projects not yet completed, including the Electronics Technology Building Phase 2, Electronics Technology Building Phase 3, Sports Center lockers, Globe Theater and the Vehicle Technology Center. There was an offsetting decrease of \$18.7 million to Construction in Progress with the completion of the Fab Lab, LRC first floor renovations, Spur Building Phase 2, and Site Improvements which were reclassified into the Buildings category of capital assets.
- Buildings and improvements increased by \$18.7 million due to the completion of the Fab Lab, Spur Building Phase 2, Campus Site Improvements as well as the remodel to the first floor LRC.

Management's Discussion and Analysis
For the Period Ending August 31, 2017 (Unaudited)

- Major Equipment purchases included \$181 thousand in equipment to furnish the Fab Lab, \$157 thousand in instrumentation controls equipment from the Chevron grant, and \$123 thousand in welding equipment associated with the Jet Grant, and \$178 thousand in replacement of information technology servers and related equipment.

During fiscal 2016:

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

During fiscal 2015:

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

Management's Discussion and Analysis
For the Period Ending August 31, 2017 (Unaudited)

Total liabilities decreased by \$3.2 million (3.3%) in fiscal year 2017 and \$3.6 million (3.5%) in fiscal 2016. The major contributing factors are explained below.

During fiscal 2017:

- Accounts payable related to construction and vendor purchases decreased by \$194,000, reflective of less construction activity with fewer Vision 2015 projects active at year-end.
- Deferred revenue increased by \$563,000 due to an increase in enrollment for Fall 2017 and an increase in state grant funds received that have been deferred to Fall 2017.
- Non-current liabilities decreased by \$4.1 million due to principle payments on lease and bond obligations.
- Net pension liability increased by \$179 thousand due to differences between actual and projected investment earnings by TRS.

During fiscal 2016:

- Accounts payable related to construction and vendor purchases decreased by \$821,000, reflective of less construction activity with fewer Vision 2015 projects active at year-end.
- Deferred tuition revenue increased by \$405,000 due to an increase in enrollment for Fall 2016.
- Non-current liabilities decreased by \$3.9 million due to principle payments on lease and bond obligations.

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.

Management's Discussion and Analysis
For the Period Ending August 31, 2017 (Unaudited)

Overall, the District's net position increased by \$5.3 million during fiscal 2017, increased by \$6.5 million during 2016, and decreased by \$2.7 million during 2015. Note that the 2015 decrease was comprised of a \$4.3 million increase in net position from normal operations offset by a \$7.0 million cumulative effect of change in accounting principle due to the implementation of GASB 68 during 2015.

During fiscal 2017:

- The Net Investment in Capital Assets, representing the net value of capital assets (land, buildings, and equipment) less the related debt, increased by almost \$4.5 , primarily as a result of scheduled payments on bonded debt.
- The Restricted Net Position increased approximately \$527 thousand.
- The Unrestricted Net Position increased modestly by \$294 thousand.

During fiscal 2016:

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

During fiscal 2015:

- The Net Investment in Capital Assets, representing the net value of the District's capital assets (land, buildings, and equipment) less the related debt, increased by almost \$2.4 million.
- The Restricted Net Position increased approximately \$580 thousand.
- The Unrestricted Net Position cannot be compared to the previous two years due to the restatement required by GASB 68. Nevertheless, there was an excess of unrestricted revenues over unrestricted expenses of \$1.3 million during fiscal 2015.

Management's Discussion and Analysis
For the Period Ending August 31, 2017 (Unaudited)

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

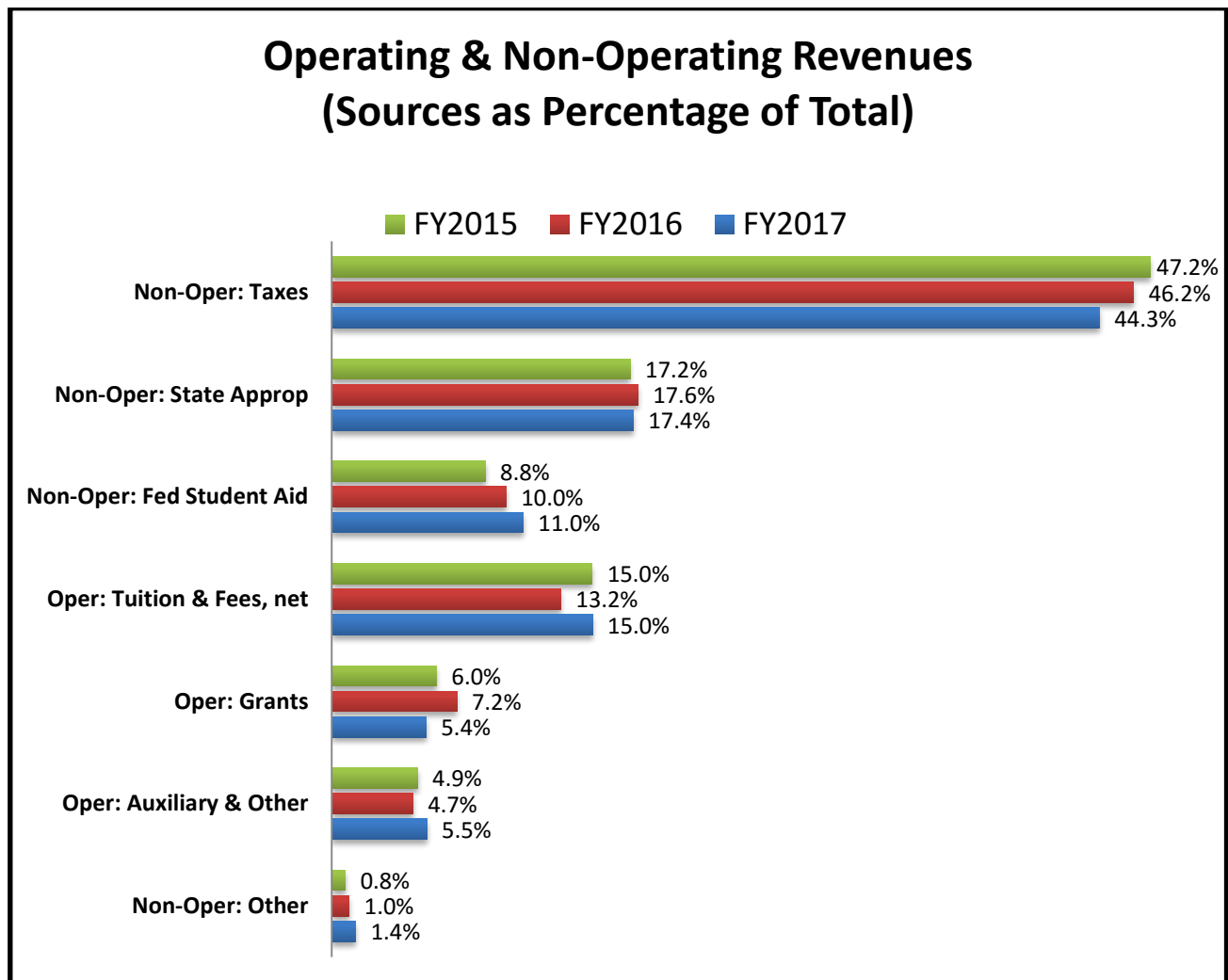
	Year Ended August 31,			Increase (Decrease)	
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2016 to 2017</u>	<u>2015 to 2016</u>
Operating revenues					
Tuition and fees (net of discounts)	\$ 8,829	\$ 7,701	\$ 8,327	\$ 1,128	\$ (626)
Grants and contracts	3,194	4,204	3,347	(1,010)	857
Other	3,218	2,724	2,736	494	(12)
Total operating revenue	<u>15,241</u>	<u>14,629</u>	<u>14,410</u>	<u>612</u>	<u>219</u>
Operating expenses					
Instruction	18,203	18,150	18,651	53	(501)
Public Service	1,574	1,252	1,141	322	111
Academic Support	4,810	4,807	4,537	3	270
Student Services	4,376	4,179	3,968	197	211
Institutional Support	6,147	5,947	5,476	200	471
Operations & Maint of Plant	4,449	4,122	4,281	327	(159)
Scholarship & Fellowships	5,041	4,976	4,237	65	739
Auxiliary enterprises	2,277	2,397	2,412	(120)	(15)
Depreciation	2,942	2,688	2,552	254	136
Total operating expenses	<u>49,819</u>	<u>48,518</u>	<u>47,255</u>	<u>1,301</u>	<u>1,263</u>
Operating loss	(34,578)	(33,889)	(32,845)	(689)	(1,044)
Non-operating revenue/(expense)					
State appropriation	10,208	10,290	9,538	(82)	752
Ad valorem taxes	25,990	26,961	26,159	(971)	802
Federal student aid grants	6,480	5,860	4,903	620	957
Interest on debt	(3,750)	(3,871)	(3,963)	121	92
Other	724	507	339	217	168
Total non-operating income	<u>39,652</u>	<u>39,747</u>	<u>36,976</u>	<u>(95)</u>	<u>2,771</u>
Other revenue					
Capital grants and gifts	239	633	153	(394)	480
Increase in net position	<u>5,313</u>	<u>6,491</u>	<u>4,284</u>	<u>(1,178)</u>	<u>2,207</u>
Net assets, beginning of year	<u>50,388</u>	<u>43,897</u>	<u>46,642</u>	<u>6,491</u>	<u>(2,745)</u>
Prior period adjustment GASB 68 Implementation	N/A	N/A	(7,029)	0	7,029
Net assets beginning of year as restated	<u>50,388</u>	<u>43,897</u>	<u>39,613</u>	<u>6,491</u>	<u>4,284</u>
Net assets, end of year	<u>\$ 55,701</u>	<u>\$ 50,388</u>	<u>\$ 43,897</u>	<u>\$ 5,313</u>	<u>\$ 6,491</u>

Figure 2 Note: FY2015 has been restated to account for GASB Statement 68 changes and a prior period adjustment.

Revenues

Graph 1 below illustrates the sources of operating and non-operating revenues for fiscal years 2017, 2016, and 2015. As evidenced by the graph, the majority of revenue is derived from non-operating sources.

A comparison of fiscal 2017 to fiscal 2016 shows an increase in the percentage of revenues provided by tuition and fees, federal student aid, auxiliary and other. The percentage derived from property taxes, and grants declined during the same period. Comparing the prior two fiscal years (2016 to 2015) reveals increases in percentage from state appropriations, federal student aid, and operating grants and decreases in percentage property taxes, tuition and auxiliaries.



Graph 1

Operating Revenues:

Key factors impacting Operating Revenues are explained below:

During fiscal 2017:

- Tuition and Fee Revenue, net of discounts, increased by \$1,128,000, or about 14.6%. Gross tuition and fees increased by \$1,537,000 due to higher enrollments and an increase of 14.2% in semester credit hours. At the same time, scholarship allowances and discounts increased by \$409,000 due to increased federal student aid grants, primarily Pell grants which increased by 11.6%.
- Federal Operating Grants decreased by \$304,000 or 20%. The decrease is due primarily to the ending of a one year Perkins Grant for the startup of the Early College High School (OCTECHS) in the amount of \$212,000 as well as a decrease in Perkins Grant funding during the current year in the amount of 82,000.
- State Operating Grants increase by \$73,000 due to a new grant received from the Texas Workforce Commission for Jobs and Education for Texans (JET).
- Non-governmental Grants and Contracts decreased by \$780,000 due to a private grant from the Odessa Development Corporation ending during the year with the majority of the funds being received during prior year.

During fiscal 2016:

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

During fiscal 2015:

- Tuition and Fee Revenue, net of discounts, increased by \$1,380,000, or about 20%. Gross tuition and fees actually increased by \$1,498,000 due to an increase in semester credit hours as well as a tuition increase. At the same time, scholarship allowances and discounts increased by \$117,000 due to local remissions and exemptions.
- Federal Operating Grants increased by \$668,000 or 53%. The increase is due to a new Perkins Grant for the Early College High School (OCTECHS) 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.

Non-Operating Revenues:

Non-Operating Revenues decreased slightly by \$95 thousand in 2017 after increasing by \$2.8 million in 2016 and increasing \$2.6 million during 2015. Key factors impacting Non-Operating Revenues are discussed below:

During fiscal 2017:

- Total State Appropriations decreased by \$82,000, due to a one-time reallocation of state funding in FY2016 based on state-wide enrollments. The 2017 appropriation reverted back to the original annual amount allocated by the legislature.
- Property Tax revenue decreased by \$971,000, or 3.6%. While net assessed valuations decreased by 10%, the tax rate for maintenance and operations was increased by 7%.
- Federal Student Aid Revenue increased \$620,000 or 10.6%. The number of recipients awarded during the 2016-17 academic year increased resulting in a larger disbursement of aid in August of 2017 for the fall semester.
- Other non-operating revenues increased by \$255,000 due to an increase in insurance funds received. During the current year the District had several large claims due primarily to a hailstorm in June.

During fiscal 2016:

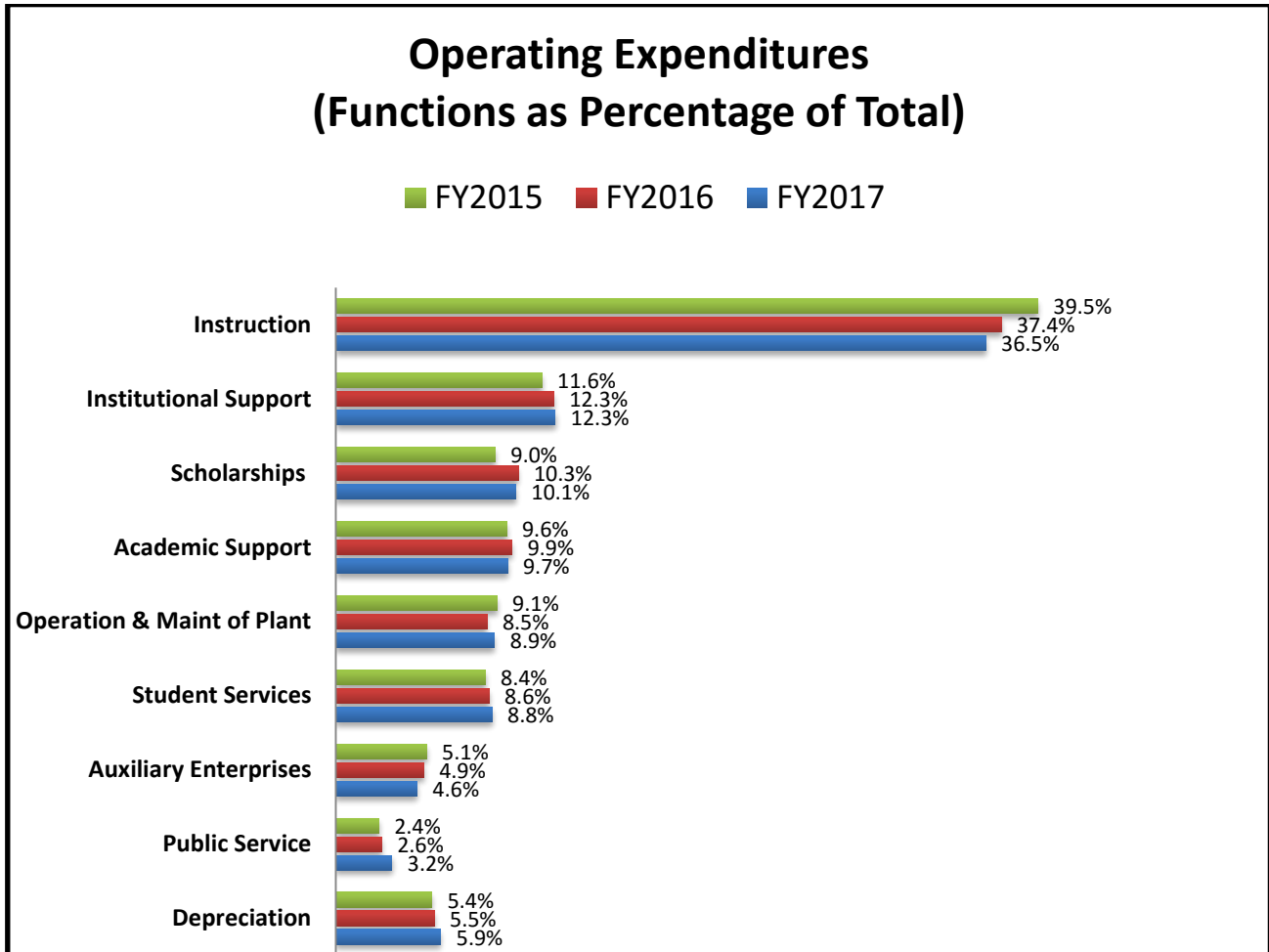
- Total State Appropriations increased by \$752,000, due to a reallocation of state funding based on prior year enrollments as well as a slight increase in state funding of group health insurance premiums.
- Property Tax revenue increased by \$802,000, or 3.1%. While net assessed valuations decreased by 4.8%, the tax rate for maintenance and operations was increased by 8%.
- Federal Student Aid Revenue increased \$957,000 or 19.5%. The number of recipients awarded during the 2015-16 academic year decreased by 10% from the previous year to a total of 1,442 students; however, those qualifying for the 2016-17 academic year increased to 1,765, resulting in a larger disbursement of aid in August of 2016 for the fall semester.

During fiscal 2015:

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

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 2017, 2016 and 2015.



Graph 2

As shown in Figure 2, total Operating Expenses increased by \$1.3 million or 2.7% in 2017, after an increase of \$1.3 million or 2.7%, during 2016, and an increase of \$2.0 million, or 4.3% during 2015. Key factors impacting operating expenses by functional expense categories are described below:

During fiscal 2017:

- Public Service expenditures increased by \$321,000, or 25.6%, due primarily to an increase in the Fab Lab noncapital expenditures, sports center roof repairs, and Terrace Circle house repairs.
- Student Services increased by \$197,000, or 4.7% primarily due to the filling of open positions from the prior year.

Management's Discussion and Analysis
For the Period Ending August 31, 2017 (Unaudited)

- Institutional Support increased by \$200,000, or 3.4%, due primarily to an increase in local benefits. The Tuition and Fees assistance awarded to employees increase by \$26,000 and as well as an overall increase in health insurance cost.
- Operation & Maintenance of Plant expenditures increased by \$327,000, or 7.9%, due do expenses related to a hailstorm during the current year as well as an increase in the Globe Theater renovations and upgrades.
- Depreciation expenditures increased by \$254,000, or 9.4%, due to the increase in capitalized assets related to the Vision 2015 campus improvement projects.

During fiscal 2016:

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

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.

Management's Discussion and Analysis
For the Period Ending August 31, 2017 (Unaudited)

Other Revenues consist mainly of capital contributions in the form of gifts and grants as well as additions to permanent endowments. Capital contributions were \$238,000 in fiscal 2017, \$633,000 in 2016, and \$153,000 in 2015. The 2017 capital donations were dedicated to the Fab Lab, as well as a donation for a computer lab. The 2016 capital donations were dedicated to the Steinway piano replacement campaign, the Globe Theatre renovations, and the Fab Lab construction. The 2015 contributions were designated for Vision 2015 construction.

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets, net of depreciation, was \$111.2 million at the end of fiscal 2017, compared to \$110.5 million in 2016, and \$100.1 million in 2015. A summary of capitalized assets for fiscal years 2017, 2016, and 2015 is shown below in Figure 3. This information is also presented in Note 6 of the Financial Statements. Details of capital asset activity can be found on pages 9-10 of this Management's Discussion and Analysis report.

Capital Assets, Net of Depreciation (thousands of dollars)

	Year Ended August 31,			Increase (Decrease)	
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2016 to</u>	<u>2015 to</u>
Land	\$ 4,196	\$ 4,196	\$ 4,196	\$ 0	\$ 0
Buildings and improvements	114,516	95,794	87,033	18,722	8,761
Other land improvements	8,345	8,345	7,701	0	644
Construction in progress	3,597	19,467	16,335	(15,870)	3,132
Furniture and equipment	13,687	12,969	12,332	718	637
Library materials	2,224	2,287	2,346	(63)	(59)
Subtotal	146,565	143,058	129,943	3,507	13,115
Less: Accumulated depreciation	(35,336)	(32,524)	(29,837)	(2,812)	(2,687)
Net Capital Assets	\$ 111,229	\$ 110,534	\$ 100,106	\$ 695	\$ 10,428

Figure 3

The District is nearing the completion of an \$84 million, multi-year campus improvement project called "Vision 2015". Funding was provided by a \$68.5 million general obligation bond passed in November 2010 as well as private capital donations and board allocations of reserve funds. Vision 2015 campus improvements include the demolition of 7 older structures, the addition of 7 new buildings, and renovations to 7 existing facilities.

Debt Administration

The District had outstanding debt of \$76.6 million as of August 31, 2017, and \$80.4 million and \$84.1 million as of August 31, 2016 and 2015, respectively. No new debt was issued during the 2017 year. Principal payments on long-term debt totaled \$3,795,000 in 2017, \$3,680,000 in 2016, and \$3,445,000 in 2015. Details of the outstanding long-term liabilities by type as of August 31, 2017, 2016, and 2015 are listed below in Figure 4.

Outstanding Debt (thousands of dollars)

	Year Ended August 31,		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Obligation Bonds	\$ 64,320	\$ 65,760	\$ 67,155
Revenue Bonds (2)	12,325	14,680	16,965
Total Outstanding Bonded Indebtedness	\$ 76,645	\$ 80,440	\$ 84,120

Figure 4

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

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

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

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

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

Economic Factors That Will Affect the Future

While the energy exploration sector of the economy has slowed due to lower oil prices, the oilfield service sector is still quite busy

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. During the last oil boom, thousands of oil and gas wells were drilled, resulting in higher than ever demand for service and maintenance of those investments. After a decline in oil prices in 2015 and 2016, the prices have rebounded to a more realistic and sustainable level. Since the vast majority of oil field service companies servicing the new wells are located in Ector County, the economy is still stronger than it was before the boom started in 2012. Moreover, more efficient drilling and operating technologies, combined with new oil and gas discoveries within the Wolfcamp shale and Alpine High area of the region, have resulted in increased drilling and service activity.

Management's Discussion and Analysis
For the Period Ending August 31, 2017 (Unaudited)

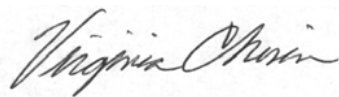
As a result, the current fiscal year property tax values show a reversal of the recent two year decline, resulting in a \$1 million increase in tax revenues for the 2018 fiscal year. The administration expects the assessed tax values to increase slightly again next year due to higher and more stable oil prices and renewed oilfield service activity. At the time of this report, general spending in Ector County is up 40% year-to-year, construction and home sales are up 40%, and the rig count is twice the number as last year. Building permits, sales tax revenues, and hotel and apartment occupancy rates are all significantly higher than the same time last year. Based on such data and the analysis of state and national economists, the administration feels that the current economic climate is favorable for sufficient tax support and higher industry job demand for skilled technicians and workers.

Student enrollment is at an all-time high, graduation rates have increased by 187% over the last decade, and class completion rates are among the highest in the nation. In the past year, the District has received numerous awards at the state and national level that are reflective of its high quality and unique approaches to student success. In March 2017, Odessa College was named as winner of the Aspen Institute's Rising Star Award, making it one of the top 4 community colleges in the nation. The College was also one of the 10 finalists for the Aspen Prize for Community College Excellence, an award which is recognized among American institutions of higher education as the most prestigious and elevated affirmation of high achievement and exemplary performance that a community college can receive. The Aspen Prize recognizes outstanding institutions selected from an original pool of all 1,200 public community colleges nationwide. The Aspen Institute assesses performance and achievements in four areas: student learning, certificate and degree completion, employment and earnings for graduates, and access and success for minority and low-income students. The District anticipates that such national recognition of quality and effectiveness will likely contribute to strong enrollment demand in the near future.

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

Requests for Information

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



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

FINANCIAL STATEMENTS

Odessa Junior College District
STATEMENTS OF NET POSITION

Exhibit 1

August 31,

	2017	2016
ASSETS:		
Current Assets		
Cash and cash equivalents (Notes 2 and 4)	\$ 12,816,327	7,696,855
Short-term investments (Notes 2 and 4)	-	497,438
Accounts receivable, net (Note 17)	4,712,640	8,589,230
Inventories (Note 2)	12,387	10,326
Notes receivable – current, net	2,394,819	2,066,577
Prepaid items	1,924,161	1,518,737
Escrow deposits	477,542	678,780
Total Current Assets	22,337,876	21,057,943
Noncurrent Assets:		
Restricted cash and cash equivalents (Notes 2 and 4)	284,740	542,763
Endowment investments (Notes 2, 3 and 4)	770,568	843,869
Other long-term investments (Notes 2, 3 and 4)	14,549,804	13,716,320
Notes receivable – noncurrent, net	2,230,339	2,797,344
Unamortized bond insurance costs	82,799	104,594
Capital assets, net of accumulated depreciation (Notes 2 and 6)	111,229,149	110,533,985
Total Noncurrent Assets	129,147,399	128,538,875
Total Assets	\$ 151,485,275	149,596,818
Deferred Outflows of Resources:		
Deferred outflows related to pensions	\$ 2,306,163	2,680,974
LIABILITIES:		
Current Liabilities		
Accounts payable (Note 17)	\$ 2,856,526	3,092,196
Accrued liabilities	339,910	336,829
Accrued compensable absences (Notes 7 and 13)	522,363	514,378
Funds held for others	701,972	568,037
Deferred revenue – tuition and fees (Note 2)	5,443,738	5,213,651
Deferred revenue – other (Note 2)	848,042	515,132
Bonds payable – current portion (Notes 7, 8 and 9)	3,955,000	3,795,000
Total Current Liabilities	14,667,551	14,035,223
Noncurrent Liabilities:		
Bonds payable – noncurrent (Notes 7, 8 and 9)	72,690,000	76,645,000
Unamortized bond premium	1,469,228	1,564,991
Net pension liability (Note 7 and 11)	6,992,209	6,813,032
Total Noncurrent Liabilities	81,151,437	85,023,023
Total Liabilities	\$ 95,818,988	99,058,246
Deferred Inflows of Resources:		
Deferred inflows related to pensions	\$ 2,271,936	2,831,749

Odessa Junior College District
STATEMENTS OF NET POSITION (CONTINUED)

Exhibit 1

August 31,

	2017	2016
NET POSITION:		
Net investment in capital assets	\$ 35,668,550	31,177,308
Restricted for:		
Nonexpendable:		
Student aid	772,368	843,869
Expendable:		
Student aid	641,673	413,749
Instructional programs	1,275,926	578,614
Loans	12,451	9,451
Unexpended capital projects	294,674	791,749
Debt service	2,867,025	2,699,538
Unrestricted	14,167,847	13,873,519
Total Net Position (Schedule D)	\$ 55,700,514	50,387,797

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

Odessa College Foundation, Incorporated

STATEMENTS OF FINANCIAL POSITION

December 31,

ASSETS

	2016	2015
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,702,459	1,653,865
Pledges receivable	30,090	65,703
Due from Odessa College	20,000	-
Total current assets	1,752,549	1,719,568
Marketable Securities At Fair Value	8,798,154	7,870,912
Pledges Receivable - Noncurrent	30,000	51,000
Total Assets	\$ 10,580,703	9,641,480

LIABILITIES AND NET ASSETS

	2016	2015
LIABILITIES		
Accounts payable	\$ 3,485	112,825
Deferred revenue	-	2,758
Due from Odessa College	1,515	-
Total current liabilities	5,000	115,583
NET ASSETS		
Unrestricted		
Undesignated	465,141	242,034
Designated for Half-Century scholarships	205,155	205,155
Designated for Health Science scholarships	156,040	156,040
Total unrestricted net assets	826,336	603,229
Temporarily restricted	3,765,608	3,419,019
Permanently restricted	5,983,759	5,503,649
Total net assets	10,575,703	9,525,897
Total current liabilities and net assets	\$ 10,580,703	9,641,480

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,

	2017	2016
OPERATING REVENUES:		
Tuition and fees (net of discounts of \$4,937,444 and \$4,528,112, respectively)	\$ 8,829,049	7,700,564
Federal grants and contracts	1,210,103	1,513,270
State grants and contracts	414,725	342,103
Non-governmental grants and contracts	1,568,418	2,348,173
Sales and services of educational activities	442,469	462,333
Investment income (program restricted)	18,317	14,098
Auxiliary enterprises	1,360,028	1,570,704
Other operating revenue	1,397,397	677,170
Total operating revenues (Schedule A)	15,240,506	14,628,415
OPERATING EXPENSES:		
Instruction	18,202,820	18,150,194
Public service	1,573,592	1,252,286
Academic support	4,811,312	4,806,744
Student services	4,375,638	4,178,907
Institutional support	6,146,576	5,948,343
Operation and maintenance of plant	4,448,521	4,122,054
Scholarships and fellowships	5,041,023	4,975,800
Auxiliary enterprises	2,277,141	2,396,721
Depreciation	2,942,461	2,687,726
Total operating expenses (Schedule B)	49,819,084	48,518,775
OPERATING LOSS	(34,578,578)	(33,890,360)
NON-OPERATING REVENUES (EXPENSES):		
State appropriations	10,208,033	10,290,476
Property taxes for maintenance and operations	21,172,447	22,137,869
Property tax for debt service	4,817,846	4,823,077
Federal grants, non-operating	6,479,983	5,860,463
Gifts – noncapital	241,897	147,770
Investment income – not restricted to programs	267,972	395,843
Interest on capital – related debt	(3,750,306)	(3,870,531)
Loss on disposal of capital assets	(64,022)	(60,256)
Other non-operating revenues	300,097	44,993
Other non-operating expenses	(21,795)	(21,795)
Net non-operating revenues (Schedule C)	39,652,152	39,747,909
Income before other revenues	5,073,574	5,857,549

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

	<u>2017</u>	<u>2016</u>
OTHER REVENUES:		
State capital grants	\$ -	-
Private capital gifts and grants	238,393	631,645
Additions to permanent endowment	<u>750</u>	<u>980</u>
Total other revenues	<u>239,143</u>	<u>632,625</u>
Increase in Net Position	<u>5,312,717</u>	<u>6,490,174</u>
NET POSITION – BEGINNING OF YEAR	<u>50,387,797</u>	<u>43,897,623</u>
NET POSITION – END OF YEAR	<u>\$ 55,700,514</u>	<u>50,387,797</u>

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

Odessa College Foundation, Incorporated

STATEMENTS OF ACTIVITIES

Years ended December 31, 2016 and 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2016	Total 2015
Revenues, gains and other support:					
Contributions (including pledges)	\$ 3,000	1,099,230	392,738	1,494,968	1,612,791
Transfer of contributions	1,091	4,554	(5,645)	-	-
Earnings (loss) on investments, net of fees	(68,219)	287,183	123,342	342,306	337,751
Net realized (loss) gains on marketable securities	-	-	(30,325)	(30,325)	-
Net unrealized gains (loss) on marketable securities	347,285	-	-	347,285	(623,102)
Net position released from restrictions through satisfaction of program restrictions	1,044,378	(1,044,378)	-	-	-
Total revenues, gains and other support	1,327,535	346,589	480,110	2,154,234	1,327,440
Expenses:					
Scholarships	613,738	-	-	613,738	541,765
Program and college support	430,640	-	-	430,640	298,500
General and administrative	60,050	-	-	60,050	23,368
Total expenses	1,104,428	-	-	1,104,428	863,633
CHANGES IN NET ASSETS	223,107	346,589	480,110	1,049,806	463,807
Net assets at beginning of year	603,229	3,419,019	5,503,649	9,525,897	9,062,090
Net assets at end of year	\$ 826,336	3,765,608	5,983,759	10,575,703	9,525,897

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,

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from students and other customers	\$ 11,304,925	9,920,630
Receipts (payments) from (to) grants and contracts	7,427,573	(429,694)
Receipts from loan collections from students and employees	3,219,367	1,234,887
Other receipts	1,415,714	691,268
Payments to or on behalf of employees	(27,669,108)	(26,405,488)
Payments to suppliers for goods or services	(11,384,360)	(11,725,285)
Payments of scholarships	(5,082,579)	(4,430,781)
Loans issued to student and employees	(3,322,481)	(1,509,182)
Other cash payments/receipts	(411,249)	53,805
	(24,502,198)	(32,599,840)
Net cash used by operating activities		
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES:		
Receipts from state allocations	7,654,979	7,614,891
Receipts from ad valorem taxes	25,825,563	26,685,325
Receipts from non-operating federal revenue	6,479,983	5,860,463
Receipts from gifts and grants other than for capital purposes	242,647	148,750
Receipts from student organizations and other agencies	559,470	412,355
Payments to student organizations and other agencies	(425,534)	(407,286)
Deposit with escrow agents	201,238	(168,911)
	40,538,346	40,145,587
Net cash provided by non-capital and related financing activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Amortization of bond premiums	(95,763)	(95,762)
Proceeds from capital grants and gifts	483,919	885,761
Proceeds from sale of capital assets	-	5,083
Proceeds from insurance recoveries	78,600	43,293
Purchases of capital assets	(4,086,688)	(14,584,344)
Payments on capital debt and leases	(7,545,306)	(7,550,531)
	(11,165,238)	(21,296,500)
Net cash used in capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Receipts from sale and maturity of investments	3,037,535	6,118,775
Receipts from investment earnings	455,565	460,909
Purchases of investments	(3,502,561)	(4,448,907)
	(9,461)	2,130,777
Net cash (used in) provided by investing activities		
Increase (decrease) in cash and cash equivalents	4,861,449	(11,619,976)
Cash and cash equivalents – September 1	8,239,618	19,859,594
Cash and cash equivalents – August 31	\$ 13,101,067	8,239,618

Odessa Junior College District

Exhibit 3

STATEMENTS OF CASH FLOWS (CONTINUED)

Years ended August 31,

	2017	2016
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating loss	\$ (34,578,578)	(33,890,360)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	2,942,461	2,687,726
Payments made directly to ERS by state for benefits	2,553,054	2,675,585
Changes in assets and liabilities:		
Receivable, net:		
Tuition and fees receivable, net	344,008	(62,030)
State and federal operating grants receivable	2,638,963	(2,846,236)
Private grants receivable	1,375,662	(1,599,393)
Employee receivable	(12,730)	-
Sales and services receivable, net	17,540	(330,901)
Auxiliary receivable, net	(31,464)	(13,078)
Inventories	(2,061)	(8,310)
Other assets	(405,424)	121,818
Accounts payable	149,370	582,464
Accrued payroll liabilities	3,081	2,416
Deferred inflows	(559,813)	933,948
Deferred outflows	374,811	(1,611,061)
Accrued liabilities	179,177	609,100
Deferred revenue:		
Deferred tuition and fees revenue	230,087	623,014
Other deferred revenue	332,910	(217,587)
Compensated absences	7,985	11,457
Loans to students and employees	(61,237)	(268,412)
	10,076,380	1,290,520
Net cash used by operating activities	\$ (24,502,198)	(32,599,840)

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

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS

August 31, 2017 and 2016

NOTE 1 – REPORTING ENTITY

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Reporting Guidelines*

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

2. *Tuition Discounting*

Texas Public Education Grants

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

Title IV, Higher Education Act (HEA) Program Funds

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

Other Tuition Discounts

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

3. *Basis of Accounting*

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

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2017 and 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. *Budgetary Data*

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

5. *Cash and Cash Equivalents*

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

6. *Deferred Inflows*

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

7. *Deferred Outflows*

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

8. *Investments*

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

9. *Inventories*

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

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2017 and 2016

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*

The District participates in the Teacher Retirement System of Texas (TRS) pension plan, multiple-employer cost sharing defined benefit pension plan with a special funding situation. The fiduciary net position of the TRS has been determined based on the flow of economic resource measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net pension liability: deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, and liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable, in accordance with the benefit terms. Investments are reported at fair value.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2017 and 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

15. *New Accounting Pronouncements*

GASB Statement No. 74, “*Financial Reporting for Postemployment Benefit Plans Other than Pension Plans.*”

The requirements of this Statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by other postemployment benefits (OPEB) plans that are administered through trusts that meet the specified criteria. The new information will enhance the usefulness of the financial reports of those OPEB plans, their value for assessing accountability, and their transparency by providing information about measures of net OPEB liabilities and explanations of how and why those liabilities changed from year to year. The net OPEB liability information, including ratios, will offer an up-to-date indication of the extent to which the total OPEB liability is covered by the fiduciary net position of the OPEB plan. The comparability of the reported information for similar types of OPEB plans will be improved by the changes related to the attribution method used to determine the total OPEB liability. The contribution schedule will provide measures to evaluate decisions related to the assessment of contribution rates in comparison with actuarially determined rates, if such rates are determined. In addition, new information about rates of return on OPEB plan investments will inform financial report users about the effects of market conditions on the OPEB plan’s assets over time and provide information for users to assess the relative success of the OPEB plan’s investment strategy and the relative contribution that investment earnings provide to the OPEB plan’s ability to pay benefits to plan members when they come due. The provisions of this statement are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged.

GASB Statement No. 75, “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*”

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

GASB Statement No. 77, “*Tax Abatement Disclosures.*”

The requirements of this Statement improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government’s future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government’s financial position and economic condition. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. The District adopted this statement during fiscal 2017.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2017 and 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

15. *New Accounting Pronouncements (Continued)*

GASB Statement No. 78, “*Pensions Provided Through Certain Multiple-employer Defined Benefit Pension Plans.*”

This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. The District adopted this statement during fiscal 2017.

GASB Statement No. 79, “*Certain External Investment Pools and Pool Participants.*”

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

GASB Statement 80, “*Blending Requirements for Certain Component Units—an Amendment of GASB Statement No. 14.*”

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

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2017 and 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

15. *New Accounting Pronouncements (Continued)*

GASB Statement 81, *“Irrevocable Split-interest Agreements.”*

The objective of this statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreement that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. Earlier application is encouraged.

GASB Statement 82, *“Pension Issues – an Amendment of GASB Statements 67, 68, and 73.”*

The objective of this statement is to address certain issues that have been raised with respect to Statements 67, Financial Reporting for Pension Plans; 68, Accounting and Financial Reporting for Pensions; 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68; and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged.

GASB Statement 83, *“Certain Asset Retirement Obligations.”*

This statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations (AROs). It requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred and requires that a deferred outflow of resources associated with an ARO be measured at the amount of the corresponding liability upon initial measurement. In addition, this statement requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation, at least annually, and requires a government to evaluate all relevant factors, at least annually, to determine whether the effects of one or more of the factors are expected to significantly change the estimated asset retirement outlays. In cases where governments are legally required to provide funding or other financial assurance for their performance of asset retirement activities, this statement requires disclosure of how those funding and assurance requirements are being met, as well as the amount of any assets restricted for payment of the government's AROs, if not separately displayed in the financial statements. This statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2017 and 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

15. *New Accounting Pronouncements (Continued)*

GASB Statement 84, “*Fiduciary Activities.*”

The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

GASB Statement 85, “*Omnibus 2017.*”

The objective of this statement is to address practice issues that have been identified during implementation and application of certain GASB statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). Specifically, this statement addresses the following topics:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation
- Reporting amounts previously reported as goodwill and “negative” goodwill
- Classifying real estate held by insurance entities
- Measuring certain money market investments and participating interest-earning investment contracts at amortized cost
- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus
- Recognizing on-behalf payments for pensions or OPEB in employer financial statements
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB
- Classifying employer-paid member contributions for OPEB
- Simplifying certain aspects of the alternative measurement method for OPEB
- Accounting and financial reporting for OPEB provided through certain multiple-employer-defined benefit OPEB plans

The requirements of this statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.

GASB Statement 86, “*Certain Debt Extinguishment Issues.*”

The primary objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2017 and 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

15. *New Accounting Pronouncements (Continued)*

GASB Statement 87, “Leases.”

The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

NOTE 3 – AUTHORIZED INVESTMENTS

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

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

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

- the categorization of investments by risk which is required by GASB Statement No. 3 Note 4 in the footnote “**Deposits and Investments,**” and
- placing a statement in the scope paragraph of the **Report on Compliance and on Internal Control over Financial Reporting (page 66)** which indicate the audit work covered in the Act, or
- writing a separate letter to the State Auditor’s Office stating that the District is in compliance with all requirements of the Act.

Odessa Junior College District
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
August 31, 2017 and 2016

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits: At August 31, 2017 and 2016, the carrying amounts of the District's deposits were \$4,328,543 and \$3,036,998, respectively; and bank balances equaled \$4,658,988 and \$3,188,874. Bank balances of \$338,828 and \$408,569 were covered by federal depository insurance, and \$4,320,160 and \$2,780,305 were covered by collateral pledged in the District's name. The collateral was held by the District or by its Agent (Category 1). There were no uncollateralized bank balances (Category 3) at either year end. (This would have included any bank balance that was collateralized with securities held by the pledging financial institution's department or agent but not in the District's name). The District held \$8,758,672 and \$5,188,768 in state approved public funds investment pools at August 31, 2017 and 2016, respectively.

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

Cash and Deposits		
	2017	2016
Bank Deposits		
Demand Deposits	\$ 4,603,138	3,032,214
Transit Items	(330,445)	(151,876)
Time Deposits	55,850	156,660
	4,328,543	3,036,998
Cash and Cash Equivalents		
Public Funds Investment Pools	8,758,672	5,188,768
Petty Cash on Hand	13,852	13,852
Total cash and Deposits	\$ 13,101,067	8,239,618

Reconciliation of Deposits and Investments to Exhibit 1

Type of Security	Market Value August 31, 2017	Market Value August 31, 2016
Total Cash and Deposits	\$ 13,101,067	8,239,618
Total Investments	15,320,372	15,057,627
Total Deposits and Investments	\$ 28,421,439	23,297,245
Current Cash and Temporary Investments (Exh. 1)	\$ 12,816,327	7,696,855
Restricted Cash and Temporary Investments (Exh. 1)	284,740	542,763
Short-Term Investment (Exh. 1)	-	497,438
Endowment Investments (Exh. 1)	770,568	843,869
Other Long-Term Investments (Exh. 1)	14,549,804	13,716,320
Total Deposits and Investments (Exh. 1)	\$ 28,421,439	23,297,245

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2017 and 2016

NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)

As of August 31, 2017, 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
Certificates of Deposit	\$ 3,563,574	249,005	1,980,686	1,333,883
Municipal Bonds	11,756,798	3,191,007	6,130,290	2,435,501
Total Fair Value	\$ 15,320,372	3,440,012	8,110,976	3,769,384

As of August 31, 2016, the District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities in Years		
		Less than 1	1 to 2	2 to 5
Certificates of Deposit	\$ 3,307,000	254,000	497,000	2,556,000
Municipal Bonds	11,253,190	1,651,966	2,056,513	7,544,711
Corporate Bonds	497,437	497,437	-	-
Total Fair Value	\$ 15,057,627	2,403,403	2,553,513	10,100,711

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

Credit Risk: In accordance with state law and the District's investment policy, investments in mutual funds and investment pools must be rated at least AAA, commercial paper must be rated at least A-1 or P-1, and investments in obligations of states, agencies, counties, cities, and other political subdivisions must be rated at least A. Applicable credit ratings of investments at August 31, 2017 and 2016 are reported below:

Investment Type	Credit Rating
Tex Pool Prime	S&P: AAAm
TexPool	S&P: AAAm
LOGIC	S&P: AAAm
Lone Star Government Overnight Fund	S&P: AAAm
Lone Star Corporate Overnight Plus Fund	S&P: AAAf/s/+
Municipal 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 issuers that are more than 5% of the total investments.

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

Odessa Junior College District
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
August 31, 2017 and 2016

NOTE 5 – Fair Value of Financial Instruments

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value measurements were arrived at using the following inputs at August 31, 2017 and 2016:

Investment Type		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	2017
		Level 1	Level 2	Level 3	
Certificates of Deposit	\$	3,563,574	-	-	3,563,574
Municipal Bonds		11,756,798	-	-	11,756,798
Total	\$	15,320,372	-	-	15,320,372

Investment Type		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	2016
		Level 1	Level 2	Level 3	
Certificates of Deposit	\$	3,307,000	-	-	3,307,000
Municipal Bonds		11,253,190	-	-	11,253,190
Corporate Bonds		497,437	-	-	497,437
Total	\$	15,057,627	-	-	15,057,627

NOTE 6 – CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2017, was as follows:

	Balance September 1, 2016	Increases	Decreases	Balance August 31, 2017
Not Depreciated:				
Land	\$ 4,196,316	-	-	4,196,316
Construction in progress	19,466,880	2,848,376	18,718,412	3,596,844
Total Capital Assets – Non-Depreciated	23,663,196	2,848,376	18,718,412	7,793,160
Other Capital Assets:				
Buildings and building improvements	95,793,664	18,722,320	-	114,515,984
Other real estate improvements	8,344,839	-	-	8,344,839
Total Buildings and Other Improvements	104,138,503	18,722,320	-	122,860,823
Library books	2,286,967	-	62,944	2,224,023
Furniture, machinery and equipment	12,969,319	849,364	131,590	13,687,093
Total Capital Assets – Depreciable	119,394,789	19,571,684	194,534	138,771,939
Accumulated Depreciation:				
Buildings and building improvements	19,146,872	1,744,140	-	20,891,012
Other real estate improvements	3,956,121	257,365	-	4,213,486
Total Buildings and Other Improvements	23,102,993	2,001,505	-	25,104,498
Library books	475,319	68,540	-	543,859
Furniture, machinery and equipment	8,945,688	872,417	130,512	9,687,593
Total Accumulated Depreciation	32,524,000	2,942,462	130,512	35,335,950
Net Capital Assets	\$ 110,533,985	19,477,598	18,782,434	111,229,149

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2017 and 2016

NOTE 6 – CAPITAL ASSETS

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

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

NOTE 7 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended August 31, 2017, was as follows:

	Balance September 1, 2016	Increases	Decreases	Balance August 31, 2017	Due Within One Year
<u>Bonds</u>					
General obligation bonds, Series 2011	\$ 65,760,000	-	1,440,000	64,320,000	1,495,000
Revenue bonds, Series 2009	9,175,000	-	2,155,000	7,020,000	2,250,000
Revenue bonds, Series 2012	5,505,000	-	200,000	5,305,000	210,000
Total Bonds	<u>80,440,000</u>	<u>-</u>	<u>3,795,000</u>	<u>76,645,000</u>	<u>3,955,000</u>
<u>Other Liabilities</u>					
Accrued compensable absences	514,378	7,985	-	522,363	522,363
Net pension liability	6,813,032	768,250	589,073	6,992,209	-
Total Other Liabilities	<u>7,327,410</u>	<u>776,235</u>	<u>589,073</u>	<u>7,514,572</u>	<u>522,363</u>
Total Long-Term Liabilities	<u>\$ 87,767,410</u>	<u>776,235</u>	<u>4,384,073</u>	<u>84,159,572</u>	<u>4,477,363</u>

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2017 and 2016

NOTE 7 – LONG-TERM LIABILITIES

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

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

NOTE 8 – DEBT OBLIGATIONS

Debt service obligations at August 31, 2017, 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
2018	\$ 1,495	3,258	4,753	2,460	437	2,897	3,955	3,695	7,650
2019	1,550	3,205	4,755	2,560	339	2,899	4,110	3,544	7,654
2020	1,610	3,143	4,753	2,655	237	2,892	4,265	3,380	7,645
2021	1,675	3,079	4,754	230	181	411	1,905	3,260	5,165
2022	1,740	3,012	4,752	235	174	409	1,975	3,186	5,161
2023-2027	10,165	13,601	23,766	1,315	736	2,051	11,480	14,337	25,817
2028-2032	12,935	10,826	23,761	1,600	450	2,050	14,535	11,276	25,811
2033-2037	16,615	7,150	23,765	1,270	87	1,357	17,885	7,237	25,122
2038-2042	16,535	2,280	18,815	-	-	-	16,535	2,280	18,815
Total	\$ 64,320	49,554	113,874	12,325	2,641	14,966	76,645	52,195	128,840

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2017 and 2016

NOTE 9 – BONDS PAYABLE

General information related to bonds payable is summarized below:

2009 Revenue Bonds

- Consolidated Fund Revenue Refunding Bonds, Series 2009
- The bonds were issued to refund the outstanding obligations of the Series 1998-A Bonds, to pay for related bond issuance costs, and to deposit \$2,491,009 in a debt service reserve fund.
- Issued on July 15, 2009.
- \$22,720,000 original amount of issue; all authorized bonds have been issued.
- Source of payment – pledged revenues, including: the general use fee, the college bookstore revenues, the tuition pledge, the college cafeteria revenues, the dormitory system revenues, the operating fees, gifts, grants, or donations from any public or private source that are not restricted or dedicated with respect to their use or purpose, and the earnings on all investments of the District lawfully available for such purpose.
- The Bonds are due in annual installments of principal and interest varying from \$2,478,600 to \$2,570,029, with interest rates from 3.00% to 4.00%, and with the final installment due on December 1, 2019.
- The Bonds are not subject to redemption prior to stated maturity.
- Standard & Poor's Ratings Services currently rates the bonds as 'A+' with a stable outlook.
- Moody's Investors Service currently rates the bonds as 'A1' with a stable outlook.

2011 General Obligation Bonds

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

2012 Revenue Bonds

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

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2017 and 2016

NOTE 9 – BONDS PAYABLE (CONTINUED)

2012 Revenue Bonds

- The Bonds are due in annual installments of principal and interest varying from \$407,000 to \$946,400, with interest rates from 2.00% to 4.00%, and with the final installment due on July 1, 2034.
- The Bonds are not subject to redemption prior to stated maturity.
- Standard & Poor's Ratings Services currently rates the bonds as 'A+' with a stable outlook.

A Summary of bond principal is as follows:

	Balance Sept. 1, 2016	Issued	Retired	Balance Aug. 31, 2017
Series 2009 Bonds	\$ 9,175,000	-	2,155,000	7,020,000
Series 2011 Bonds	65,760,000	-	1,440,000	64,320,000
Series 2012 Bonds	5,505,000	-	200,000	5,305,000
Total Bonds	\$ 80,440,000	-	3,795,000	76,645,000

At August 31, 2017, there were no defeased bonds outstanding.

NOTE 10 – OPERATING LEASE COMMITMENTS

The District leases various equipment and facilities by means of operating lease agreements. These agreements have clauses which allow the District to terminate the agreement if funding becomes unavailable or the Board of Trustees does not approve funding. Operating lease payments during the fiscal years ended August 31, 2017 and 2016 were \$204,960 and \$206,623, respectively.

Future minimum rental payments are as follows:

For the Year Ended August 31,	Operating Leases
2018	\$ 140,937
2019	105,963
2020	35,952
2021	-
2022	-
Total	\$ 282,852

NOTE 11 EMPLOYEES' RETIREMENT PLANS

Defined Benefit Pension Plan

Plan Description. The District participates in a cost-sharing multiple-employer defined benefit pension plan that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). The 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.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2017 and 2016

NOTE 11 EMPLOYEES' RETIREMENT PLANS (CONTINUED)

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 https://www.trs.texas.gov/TRS%20Documents/cafr_2016.pdf by writing to TRS at 1000 Red River Street, Austin, Texas, 78701-2698; or by calling (512) 542-6592.

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 a 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, whose formulas use the three highest annual salaries. 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.

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's 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 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017.

Contribution Rates

	<u>2016</u>	<u>2017</u>
Member	7.2%	7.7%
Non-Employer Contributing entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
FY2016 Member Contributions	\$ 1,119,604	
FY2016 State of Texas On-behalf Contributions	\$ 465,877	
FY2016 District Contributions	\$ 587,904	

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2017 and 2016

NOTE 11 EMPLOYEES' RETIREMENT PLANS (CONTINUED)

The District's contributions to the TRS Pension Plan in 2017 were \$636,008 as reported in the Schedule of District's Contributions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on behalf of contributions for 2017 were \$513,397.

- 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.

Public junior colleges or junior college districts 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, 2016, actuarial valuation was determined using the following actuarial assumptions:

• Valuation Date	August 31, 2016
• Actuarial Cost Method	Individual Entry Age Normal
• Asset Valuation Method	Market Value
• Single Discount Rate	8.00% Long-Term Expected
• Long-Term Expected Investment Rate of Return*	8.00%
• Municipal Bond Rate*	N/A*
• Last year ending August 31 in the 2016 to 2115	2115
• Projection period (100 years)	
• Inflation	2.50%
• Payroll Growth Rate	1.90%
• Salary increases including inflation	3.50% to 9.50%
• Benefit Changes during the year	None
• Ad HOC post-employment benefit change	None

* If a municipal bond rate was to be used, the rate would be 2.84% as of August 2016 (i.e., the weekly rate closest to but not later than the Measurement Date). The source for the rate is the Federal Reserve Statistical Release H.15, citing the Bond Buyer Index of general obligation bonds with 20 years to maturity and an average AA credit rating.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2017 and 2016

NOTE 11 EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Actuarial methods and assumptions were updated based on a study of actual experience for the four year period ending August 31, 2014, and adopted on September 24, 2015, by the TRS Board of Trustees, who have sole authority to determine the actuarial assumptions used for the plan. There were no changes to the actuarial assumptions or other inputs that affected the measurement of the total pension liability since the prior measurement period.

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

Discount Rate

The discount rate used to measure the total pension liability was 8.0%. 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-estimate 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, 2016, 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%	4.6%	1.0%
Non-U.S. Developed	13%	5.1%	0.8%
Emerging Markets	9%	5.9%	0.7%
Directional Hedge Funds	4%	3.2%	0.1%
Private Equity	13%	7.0%	1.1%
Stable Value:			
U.S. Treasuries	11%	0.7%	0.1%
Absolute Value Hedge Funds	-	1.8%	0.0%
Stable Value Hedge Funds	4%	3.0%	0.1%
Cash	1%	-0.2%	0.0%
Real Return:			
Global Inflation Linked Bonds	3%	0.9%	0.0%
Real Assets	16%	5.1%	1.1%
Energy and Natural Resources	3%	6.6%	0.2%
Commodities	-	1.2%	0.0%
Risk Parity:			
Risk Parity	5%	6.7%	0.3%
Inflation expectation			2.2%
Alpha			1.0%
Total	100%		8.7%

Odessa Junior College District
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
August 31, 2017 and 2016

NOTE 11 EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Discount Rate (Continued)

- * 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 2016 Comprehensive Annual Financial Report

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 2016 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
Odessa Junior College District's proportionate share of the net pension liability:	\$10,821,584	\$6,992,209	\$3,774,125

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

At August 31, 2017, the District reported a liability of \$6,992,209 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	\$ 6,992,209
State's proportionate share that is associated with the District	5,626,139
Total	\$ 12,618,348

The net pension liability was measured as of August 31, 2016, 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, 2015, thru August 31, 2016.

At the measurement date of August 31, 2016, the employer's proportion of the collective net pension liability was .0185035302%, which was a decrease of .0007702698% from its proportion measured as of August 31, 2015.

For the year ended August 31, 2017, the District recognized pension expense of \$583,859 and revenue of \$583,859 for support provided by the State. Refer to the 2016 Schedule of On-Behalf Contributions for this information posted on the TRS website under GASB Statements 67 & 68.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2017 and 2016

NOTE 11 EMPLOYEES' RETIREMENT PLANS (CONTINUED)

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

At August 31, 2017, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 109,637	208,783
Changes in actuarial assumptions	213,110	193,815
Net difference between projected and actual investment earnings*	1,347,408	755,322
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	1,114,016
Contributions paid to TRS subsequent to the measurement date	636,008	-
Total	\$ 2,306,163	2,271,936

*THECB Comment: Per paragraph 71b of GASB 68, collective deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods should be aggregated and included as a net collective deferred outflow of resources related to pensions or a net collective deferred inflow of resources related to pensions.

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended August 31:		
2018	\$	161,215
2019		161,215
2020		(216,446)
2021		190,223
2022		264,927
Thereafter		40,647

Defined Contribution Plan

Plan Description The state has also established an Optional Retirement Program (ORP) for institutions of higher education. Participation in the Optional Retirement program is in lieu of participation in the Texas Retirement System (TRS). The ORP 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 an employer contribution rate of 6.60% for fiscal year 2017 and 2016. The District contributes an additional 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, 2017 and 2016

NOTE 11 EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Summary of Combined Retirement Plans

The retirement expense to the State for the District's TRS and ORP participants was \$562,973 and \$582,128 for the fiscal years ended August 31, 2017 and 2016, 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 \$22,543,709 and \$21,749,922 for fiscal years 2017 and 2016, respectively. The total payroll of employees covered by the Teacher Retirement System (TRS) was \$15,802,776 and \$15,504,266 and the total payroll of employees covered by the Optional Retirement Program (ORP) was \$3,907,363 and \$3,675,562 for fiscal years 2017 and 2016, respectively.

NOTE 12 – 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, 2017 and 2016, the District had no employees participating in the program.

NOTE 13– 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, 2017 and 2016 in the amounts of \$522,363 and \$514,378 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 14 –HEALTH CARE AND LIFE INSURANCE BENEFITS

Certain health care and life insurance benefits for active employees. These benefits are administered by the Employees Retirement System of Texas and provided through an insurance company whose premiums are based on benefits paid during the previous year. The State appropriates a sum-certain amount for these benefits to the District based on employee enrollments during the legislative cycle, and any additional employer expense must be funded by the District. SB 1812, effective September 1, 2013, limits the amount of the state's contribution to 50 percent of eligible employees in the reporting district.

For the year ended August 31, 2017, the employer's maximum contribution per full-time employee/retiree was \$617 per month for the year and totaled \$7,408 per employee/retiree for the year. The employer also paid a maximum amount for a spouse, spouse and children, or family of \$1,325, \$1,091, and \$1,798 per month, respectively.

For the year ended August 31, 2016, the employer's maximum contribution per full-time employee/retiree was \$577 per month for the year and totaled \$6,918 per employee/retiree for the year. The employer also paid a maximum amount for a spouse, spouse and children, or family of \$1,237, \$1,019, and \$1,679 per month, respectively.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2017 and 2016

NOTE 14 – 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:

	2017	2016
Number of retirees receiving benefits	181	179
Cost of state’s contribution	\$ 716,521	653,715
Cost of local contribution	798,491	752,005
Total cost of benefits for retirees	\$ 1,515,012	1,405,720
Number of active employees receiving benefits	344	344
Cost of state’s contribution	\$ 1,252,674	1,271,416
Cost of federal grant contribution	20,345	18,285
Cost of local contribution	1,728,601	1,541,335
Total cost of benefits for active employees	\$ 3,001,620	2,831,036

NOTE 15 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. 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 if they reach normal retirement age while working for the state. The District contributes to the State Retiree Health Plan (SRHP), a cost-sharing, multiple-employer, defined benefit postemployment healthcare plan administered by the 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.

The ERS issues a publicly available financial report that includes financial statements and required supplementary information for SRHP. That 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 for the current year is known as the implicit rate subsidy and is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS Board of Trustees sets the employer contribution rate based on the implicit rate subsidy, which is actuarially determined in accordance with the parameters of GASB Statement 45.

The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed 30 years.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2017 and 2016

NOTE 15 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Beginning September 1, 2013, SB 1812 limited the state's contribution to 50 percent of eligible employees for community colleges.

The District's contributions to SRHP for the years ended August 31, 2017, 2016, and 2015 were \$1,515,012, \$1,405,720, and \$1,318,747, respectively, which equaled the required contributions each year.

NOTE 16 – PENDING LAWSUITS AND CLAIMS

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

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

NOTE 17 – DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables at August 31, 2017 and 2016 were as follows:

	<u>2017</u>	<u>2016</u>
Tuition and fees receivable	\$ 531,638	640,807
Taxes receivable	2,583,138	2,283,791
Federal receivable	809,903	3,447,612
State receivable	50,354	51,608
Interest receivable	108,456	93,768
Other receivables	3,445,701	4,469,412
Subtotal	<u>7,529,190</u>	<u>10,986,998</u>
Allowance for doubtful accounts	<u>(2,816,550)</u>	<u>(2,397,768)</u>
Total	<u>\$ 4,712,640</u>	<u>8,589,230</u>

Payables at August 31, 2017 and 2016 were as follows:

	<u>2017</u>	<u>2016</u>
Vendors payable – operations	\$ 1,137,176	946,250
Vendors payable – capital	475,982	861,022
Students payable	<u>1,243,368</u>	<u>1,284,924</u>
Total	<u>\$ 2,856,526</u>	<u>3,092,196</u>

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2017 and 2016

NOTE 18 – 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 2017 and 2016 for which monies have not been received nor funds expended totaled \$12,009,781 and \$3,152,289, respectively. Of these amounts, \$2,001,590 and \$1,348,035 were from federal contract and grant awards; \$406,092 and \$472,589 were from state contract and grant awards; and \$9,602,099 and \$1,331,664 were from private contract and grant awards for the fiscal years ended August 31, 2017 and 2016, respectively.

NOTE 19 – AD VALOREM TAX

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

At August 31:

	2017	2016
Assessed valuation of the District (at January 1, 2016 and 2015)	\$ 15,127,817,859	16,463,946,244
Less: exemptions	(2,410,740,791)	(2,408,725,684)
Less: abatements	(147,247,224)	(64,883,911)
Net assessed valuation of the District	\$ 12,569,829,844	13,990,336,649

At August 31:

	2017			2016		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
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	\$ 0.16667	0.03798	0.20465	0.15690	0.03430	0.19120

Taxes levied (including adjustments to the certified levies) for the years ended August 31, 2017 and 2016 were \$25,636,280 and \$26,651,515, 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:

	2017			2016		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current taxes collected	\$ 20,149,488	4,591,372	24,740,860	21,180,324	4,630,240	25,810,564
Delinquent taxes collected	440,581	90,529	531,110	284,173	52,661	336,834
Penalties and interest collected	321,778	64,405	386,183	272,976	49,301	322,277
Total collections	\$ 20,911,847	4,746,306	25,658,153	21,737,473	4,732,202	26,469,675

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2017 and 2016

NOTE 19 – AD VALOREM TAX (CONTINUED)

Tax collections for the years ended August 31, 2017 and 2016 were 98.58% and 98.11%, 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 20 – TAX ABATEMENTS

Tax Abatements

Odessa College has entered into property tax abatement agreements with local businesses under the Property Redevelopment and Tax Abatement Act, as authorized by Texas Tax Code, Chapter 312. Under the Act, local governments may grant property tax abatements for a term of up to ten (10) years with the amount of taxable value eligible for abatement ranging from 10% to 100%.

The District is under no obligation to provide tax abatement to any specific applicant and reserves the right to do so on a case-by-case basis as stimulation for economic development within the Reinvestment Zones and Enterprise Zones established by the City of Odessa. The abatements may be granted to any business located within or promising to relocate to the service area of Odessa College.

For the fiscal year ended August 31, 2017, Odessa College abated property taxes totaling \$307,257 under this program, including the following tax abatement agreements that each exceed 10 percent of the total amount abated:

A. Ector County Energy Center LLC

- Commitment: construction of improvements in the form of a 386-megawatt natural gas fueled power plant no later than December 31, 2016
- Terms of abatement: 100% exemption from ad valorem taxes for five (5) years
- The abatement for fiscal year 2017 amounted to \$208,221.

B. CUDD Pumping Service, Inc.

- Commitment: Job creation and new investment as follows:
 - Create and maintain at least 30 new jobs, 80 existing jobs, and 35 transfer jobs by December 31, 2013
 - Expend at least \$31 million in new construction and equipment by December 31, 2013
- Terms of abatement: 5-year declining abatement of 100% in first year, 80% in second year, 60% in third year, 40% in fourth year, and 20% in the fifth year.
- The abatement for fiscal year 2017 amounted to \$71,040.

NOTE 21 – INCOME TAXES

The College 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 College has no unrelated business income tax liability for the years ended August 31, 2017 and 2016.

Odessa Junior College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2017 and 2016

NOTE 22 – 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 GASB 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 23 – SUBSEQUENT EVENTS

On November 28, 2017, the District authorized the issuance of Limited Tax Refunding Bonds, Series 2017, for the advance refunding of the outstanding Limited Tax bonds, Series 2011. The purpose of the advance refunding is to provide debt service savings. The refunding bonds will have the same structure and maturity as the refunded bonds. The date for closing and delivery of the bonds is expected to occur on or before December 28, 2017.

Management of the District has performed an evaluation of the District’s activity through December 4, 2017, the date these financial statements were available for issuance, and noted no other significant event that would require recording or disclosure.

REQUIRED SUPPLEMENTAL INFORMATION

Odessa Junior College District

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY

Year Ended August 31, 2017

<u>Fiscal Year Ending August 31,*</u>	<u>2016**</u>	<u>2015**</u>	<u>2014**</u>
District's proportionate share of the collective net pension liability (%)	.0185035302%	.0192738%	.0232258%
District's proportionate share of the collective net pension liability (\$)	\$ 6,992,209	6,813,032	6,203,932
State's proportionate share of the collective net pension liability associated with District	<u>5,626,139</u>	<u>5,266,936</u>	<u>3,714,719</u>
Total	\$ 12,618,348	12,079,968	9,918,651
District's covered payroll amount	\$ 15,802,776	15,504,266	14,844,367
District's proportionate share of collective net pension liability as a percentage of covered payroll	44.25%	43.94%	41.79%
Plan fiduciary net position as percentage of the total pension liability	78.00%	78.43%	83.25%

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

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

NOTE 1: CHANGES OF BENEFIT TERMS INCLUDE:

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

NOTE 2: CHANGES OF ASSUMPTIONS:

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

Odessa Junior College District
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
TO THE TEACHER RETIREMENT SYSTEM PENSION PLAN

Year Ended August 31, 2017

Fiscal Year Ending August 31,*	2017**	2016**	2015**
Legally required contributions	\$ 636,008	587,904	570,704
Actual contributions	<u>636,008</u>	<u>587,904</u>	<u>570,704</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>
District's covered payroll amount	\$ 15,802,776	15,504,266	14,844,367
District's proportionate share of collective net pension liability as a percentage of covered payroll	4.02%	3.79%	3.84%

* The amounts presented above are as of the Districts most recent fiscal year-end.

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

NOTE 1: CHANGES OF BENEFIT TERMS INCLUDE:

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

NOTE 2: CHANGES OF ASSUMPTIONS:

There were no changes as assumptions for the year ended August, 31, 2017.

SCHEDULES

Odessa Junior College District

Schedule A

SCHEDULE OF OPERATING REVENUES

**Year Ended August 31, 2017
With Memorandum Totals for the Year Ended August 31, 2016**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2017 Total</u>	<u>2016 Total</u>
Tuition:						
State-funded credit courses						
In-district resident tuition	\$ 4,635,868	-	4,635,868	-	4,635,868	4,031,435
Out-of-district tuition	2,910,882	-	2,910,882	-	2,910,882	2,579,180
Non-resident tuition	970,592	-	970,592	-	970,592	913,247
TPEG credit set aside*	381,861	-	381,861	-	381,861	332,493
State-funded continuing education	662,130	-	662,130	-	662,130	779,540
TPEG non-credit set aside*	44,073	-	44,073	-	44,073	49,817
Non-state funded educational programs	168,373	-	168,373	-	168,373	194,491
Total tuition	<u>9,773,779</u>	<u>-</u>	<u>9,773,779</u>	<u>-</u>	<u>9,773,779</u>	<u>8,880,203</u>
Fees:						
Student use fees	2,183,405	-	2,183,405	-	2,183,405	1,840,325
Institutional/course fees	1,230,626	-	1,230,626	-	1,230,626	981,598
Student/activity fees	-	-	-	209,941	209,941	184,452
Laboratory fees	297,320	-	297,320	-	297,320	267,305
Other fees	56,682	14,740	71,422	-	71,422	74,793
Total fees	<u>3,768,033</u>	<u>14,740</u>	<u>3,782,773</u>	<u>209,941</u>	<u>3,992,714</u>	<u>3,348,473</u>
Scholarship allowances and discounts:						
Tuition bad debt allowance	(158,301)	-	(158,301)	-	(158,301)	(162,348)
Local remissions and exemptions	(1,108,670)	-	(1,108,670)	-	(1,108,670)	(1,018,474)
State remissions and exemptions	(405,316)	-	(405,316)	-	(405,316)	(357,092)
TPEG allowances	(53,693)	-	(53,693)	-	(53,693)	(169,750)
Federal grants to students	(2,229,827)	-	(2,229,827)	-	(2,229,827)	(1,896,439)
State grants to students	(17,918)	-	(17,918)	-	(17,918)	(45,686)
Local grants to students	(963,719)	-	(963,719)	-	(963,719)	(878,323)
Total scholarship allowances	<u>(4,937,444)</u>	<u>-</u>	<u>(4,937,444)</u>	<u>-</u>	<u>(4,937,444)</u>	<u>(4,528,112)</u>
Total net tuition and fees	<u>8,604,368</u>	<u>14,740</u>	<u>8,619,108</u>	<u>209,941</u>	<u>8,829,049</u>	<u>7,700,564</u>
Other operating revenues:						
Federal grants and contracts	9,940	1,200,163	1,210,103	-	1,210,103	1,513,270
State grants and contracts	-	414,725	414,725	-	414,725	342,103
Nongovernmental grants and contracts	37,200	1,531,218	1,568,418	-	1,568,418	2,348,173
Sales and services of educational activities	442,469	-	442,469	-	442,469	462,333
Investment income (program restricted)	-	16,037	16,037	2,280	18,317	14,098
General operating revenues	1,061,187	336,210	1,397,397	-	1,397,397	677,170
Total other operating revenues	<u>1,550,796</u>	<u>3,498,353</u>	<u>5,049,149</u>	<u>2,280</u>	<u>5,051,429</u>	<u>5,357,147</u>

Odessa Junior College District

Schedule A

SCHEDULE OF OPERATING REVENUES (CONTINUED)

**Year Ended August 31, 2017
With Memorandum Totals for the Year Ended August 31, 2016**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2017 Total</u>	<u>2016 Total</u>
Auxiliary enterprises:						
Bookstore	-	-	-	139,398	139,398	169,186
Food service	-	-	-	581,793	581,793	598,572
Student housing	-	-	-	581,418	581,418	711,041
Other auxiliaries	-	-	-	57,419	57,419	91,905
Total net auxiliary enterprises	-	-	-	1,360,028	1,360,028	1,570,704
Total Operating Revenues	\$ 10,155,164	3,513,093	13,668,257	1,572,249	15,240,506 (Exhibit 2)	14,628,415 (Exhibit 2)

* In accordance with Education Code 56.033, \$425,934 and \$382,310 for years ending August 31, 2017 and 2016, 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, 2017
With Memorandum Totals for the Year Ended August 31, 2016**

	Salary & Wages	Staff Benefits		Other Expenses	2017 Total	2016 Total
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 11,231,823	-	2,253,266	1,854,691	15,339,780	15,209,659
Public service	851,467	-	157,148	210,491	1,219,106	1,200,003
Academic support	2,741,886	-	641,321	900,512	4,283,719	4,101,571
Student services	2,512,404	-	645,193	833,278	3,990,875	3,820,934
Institutional support	2,850,820	-	932,128	1,827,837	5,610,785	5,342,665
Operation and maintenance of plant	981,056	-	328,023	2,726,879	4,035,958	4,120,354
Scholarship and fellowships	-	-	-	681,487	681,487	594,987
Total Unrestricted Educational Activities	21,169,456	-	4,957,079	9,035,175	35,161,710	34,390,173
Restricted - Educational Activities						
Instruction	552,072	1,389,852	24,251	896,865	2,863,040	2,940,535
Public service	71,200	38,644	18,849	225,793	354,486	52,283
Academic support	137,490	300,827	110	89,166	527,593	705,173
Student services	58,730	307,467	654	17,912	384,763	357,973
Institutional support	17,490	516,264	-	2,037	535,791	605,678
Operation and maintenance of plant	-	-	-	412,563	412,563	1,700
Scholarship and fellowships	-	-	-	4,359,536	4,359,536	4,380,813
Total Unrestricted Educational Activities	836,982	2,553,054	43,864	6,003,872	9,437,772	9,044,155
Total Educational Activities	22,006,438	2,553,054	5,000,943	15,039,047	44,599,482	43,434,328
Auxiliary Enterprises	537,271	-	122,792	1,617,078	2,277,141	2,396,721
Depreciation Expense – Buildings and other real estate improvements	-	-	-	2,001,505	2,001,505	1,734,456
Depreciation Expense – Equipment and furniture	-	-	-	940,956	940,956	953,270
Total Operating Expenses	\$ 22,543,709	2,553,054	5,123,735	19,598,586	49,819,084 (Exhibit 2)	48,518,775 (Exhibit 2)

Odessa Junior College District

Schedule C

SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES

**Year Ended August 31, 2017
With Memorandum Totals for the Year Ended August 31, 2016**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2017 Total</u>	<u>2016 Total</u>
NON-OPERATING REVENUES:					
State appropriations:					
Education and general support	\$ 7,610,049	-	-	7,610,049	7,597,817
State group insurance	-	1,969,195	-	1,969,195	1,925,131
State retirement matching	-	583,859	-	583,859	750,454
Nursing shortage reduction grant	-	44,930	-	44,930	17,074
	<u>7,610,049</u>	<u>2,597,984</u>	<u>-</u>	<u>10,208,033</u>	<u>10,290,476</u>
Total state appropriations					
Property taxes for maintenance and operations	21,172,447	-	-	21,172,447	22,137,869
Property taxes for debt service	-	4,817,846	-	4,817,846	4,823,077
Federal revenue, non-operating	-	6,479,983	-	6,479,983	5,860,463
Gifts – noncapital	106,404	135,493	-	241,897	147,770
Investment income – not restricted to programs	267,972	-	-	267,972	395,843
Other non-operating revenues	-	300,097	-	300,097	44,993
	<u>29,156,872</u>	<u>14,331,403</u>	<u>-</u>	<u>43,488,275</u>	<u>43,700,491</u>
Total Non-Operating Revenues					
NON-OPERATING EXPENSES:					
Interest on capital-related debt	478,932	3,271,374	-	3,750,306	3,870,531
Loss on disposal of capital assets	64,022	-	-	64,022	60,256
Other non-operating expenses	21,795	-	-	21,795	21,795
	<u>564,749</u>	<u>3,271,374</u>	<u>-</u>	<u>3,836,123</u>	<u>3,952,582</u>
Total Non-Operating Expenses					
Net Non-Operating Revenues	\$ <u>28,592,123</u>	11,060,029	-	<u>39,652,152</u> (Exhibit 2)	<u>39,747,909</u> (Exhibit 2)

Odessa Junior College District

Schedule D

SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY

**Year Ended August 31, 2017
With Memorandum Totals for the Year Ended August 31, 2016**

	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	\$ 15,128,972	-	-	-	15,128,972	15,128,972	-
Unrestricted, board designated	36,612	-	-	-	36,612	-	36,612
Restricted	-	1,917,599	-	-	1,917,599	-	1,917,599
Auxiliary enterprises	7,018	-	-	-	7,018	7,018	-
Loans	272,946	12,451	-	-	285,397	285,397	-
Endowment	-	-	772,368	-	772,368	-	772,368
Plant:							
Capital projects	(1,277,701)	294,674	-	-	(983,027)	(983,027)	-
Debt service	-	2,867,025	-	-	2,867,025	-	2,867,025
Investment in plant	-	-	-	35,668,550	35,668,550	-	35,668,550
Total Net Position, August 31, 2017	14,167,847	5,091,749	772,368	35,668,550	55,700,514 (Exhibit 1)	14,438,360	41,262,154
Total Net Position, August 31, 2016	13,873,519	4,493,101	843,869	31,177,308	50,387,797	13,977,857	36,409,940
Net Increase (Decrease) in Net Position	\$ 294,328	598,648	(71,501)	4,491,242	5,312,717 (Exhibit 2)	460,503	4,852,214

Odessa Junior College District

Schedule E

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended August 31, 2017

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Direct Awards	Pass Through Awards	Total	Subrecipients Expenditures
<u>U.S. Department of Education</u>					
Direct Programs:					
Student Financial Aid Cluster					
Federal Supplemental Educational Opportunity Grant (16-17)	84.007A	\$ 27,188	-	27,188	-
Federal Supplemental Educational Opportunity Grant (17-18)	84.007A	11,000	-	11,000	-
Subtotal		38,188		38,188	
Federal College Work Study (16-17)	84.033A	130,843	-	130,843	-
Federal College Work Study (17-18)	84.033A	4,752	-	4,752	-
Subtotal		135,595		135,595	
Federal Pell Grant (16-17)	84.063P	3,609,864	-	3,609,864	-
Federal Pell Grant (17-18)	84.063P	2,706,276	-	2,706,276	-
Subtotal		6,316,140		6,316,140	
Direct Student Loans	84.268	28,031	-	28,031	-
Total Student Financial Assistance Cluster		6,517,954		6,517,954	
Pass-through from:					
Texas Workforce Commission					
Adult Education Literacy (16-17) 1116AEL004	84.002A	-	654,353	654,353	269,643
Adult Education Literacy (17-18) 1116AELB04	84.002A	-	80,702	80,702	510
El Civics (16-17) 1116AEL004	84.002A	-	65,395	65,395	22,853
El Civics (17-18) 1116AELB04	84.002A	-	4,412	4,412	-
Local Performance Quality Improvement Award 1117PQ1000	84.002A	-	52,426	52,426	23,350
Career Pathways Navigator Initiative 1116AEL001	84.002A	-	57,208	57,208	13,677
Subtotal			914,496	914,496	330,033
Pass-through from:					
Texas Higher Education Coordinating Board					
Carl Perkins Vocational Education – Basic 174250	84.048	-	130,164	130,164	-
Total U.S. Department of Education		6,517,954	1,044,660	7,562,614	330,033
<u>U.S. Department of Agriculture</u>					
Pass-through from:					
Texas Department of Human Services					
Child and Adult Care Food Program 03004	10.558	-	37,954	37,954	-
Total U.S. Department of Agriculture		-	37,954	37,954	-
<u>National Science Foundation</u>					
Pass-through from:					
University at El Paso					
LSAMP HRD-1202008	47.076	-	5,122	5,122	-
Total National Science Foundation		-	5,122	5,122	-
<u>U.S. Department of Health and Human Services</u>					
Pass-through from:					
Texas Workforce Commission					
Temporary Assistance for Needy Families (16-17) 1116AEL004	93.558	-	49,000	49,000	21,667
Pass-through from:					
ResCare Workforce Solutions					
Designated Vendor Program	93.596	-	63,427	63,427	-
Total U.S. Department of Health and Human Services		-	112,427	112,427	21,667
Total Expenditures of Federal Awards		\$ 6,517,954	1,200,163	7,718,117	351,700

Notes to Schedule on following page.

Odessa Junior College District

Schedule E

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended August 31, 2017

Note 1: FEDERAL ASSISTANCE RECONCILIATION

Federal grants and contracts revenue, Operating Sch A	\$	1,210,103
Federal grants and contracts revenue, Non-Operating Sch C		6,479,983
Federal Direct Student Loans		<u>28,031</u>
 Total Federal Revenues Per Schedule of Expenditures of Federal Awards	\$	<u>7,718,117</u>

Note 2: SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The expenditures included in the schedule are reported for the District's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds that have been expended to the District for the purposes of the award. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The District has followed all applicable guidelines issued by various entities in preparation of the Schedule. Since the District has agency approved indirect recovery rate it has elected not to use the 10 percent de minimis cost rate as permitted in the UG, Section 200.414. 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>2,226,853</u>	<u>-</u>	<u>2,226,853</u>
Total U.S. Department of Education	\$ <u>2,226,853</u>	<u>-</u>	<u>2,226,853</u>

Odessa Junior College District

Schedule F

SCHEDULE OF EXPENDITURES OF STATE AWARDS

Year Ended August 31, 2017

Grantor Agency/Program Title	Grant contract Number	Disbursement and Expenditures
Texas Workforce Commission		
State Adult Education (16-17)	1116AEL004	\$ 139,718
State Adult Education (17-18)	1116AELB04	11,038
Jobs and Education for Texans Grant	1116JET000	151,129
Texas Higher Education Coordinating Board		
Texas College Work Study (16-17)	-	6,275
TEOG (13-14)	-	(1,026)
TEOG (16-17)	-	32,997
TEOG (17-18)	-	23,256
TEOG Renewal (16-17)	-	(4,104)
Nursing Shortage Reduction Program Over 70%	-	21,477
Nursing Shortage Reduction Program Over 70% FY2016	-	7,276
Nursing Shortage Reduction Program Regular FY2017	-	16,177
Work Study Student Mentorship	-	48,156
T-STEM Challenge Scholarship	-	6,250
Texas Law Enforcement Officer Standards in Education Agency		<u>1,036</u>
Total Expenditures of State Awards		\$ <u><u>459,655</u></u>

NOTE 1: STATE ASSISTANCE RECONCILIATION

State revenues per Schedule A:		
Operating Revenues:		
State grants and contracts	\$	414,725
State revenues per Schedule C:		
Non-Operating Revenues:		
Nursing shortage reduction grant		<u>44,930</u>
Total State Revenues per Schedule of Expenditures of State Awards	\$	<u><u>459,655</u></u>

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

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

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, 2017, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon December 4, 2017.

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, 2017, 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.

Johnson, Miller & Co., CPAs PC

Odessa, Texas
December 4, 2017



JOHNSON, MILLER & CO., CPA's PC

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**Independent Auditors' Report on Compliance
For Each Major Federal Program and Report on Internal
Control Over Compliance Required by the Uniform Guidance**

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

Report on Compliance for Each Major Federal Program

We have audited Odessa Junior College District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2017. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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(575) 393-2171

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Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2017.

Report on Internal Control over Compliance

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

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

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

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

Johnson, Miller & Co., CPAs PC

Odessa, Texas
December 4, 2017

Odessa Junior College District

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

August 31, 2017

SECTION I - SUMMARY OF AUDITORS' RESULTS

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP Unmodified

Internal control over financial reporting:

Material weaknesses identified? Yes X No

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

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

Material weaknesses identified? Yes X No

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) Yes X No

Dollar threshold used to distinguish between Type A and Type B programs \$ 788,515

Auditee qualified as a low-risk auditee X Yes No

Odessa Junior College District

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

August 31, 2017

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
84.002A	Adult Education Literacy
84.002A	El Civics
84.002A	Local Performance Quality Improvement Award
84.002A	Career Pathways Navigator Initiative
Section II – FINANCIAL STATEMENT FINDINGS	No matters were reported.
Section III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS	
August 31, 2017	No matters were reported.
August 31, 2016	No matters were reported.

STATISTICAL SUPPLEMENT

Odessa Junior College District
Statistical Supplement 1
Net Position by Component
Fiscal Years 2008 to 2017
(unaudited)

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net investment in capital assets	\$ 35,669	\$ 31,177	\$ 17,619	\$ 15,208	\$ 13,987	\$ 12,022	\$ 9,767	\$ 8,169	\$ 4,955	\$ (976)
Restricted - expendable	5,092	4,493	11,624	11,043	7,683	7,605	4,820	4,633	4,953	5,496
Restricted - nonexpendable	772	844	844	844	838	829	807	813	774	813
Unrestricted	14,168	13,874	13,811	19,547	19,067	17,924	17,681	16,775	18,511	21,196
Total net position	\$ 55,701	\$ 50,388	\$ 43,898	\$ 46,642	\$ 41,575	\$ 38,380	\$ 33,075	\$ 30,390	\$ 29,193	\$ 26,529

Odessa Junior College District
Statistical Supplement 2
Revenues by Source
Fiscal Years 2008 to 2017
(unaudited)

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Tuition and Fees (Net of Discounts)	\$ 8,829	\$ 7,701	\$ 8,327	\$ 6,947	\$ 7,579	\$ 8,689	\$ 5,492	\$ 4,662	\$ 3,788	\$ 3,595
Governmental Grants and Contracts										
Federal Grants and Contracts	1,210	1,513	1,934	1,266	1,402	2,237	2,535	3,627	3,706	3,533
State Grants and Contracts	415	342	758	1,284	385	493	486	418	490	421
Non-Governmental Grants and Contracts	1,569	2,348	655	309	55	62	79	32	64	73
Sales and services of educational activities	443	463	524	538	504	495	417	288	252	287
Investment Income	18	14	13	13	15	15	13	15	16	38
Auxiliary enterprises	1,360	1,571	1,598	1,530	1,492	847	829	816	775	725
Other Operating Revenues	1,397	677	601	636	644	775	722	601	533	479
Total Operating Revenues	15,241	14,629	14,410	12,523	12,076	13,613	10,573	10,459	9,624	9,151
State Appropriations	10,208	10,290	9,538	9,720	8,597	8,427	10,803	10,873	11,388	11,302
Ad Valorem Taxes	21,172	22,138	21,497	19,827	18,354	17,040	16,027	15,153	15,399	14,058
Debt Service Taxes	4,818	4,823	4,662	4,324	4,341	3,935	-	-	-	-
Federal Grants, non-operating	6,480	5,860	4,903	5,102	5,093	6,153	7,570	6,441	4,631	3,313
Gifts	242	148	194	193	236	376	439	311	185	460
Investment income	268	396	181	262	325	420	296	442	578	1,075
Other non-operating revenues	300	45	55	8	48	1	1	195	667	900
Total Non-Operating Revenues	43,488	43,700	41,030	39,436	36,994	36,352	35,136	33,415	32,848	31,108
Total Revenue	\$ 58,729	\$ 58,329	\$ 55,440	\$ 51,959	\$ 49,070	\$ 49,965	\$ 45,709	\$ 43,874	\$ 42,472	\$ 40,259

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Tuition and fees (net of discounts)	15.03%	13.20%	15.02%	13.37%	15.45%	17.39%	12.02%	10.63%	8.92%	8.93%
Governmental grants and contracts										
Federal grants and contracts	2.06%	2.59%	3.49%	2.44%	2.86%	4.48%	5.55%	8.27%	8.73%	8.78%
State grants and contracts	0.71%	0.59%	1.37%	2.47%	0.78%	0.99%	1.06%	0.95%	1.15%	1.05%
Non-governmental grants and contracts	2.67%	4.03%	1.18%	0.59%	0.11%	0.12%	0.17%	0.07%	0.15%	0.18%
Sales and services of educational activities	0.75%	0.79%	0.95%	1.04%	1.03%	0.99%	0.91%	0.66%	0.59%	0.71%
Investment Income	0.03%	0.02%	0.02%	0.03%	0.03%	0.03%	0.03%	0.03%	0.04%	0.09%
Auxiliary enterprises	2.32%	2.69%	2.88%	2.94%	3.04%	1.70%	1.81%	1.86%	1.82%	1.80%
Other operating revenues	2.38%	1.16%	1.08%	1.22%	1.31%	1.55%	1.58%	1.37%	1.25%	1.19%
Total Operating Revenues	25.95%	25.08%	25.99%	24.10%	24.61%	27.25%	23.13%	23.84%	22.66%	22.73%
State appropriations	17.38%	17.64%	17.20%	18.71%	17.52%	16.87%	23.63%	24.78%	26.81%	28.07%
Ad valorem taxes	36.05%	37.95%	38.78%	38.16%	37.40%	34.10%	35.06%	34.54%	36.26%	34.92%
Debt service taxes	8.20%	8.27%	8.41%	8.32%	8.85%	7.88%	0.00%	0.00%	0.00%	0.00%
Federal Grants, non-operating	11.03%	10.05%	8.84%	9.82%	10.38%	12.31%	16.56%	14.68%	10.90%	8.23%
Gifts	0.41%	0.25%	0.35%	0.37%	0.48%	0.75%	0.96%	0.71%	0.44%	1.14%
Investment income	0.46%	0.68%	0.33%	0.50%	0.66%	0.84%	0.65%	1.01%	1.36%	2.67%
Other non-operating revenues	0.51%	0.08%	0.10%	0.02%	0.10%	0.00%	0.00%	0.44%	1.57%	2.24%
Total Non-Operating Revenues	74.05%	74.92%	74.01%	75.90%	75.39%	72.75%	76.87%	76.16%	77.34%	77.27%
Total Revenue	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**Odessa Junior College District
Statistical Supplement 3
Program Expenses by Function
Fiscal Years 2008 to 2017
(unaudited)**

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction	\$ 18,203	\$ 18,150	\$ 18,651	\$ 17,536	\$ 14,747	\$ 15,272	\$ 15,266	\$ 14,382	\$ 13,461	\$ 12,698	\$ 11,937
Research	-	-	-	-	-	-	-	-	-	-	-
Public service	1,574	1,252	1,141	1,179	909	1,210	1,332	1,332	1,350	1,532	1,439
Academic support	4,810	4,807	4,537	4,208	4,049	4,138	3,805	4,006	4,219	3,732	3,592
Student services	4,376	4,179	3,968	3,677	2,813	2,914	2,837	3,332	3,109	3,175	3,084
Institutional support	6,147	5,947	5,475	6,400	6,464	5,796	6,313	6,089	5,211	4,606	4,048
Operation and maintenance of plant	4,449	4,122	4,281	3,679	3,388	3,351	3,705	5,036	5,015	5,021	4,301
Scholarships and fellowships	5,041	4,976	4,237	4,547	4,713	6,463	6,136	4,703	3,622	2,926	3,050
Auxiliary enterprises	2,277	2,397	2,412	2,164	1,872	1,675	1,668	1,685	1,707	1,597	1,309
Depreciation	2,942	2,688	2,552	1,836	1,575	1,448	1,375	1,315	1,084	990	952
Total Operating Expenses	49,819	48,518	47,254	45,226	40,530	42,267	42,437	41,880	38,778	36,277	33,712
Interest on capital related debt	3,750	3,871	3,963	4,909	4,883	5,206	570	650	1,461	1,257	1,347
Loss on disposal of fixed assets	64	60	69	83	80	85	119	90	95	126	101
Other non-operating	22	22	22	35	21	125	101	71	80	79	80
Total Non-Operating Expenses	3,836	3,953	4,054	5,027	4,984	5,416	790	811	1,636	1,462	1,528
Total Expenses	\$ 53,655	\$ 52,471	\$ 51,308	\$ 50,253	\$ 45,514	\$ 47,683	\$ 43,227	\$ 42,691	\$ 40,414	\$ 37,739	\$ 35,240

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction	33.93%	34.59%	36.35%	34.90%	32.40%	32.03%	35.32%	33.69%	33.31%	33.65%	33.87%
Research	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Public service	2.93%	2.39%	2.22%	2.35%	2.00%	2.54%	3.08%	3.12%	3.34%	4.06%	4.08%
Academic support	8.96%	9.16%	8.84%	8.37%	8.90%	8.68%	8.80%	9.38%	10.44%	9.89%	10.19%
Student services	8.16%	7.96%	7.73%	7.32%	6.18%	6.11%	6.56%	7.80%	7.69%	8.41%	8.75%
Institutional support	11.46%	11.33%	10.67%	12.74%	14.20%	12.16%	14.60%	14.26%	12.89%	12.20%	11.49%
Operation and maintenance of plant	8.29%	7.86%	8.34%	7.32%	7.44%	7.03%	8.57%	11.80%	12.41%	13.30%	12.20%
Scholarships and fellowships	9.40%	9.48%	8.26%	9.05%	10.36%	13.55%	14.19%	11.02%	8.96%	7.75%	8.65%
Auxiliary enterprises	4.24%	4.57%	4.70%	4.31%	4.11%	3.51%	3.86%	3.95%	4.22%	4.23%	3.71%
Depreciation	5.48%	5.12%	4.97%	3.65%	3.46%	3.04%	3.18%	3.08%	2.68%	2.62%	2.70%
Total Operating Expenses	92.85%	92.47%	92.10%	90.00%	89.05%	88.64%	98.17%	98.10%	95.95%	96.13%	95.66%
Interest on capital related debt	6.99%	7.38%	7.72%	9.77%	10.73%	10.92%	1.32%	1.52%	3.62%	3.33%	3.82%
Loss on disposal of fixed assets	0.12%	0.11%	0.13%	0.17%	0.18%	0.18%	0.28%	0.21%	0.24%	0.33%	0.29%
Other non-operating	0.04%	0.04%	0.04%	0.07%	0.05%	0.26%	0.23%	0.17%	0.20%	0.21%	0.23%
Total Non-Operating Expenses	7.15%	7.53%	7.90%	10.00%	10.95%	11.36%	1.83%	1.90%	4.05%	3.87%	4.34%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

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

Academic Year (Fall)	Registration Fee (per student)	In-District Tuition	Out-of-District Tuition	General Services Fee	Student Activity Fee	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
2016	\$ -	\$ 64	\$ 108	\$ 21	\$ 2	\$ 1,044	\$ 1,572	1.16%	0.77%
2015	-	64	108	20	2	1,032	1,560	0.00%	0.00%
2014	-	64	108	20	2	1,032	1,560	4.88%	4.84%
2013	-	61	103	20	1	984	1,488	2.50%	4.20%
2012	-	59	98	20	1	960	1,428	5.26%	7.21%
2011	-	55	90	20	1	912	1,332	20.63%	26.14%
2010	-	52	77	10	1	756	1,056	8.62%	12.82%
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%

**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	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
2016	\$ 150	\$ 140	\$ 140	\$ 21	\$ 2	\$ 2,106	\$ 2,106	0.57%	0.57%
2015	150	140	140	20	2	2,094	2,094	0.00%	0.00%
2014	150	140	140	20	2	2,094	2,094	4.80%	4.80%
2013	150	133	133	20	1	1,998	1,998	6.39%	6.39%
2012	150	123	123	20	1	1,878	1,878	5.39%	5.39%
2011	150	115	115	20	1	1,782	1,782	18.33%	18.33%
2010	150	102	102	10	1	1,506	1,506	31.41%	31.41%
2009	150	87	87	10	1	1,326	1,326	15.71%	15.71%
2008	150	72	72	10	1	1,146	1,146	0.00%	0.00%
2007	150	72	72	10	1	1,146	1,146	0.00%	0.00%

Note: Includes basic enrollment tuition and fees but excludes special program tuition or 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 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
CE Students	1,047	14.50%	1,278	18.59%	1,826	26.24%	1,422	22.04%	1,392	21.72%
0-30 hours	4,806	66.57%	4,357	63.37%	4,013	57.67%	3,868	59.94%	3,904	60.90%
31-60 hours	978	13.55%	912	13.27%	855	12.29%	906	14.04%	884	13.79%
> 60 hours	389	5.39%	328	4.77%	265	3.81%	257	3.98%	230	3.59%
Total	7,220	100.00%	6,875	100.00%	6,959	100.00%	6,453	100.00%	6,410	100.00%

Tuition Status	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
CE Students	1,047	14.50%	1,278	18.59%	1,826	26.24%	1,422	22.04%	1,392	21.72%
Texas Resident (in-District)	4,346	60.19%	3,861	56.16%	3,532	50.75%	3,513	54.44%	3,473	54.18%
Texas Resident (out-of-District)	1,582	21.91%	1,497	21.77%	1,326	19.05%	1,293	20.04%	1,342	20.94%
Non-Resident Tuition	219	3.03%	220	3.20%	234	3.36%	213	3.30%	171	2.67%
Tuition Exempt	26	0.36%	19	0.28%	41	0.59%	12	0.19%	32	0.50%
Total	7,220	100.00%	6,875	100.00%	6,959	100.00%	6,453	100.00%	6,410	100.00%

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

	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
<u>Credit Students:</u>					
General Academic	10,199	9,875	9,114	9,275	10,018
Technical for Credit	<u>5,327</u>	<u>4,668</u>	<u>4,719</u>	<u>4,863</u>	<u>3,871</u>
Total for Credit	15,526	14,543	13,833	14,138	13,889
<u>Non-Credit Students:</u>					
Technical (State funded)	<u>3,615</u>	<u>4,497</u>	<u>5,857</u>	<u>5,972</u>	<u>5,196</u>
TOTAL	<u>19,141</u>	<u>19,040</u>	<u>19,690</u>	<u>20,110</u>	<u>19,085</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>	
2016-17	7,220	6,633	2,779	2,509	19,141
2015-16	6,875	6,533	3,090	2,542	19,040
2014-15	6,959	7,266	2,987	2,478	19,690
2013-14	6,453	6,969	3,808	2,880	20,110
2012-13	6,410	6,764	3,384	2,527	19,085
2011-12	7,000	7,857	3,528	2,876	21,261
2010-11	7,039	6,879	4,306	2,989	21,213
2009-10	6,782	6,931	3,122	2,869	19,704
2008-09	6,623	6,455	3,148	2,363	18,589
2007-08	6,051	6,194	3,361	2,930	18,536

*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>	
2016-17	54,956	51,822	7,690	3,743	118,211
2015-16	47,512	45,135	6,340	4,488	103,475
2014-15	41,863	41,501	8,284	5,364	97,012
2013-14	45,978	40,557	8,379	4,947	99,861
2012-13	44,222	40,375	7,276	5,731	97,604
2011-12	44,115	41,361	7,626	5,431	98,533
2010-11	45,640	44,788	7,631	5,145	103,204
2009-10	44,718	44,360	7,235	5,727	102,040
2008-09	39,526	38,427	6,184	5,073	89,210
2007-08	38,169	36,714	6,643	4,858	86,384
2006-07	39,851	37,513	5,679	3,587	86,630

Annual Contact Hours Generated*

	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
<u>Credit Students:</u>					
General Academic	1,658,204	1,419,673	1,293,627	1,273,303	1,295,248
Technical for Credit	<u>772,864</u>	<u>761,454</u>	<u>717,363</u>	<u>723,664</u>	<u>714,336</u>
Total for Credit	2,431,068	2,181,127	2,010,990	1,996,967	2,009,584
<u>Non-Credit Students:</u>					
Vocational (State funded)	<u>269,205</u>	<u>243,577</u>	<u>320,832</u>	<u>307,032</u>	<u>258,006</u>
TOTAL	<u>2,700,273</u>	<u>2,424,704</u>	<u>2,331,822</u>	<u>2,303,999</u>	<u>2,267,590</u>

*Includes non-credit equivalent hours.

Statistical Supplement 7
Student Profile
Last Five Fiscal Years
(unaudited)

	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Gender										
Female	3,977	55.08%	3,684	53.59%	3,726	53.54%	3,578	55.45%	3,666	57.19%
Male	3,243	44.92%	3,191	46.41%	3,233	46.46%	2,875	44.55%	2,744	42.81%
Total	7,220	100.00%	6,875	100.00%	6,959	100.00%	6,453	100.00%	6,410	100.00%

	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Ethnic Origin										
White, Non-Hispanic	1,960	27.15%	1,815	26.40%	2,113	30.36%	1,805	27.97%	1,989	31.03%
Hispanic	4,527	62.70%	4,254	61.88%	3,889	55.88%	3,680	57.03%	3,408	53.17%
African American	313	4.34%	305	4.44%	258	3.71%	236	3.66%	174	2.71%
Asian	81	1.12%	85	1.24%	80	1.15%	54	0.84%	53	0.83%
Native American	29	0.40%	35	0.51%	39	0.56%	32	0.50%	24	0.37%
International	94	1.30%	59	0.86%	48	0.69%	41	0.64%	35	0.55%
Unknown	216	2.99%	322	4.68%	532	7.64%	605	9.38%	727	11.34%
Total	7,220	100.00%	6,875	100.00%	6,959	100.00%	6,453	100.00%	6,410	100.00%

	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Age										
Under 18	1,609	22.29%	1,583	23.03%	1,325	19.04%	1,170	18.13%	1,052	16.41%
18 -21	2,206	30.55%	1,995	29.02%	2,076	29.83%	2,089	32.37%	2,073	32.34%
22 - 24	807	11.18%	801	11.65%	846	12.16%	720	11.16%	713	11.12%
25 - 35	1,547	21.43%	1,469	21.37%	1,564	22.47%	1,420	22.01%	1,432	22.34%
36 - 50	814	11.27%	798	11.61%	850	12.21%	783	12.13%	806	12.57%
51 & over	237	3.28%	229	3.33%	298	4.28%	271	4.20%	334	5.21%
Total	7,220	100.00%	6,875	100.00%	6,959	100.00%	6,453	100.00%	6,410	100.00%

Average Age (Credit)	22.7	22.0	23.0	22.9	23.0
Average Age (CE)	37.5	36.0	35.0	36.0	37.6

**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
2016-17	\$ 7,606	4,239	\$ 1,794	1,658	773	269	2,700	\$ 2.82
2015-16	7,594	3,720	2,041	1,420	761	244	2,425	3.13
2014-15	7,351	3,590	2,048	1,293	718	321	2,332	3.15
2013-14	7,351	3,670	2,003	1,273	724	307	2,304	3.19
2012-13	6,925	3,540	1,956	1,295	714	259	2,268	3.05
2011-12	6,826	3,641	1,875	1,355	709	320	2,384	2.86
2010-11	7,844	3,792	2,069	1,415	728	318	2,461	3.19
2009-10	7,945	3,719	2,136	1,416	712	286	2,414	3.29
2008-09	8,474	3,260	2,599	1,228	650	257	2,135	3.97
2007-08	8,474	3,206	2,643	1,188	628	294	2,110	4.02

Notes:

- (a) State Appropriation reflects Unrestricted General Revenue appropriation related to student contact hour reimbursement and success p
- (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

Statistical Supplement 9
Transfers to Senior Institutions
2015 Fall Students as of Fall 2016
(Includes only public senior colleges in Texas)
(unaudited)

	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of All Odessa College Transfer Students	% of Odessa College Transfer Students
	Academic	Technical	Tech-Prep		
1 The University of Texas of the Permian Basin	405	17	47	469	53.17%
2 Texas Tech University	84	1	1	86	9.75%
3 Angelo State University	47	1	5	53	6.01%
4 Texas A & M University	48	1		49	5.56%
5 Texas State University	30	1	3	34	3.85%
6 The University of Texas at Arlington	19	3	8	30	3.40%
7 The University of Texas at Austin	24		1	25	2.83%
8 West Texas A & M University	20	3	2	25	2.83%
9 Sul Ross State University	17	2	1	20	2.27%
10 Tarleton State University	16	1	2	19	2.15%
11 The University of Texas at San Antonio	13			13	1.47%
12 University of North Texas	7	1		8	0.91%
13 Texas A & M University at San Antonio	3	3	1	7	0.79%
14 Texas Tech University Health Science Center	3		4	7	0.79%
15 The University of Texas at El Paso	4	2	1	7	0.79%
16 Sam Houston State University	4			4	0.45%
17 Texas A & M International University	3			3	0.34%
18 Texas A & M University at Corpus Christi	3			3	0.34%
19 The University of Texas at Dallas	2	1		3	0.34%
20 University of Houston	3			3	0.34%
21 University of Houston Victoria	2	1		3	0.34%
22 Stephen F Austin State University	1		1	2	0.23%
23 The University of Texas at Tyler	1	1		2	0.23%
24 Mid Western State University	1			1	0.11%
25 Texas A & M University at Commerce	1			1	0.11%
26 Texas A & M University System Health Science	1			1	0.11%
27 The University of Houston at Victoria		1		1	0.11%
28 The University of Texas M.D. Anderson Cancer Ctr	1			1	0.11%
29 The University of Texas Rio Grande Medical School	1			1	0.11%
30 The University of Texas Southwestern Medical Ctr	1			1	0.11%
Totals	765	40	77	882	100.00%

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

Fiscal Year	(amounts expressed in thousands)				Tax Rate		
	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable to Assessed Value	Maintenance & Operations (a)	Debt Service (a)	Total (a)
2016-17	15,127,818	2,557,988	12,569,830	83.09%	0.166670	0.037980	0.204650
2015-16	16,463,948	2,473,610	13,990,338	84.98%	0.156900	0.034300	0.191200
2014-15	17,171,163	2,478,347	14,692,816	85.57%	0.145000	0.031600	0.176600
2013-14	16,176,607	2,388,308	13,788,299	85.24%	0.143474	0.030651	0.174125
2012-13	14,112,228	2,123,917	11,988,311	84.95%	0.151200	0.035970	0.187170
2011-12	12,709,099	2,084,774	10,624,325	83.60%	0.158400	0.038680	0.197080
2010-11	12,082,970	2,108,081	9,974,889	82.55%	0.158400		0.158400
2009-10	11,725,808	2,417,353	9,308,455	79.38%	0.162400	-	0.162400
2008-09	11,945,389	2,544,708	9,400,681	78.70%	0.162400	-	0.162400
2007-08	9,694,085	2,063,518	7,630,567	78.71%	0.181700	-	0.181700

Property Use Category	Detailed Tax Roll For Fiscal Years				
	2016-17	2015/16	2014/15	2013/14	2012/13
Real Property					
Single-Family Residential	\$ 5,253,276	\$ 5,055,743	\$ 4,644,189	\$ 4,193,880	\$ 3,768,789
Multi-Family Residential	367,030	427,838	379,537	335,603	269,959
Vacant Lots/Tracts	164,944	160,834	158,282	129,191	103,505
Acreage (Land Only)	175,231	176,436	171,236	177,141	134,490
Farm and Ranch Improvements	75,911	80,835	91,540	78,267	15,278
Commercial and Industrial	2,611,875	2,447,306	2,318,066	2,146,725	1,723,487
Oil, Gas & Minerals	1,652,654	3,016,449	4,719,074	4,664,878	4,558,628
Inventory	91,483	115,790	89,188	84,786	62,316
Tangible Personal Property					
Business	3,131,266	3,404,492	3,144,712	2,953,609	2,220,925
Other	271,668	239,788	207,031	175,686	146,024
Real & Tangible Personal Property					
Utilities	374,932	399,497	333,248	351,922	322,520
Total Market Assessed Valuations	14,170,270	15,525,008	16,256,103	15,291,688	13,325,921
Constitutionally Exempt Values	957,548	938,940	915,060	884,919	786,307
Total Assessed Valuations	15,127,818	16,463,948	17,171,163	16,176,607	14,112,228
Less Exemptions:					
Constitutionally Exempt	957,470	938,601	914,984	883,327	786,301
Residential Homestead	768,305	738,986	681,566	629,588	591,446
Loss to 10% Cap	49,447	72,146	73,017	74,549	57,929
Over 65	157,280	152,442	147,933	146,591	145,758
Disabled/Others	38,919	37,631	34,385	30,507	29,562
Productivity Loss	171,892	173,113	167,951	173,491	94,864
Freeport Exemption	114,249	150,015	138,487	106,666	83,547
Pollution Control	153,179	145,791	151,171	150,888	149,147
Abatements	147,247	64,885	168,853	192,701	185,364
Total Exemptions	2,557,988	2,473,610	2,478,347	2,388,308	2,123,918
Taxable Assessed Valuation	\$ 12,569,830	\$ 13,990,338	\$ 14,692,816	\$ 13,788,299	\$ 11,988,310

**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)										
		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	
Halliburton Energy Services	Oil & Gas	\$ 311,773	\$ 272,607	\$ 298,503	\$ 265,719	\$ 238,475	\$ 132,610					
Odessa-Ector Power Partners	Utility	267,800	232,217	235,002	247,462	251,858	316,562	226,811	191,925	191,713	-	
Occidental Permian LTD	Oil & Gas	267,497	255,922	465,399	773,121	810,640	677,300	671,537	722,406	665,706	845,024	
ONCOR Electric Delivery	Utility	167,470	146,451	136,615	-	-	-	-	-	80,011	84,067	
Fasken Oil & Ranch LTD	Oil & Gas	148,227	127,667	281,811	177,672	-	-	-	-	-	-	
FDL Operating LLC	Oil & Gas	139,120	-	-	-	-	-	-	-	-	-	
ConocoPhillips Company	Oil & Gas	124,152	-	182,564	331,184	375,281	382,053	401,298	457,937	350,225	372,529	
COG Operating	Oil & Gas	115,183	-	-	-	-	235,003	190,344	94,093	-	-	
Cer-Quail Run Energy Partnership LP	Utility	84,019	111,946	-	-	-	-	-	-	-	-	
Oxy USA WTP LP	Oil & Gas	80,523	-	-	164,270	206,678	244,011	223,194	225,445	232,478	296,757	
Reliance Energy Inc	Oil & Gas		108,601	166,223	182,825	-	-	-	-	-	-	
Nabors Lux Finance 2	Oil & Gas		101,955	-	-	-	-	-	-	-	-	
Ector County Energy Center LLC	Utility		101,000	-	-	-	-	-	-	-	-	
Devon Energy Production	Oil & Gas		89,048	178,711	302,219	222,788	256,806	203,373	126,613	-	-	
XTO Energy	Oil & Gas			177,394	285,375	197,932	243,275	308,732	296,139	278,509	313,628	
Apache Corporation	Oil & Gas			115,668	274,700	265,774	264,552	236,650	236,130	160,352	286,547	
Sheridan Production Co	Oil & Gas					194,557	-	-	-	-	-	
Chevron USA Inc.	Oil & Gas					175,878	-	-	-	-	-	
Sandridge Exploration & Prod	Oil & Gas						244,663	211,724	179,281	-	-	
Oxy USA Inc.	Oil & Gas							82,994	-	97,017	129,370	
Energen Resources	Oil & Gas								95,603	77,649	100,632	
Four Star Oil and Gas	Oil & Gas									78,154	116,096	
Flint Hills/Huntsman Polmers Corp.	Chemicals										180,234	
Totals		\$ 1,705,764	\$ 1,547,414	\$ 2,237,890	\$ 3,004,547	\$ 2,939,861	\$ 2,996,835	\$ 2,756,657	\$ 2,625,572	\$ 2,211,814	\$ 2,724,884	
Total Taxable Assessed Value		\$ 12,908,617	\$ 13,990,337	\$ 14,692,816	\$ 13,788,295	\$ 11,988,311	\$ 10,624,325	\$ 9,974,889	\$ 9,308,455	\$ 9,400,680	\$ 7,630,567	

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year										
		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	
Halliburton Energy Services	Oil & Gas	2.42%	1.95%	2.03%	1.93%	1.99%	1.25%	-	-	-	-	
Odessa-Ector Power Partners	Utility	2.07%	1.66%	1.60%	1.79%	2.10%	2.98%	2.27%	2.06%	2.04%	-	
Occidental Permian LTD	Oil & Gas	2.07%	1.83%	3.17%	5.61%	6.76%	6.37%	6.73%	7.76%	7.08%	11.07%	
ONCOR Electric Delivery	Utility	1.30%	1.05%	0.93%	-	-	-	-	-	0.85%	1.10%	
Fasken Oil & Ranch LTD	Oil & Gas	1.15%	0.91%	1.92%	1.29%	-	-	-	-	-	-	
FDL Operating LLC	Oil & Gas	1.08%	-	-	-	-	-	-	-	-	-	
ConocoPhillips Company	Oil & Gas	0.96%	-	1.24%	2.40%	3.13%	3.60%	4.02%	4.92%	3.73%	4.88%	
COG Operating	Oil & Gas	0.89%	-	-	-	-	2.21%	1.91%	1.01%	-	-	
Ector County Energy Center LLC	Utility	0.65%	0.80%	-	-	-	-	-	-	-	-	
Oxy USA WTP LP	Oil & Gas	0.62%	-	-	1.19%	1.72%	2.30%	2.24%	2.42%	2.47%	3.89%	
Nabors Lux Finance 2	Oil & Gas	-	-	-	-	-	-	-	-	-	-	
Ector County Energy Center LLC	Utility	-	-	-	-	-	-	-	-	-	-	
Devon Energy Production	Oil & Gas	-	-	1.22%	2.19%	1.86%	2.42%	2.04%	1.36%	-	-	
XTO Energy	Oil & Gas	-	-	-	2.07%	1.65%	2.29%	3.10%	3.18%	2.96%	4.11%	
Sheridan Production Co	Oil & Gas	-	-	-	-	1.62%	-	-	-	-	-	
Apache Corporation	Oil & Gas	-	-	-	-	2.22%	2.49%	2.37%	2.54%	1.71%	3.76%	
Chevron USA Inc.	Oil & Gas	-	-	-	-	-	-	-	-	-	-	
Sandridge Exploration & Prod	Oil & Gas	-	-	-	-	-	2.30%	2.12%	1.93%	-	-	
Oxy USA Inc.	Oil & Gas	-	-	-	-	-	-	0.83%	-	1.03%	1.70%	
Energen Resources	Oil & Gas	-	-	-	-	-	-	-	1.03%	0.83%	1.32%	
Four Star Oil and Gas	Oil & Gas	-	-	-	-	-	-	-	-	0.83%	1.52%	
Flint Hills/Huntsman Polmers Corp.	Chemicals	-	-	-	-	-	-	-	-	-	2.36%	
Totals		13.21%	11.06%	15.23%	21.79%	24.52%	28.21%	27.64%	28.21%	23.53%	35.71%	

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
2016	157,462	(a)	(a)	6.4%
2015	159,436	\$ 7,303,176	\$ 45,806	4.6%
2014	153,904	7,244,097	47,069	3.4%
2013	149,378	6,597,699	44,168	4.3%
2012	144,325	6,162,376	42,698	4.6%
2011	140,111	5,378,120	38,385	6.1%
2010	137,130	4,752,997	34,653	8.3%
2009	134,625	4,515,835	33,544	6.2%
2008	131,180	4,731,242	36,067	3.4%
2007	128,874	4,197,617	32,571	4.2%

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